

Tapes48-49 (A)
Work Session HB 3077,
HB 3048

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON PROPERTY TAXATION
May I, 1991 8:00 AM Hearing Room A State Capitol Building

Members Present: Representative Fred Parkinson, Chair Representative Kelly Clark (arrived 8:15) Representative Carl Hosticka Representative Jim Whitty

Member Excused: Representative Delna Jones
Staff Present: Jim Scherzinger, Legislative Revenue Officer
Steve Bender, Legislative Revenue Office
Linda Leach, Committee Assistant

Witnesses Present: Jim Shannon, Municipal Debt Advisory Commission (MDAC)
Chuck Smith, Oregon State Treasury Bob Muir, Department of Justice Glenn Klein, City of Eugene

TAPE 48 SIDE A

005 CHAIR PARKINSON called the meeting to order at 8:10.

WORK SESSION - HB 3077

007 REP. HOSTICKA reviewed Proposed Amendments to HB 3077-1 dated 4/25/91 which remove tax on all types of amusement devices except for games of chance (example chance game: video poker). The tax on games of chance is increased to \$500. for revenue neutrality. Exhibit 1

025 Questions and discussion.

032 MOTION REP. HOSTICKA moved adoption of Proposed Amendments to House Bill 3077-1, dated 4/25/91.
039 ORDER There being no objection, CHAIR PARKINSON so ordered.
035 MOTION REP. HOSTICKA moved HB 3077 as amended to the full committee with a do pass recommendation.
040 VOTE In a roll call vote, the motion was adopted (3-0).
AYES: Rep. Hosticka, Rep. Whitty, Rep. Parkinson.
EXCUSED: Rep. Clark, Rep. Jones.

These minutes paraphrase end/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.
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304 8

047 JIM SCHERZINGER referred to Proposed Amendments to HB 30486 dated 4/30/91 and an updated HB 3048 Policy Summary (policies reflected in HB 304 8-6). Exhibits 4, 5

060 JIM SCHERZINGER described a meeting with Legislative Revenue, Legislative Counsel, State Treasury and Department of Justice to review areas as discussed in previous Revenue Meetings which resulted in HB 304 8-6 Proposed Amendments.

074 JIM SCHERZINGER reviewed two significant changes in the updated HB 3048 Policy Summary. Expanding authority to make economic improvement assessments to all districts having authority to make assessments for local improvements was deleted (this was not the intent - intended for cities). The policy to expand authority to issue bancroft bonds to all local districts having authority remains in proposed amendments (in a clarified way).

096 JIM SHANNON explained three levels of analysis of dealing with HB 3048.
1) The authority of a local government to perform a governmental function.
2) If a local government has the ability to perform a public function, then does the local government have the power to finance the performance of that public function. He provided examples.

3) If the local government has the authority to perform a public function and also has the authority to finance the performance of that public function, then the details of how indebtedness is incurred is an issue.

145 CHUCK SMITH reviewed Bancroft Bonds - Selected Features of NonVoted Issues. Exhibit 6

183 CHUCK SMITH answered Rep. Parkinson's question and noted no circumvention to Ballot Measure 5 is in HB 3048.

187 JIM SCHERZINGER pointed out a policy in Proposed Amendments HB 3048-6 as requested by the committee in Section 119 which requires a statement on a ballot if a measure appears for approval of bond issuance outside the limits of Measure 5.

205 Questions and discussion regarding mechanics of ballot titles, questions and body.

246 REP. WHITTY wanted concise language and placement of words (Section 119) .

280 Questions and discussion.

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348 JIM SCHERZINGER continued his review of Proposed Amendments HB 30486. He pointed out a minor correction on page 2, section 3, line 1 223.005 should be 223.205.

373 JIM SCHERZINGER reviewed page 3 which rewrites the definition of governmental unit for purposes of chapter 223 (does not include schools). ,408 Questions and discussion regarding definition of governmental unit.

419 REP. WHITTY questioned language of municipality and if the language covered joint municipalities.

430 BOB MUIR explained that Rep. Whitty's concern would be captured under quasi-municipal or public corporation.

439 Questions and discussion.

TAPE 49 SIDE

A

001 JIM SCHERZINGER reviewed economic improvement districts in HB 30486. Questions and discussion interspersed.

077 JIM SCHERZINGER reviewed bancroft bonding form and style changes on page 5. Exhibit 4

087 JIM SCHERZINGER noted a minor correction on page 13, line 8 (subsection 2 should be subsection 3).

096 JIM SCHERZINGER reviewed Section 18, page 17 which converted from a semi-annual to a periodic payment and a change back to one year on line 22 for delinquent status (from proposed 60 days).

113 BOB MUIR explained a decision not to change debt limitations as suggested by the committee and referred to Section 18. Exhibit 4, page 17
140 JIM SCHERZINGER continued review of Proposed Amendments to HB 30486 (page 53) relating to state and local bonds - Chapter 287. He discussed differences between general obligation bonds and limited tax bonds.
155 JIM SCHERZINGER reviewed Sections 97, 99, 100 and 101. He explained why Section 118 was deleted. He pointed out reference changes.

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265 JIM SCHERZINGER reviewed Section 121 proposed amendments (repealed sections).
273 REP. PARKINSON pointed out Proposed Amendments to HB 3048 dated 5/1/91 from the City of Eugene. Exhibit 7
291 JIM SCHERZINGER reviewed amendment from the City of Eugene which would allow credit agreements to be considered general obligation bonds. He reviewed requirements for general obligation bonds (considered outside the limits of Measure 5).
298 Questions and discussion.
325 GLENN KLEIN reviewed Proposed Amendments to HB 3048 from the City of Eugene which is the definitional part of a previous amendment submitted to the subcommittee. Exhibit 7
350 CHAIR PARKINSON suggested City of Eugene's amendments (in Legislative Counsel form) be submitted to the full committee on Friday, May 3, 1991.
360 CHAIR PARKINSON pointed out the Ballot Title language (section 119) would be dealt with in full committee on Friday, May 3, 1991.
358 MOTION REP. WHITTY moved adoption of Proposed Amendments to HB 3048-6, dated 4/30/91 with minor corrections as noted by Jim Scherzinger.
365 ORDER There being no objection, CHAIR PARKINSON so ordered.
387 MOTION REP. WHITTY moved HB 3048 as amended to the full committee with a do pass recommendation.
DISCUSSION.
417 VOTE In a roll call vote, the motion was adopted (4-0).
AYES: Rep. Hosticka, Rep. Whitty, Rep. Clark,
Rep. Parkinson. EXCUSED: Rep. Jones.
421 CHAIR PARKINSON adjourned the meeting at 9:07.

Linda Leach, Committee Assistant
Kimberly Taylor, Office Manager

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EXHIBIT SUMMARY

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1. Proposed Amendments to HB 3077-1, 4/25/91, Rep. Hosticka - HB 3077
2. Memo from Steven Bender, HB 3077-1 Amendments, 4/30/91 - HB 3077
3. Information from League of Oregon Cities, 4/29/91 - HB 3077
4. Proposed Amendments to HB 3048-6, 4/30/91, State Treasury/LRO - HB
5. HB 3048 Policy Summary, LRO, 5/1/91 - HB 3048
6. Bancroft Bonds, State Treasury, 5/1/91 - HB 3048
7. Proposed Amendments to HB 3048, 5/1/91, Glenn Klein - HB 3048

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