

Tapes 5- 7(A)

CONFERENCE COMMITTEE ON HB 2550

June 24, 1991 8:30 AM Hearing Room A State Capitol Building

Members Present: Representative Delna Jones, Chair Senator Jane Cease  
Senator John Brenneman Senator Bill McCoy Representative Beverly Clarno  
Representative Jim Whitty Staff Present: Jim Scherzinger, Legislative  
Revenue Officer Steve Bender, Legislative Revenue Office Marlene  
Stickley, Committee Assistant Witnesses Present: Marge Kafoury, City of  
Portland B.J. Smith, League of Oregon Cities (LOC) Gary Carlson,  
Association of Oregon Counties (AOC) TAPE 5 SIDE A 005 CHAIR JONES  
called the meeting to order at 9:14 and conducted administrative  
business. 006 CONSENSUS Chair Jones noted no objection to adopt the  
proposed amendments to HB 2550-B91 with the exception of lines 16-18 on  
page 2. Exhibit 1 015 JIM SCHERZINGER explained the proposed HB  
2550-B90 amendments. Exhibit 2 Discussion interspersed. 112 MOTION Sen.  
Cease moved the committee adopt the proposed HB 2550B90 amendments. 114  
ORDER There being no objection, Chair Jones so ordered. 122 CHAIR JONES  
conducted administrative business and questioned Section 267 of HB  
2550B regarding amusement device tax in relation to Ballot Measure 5.

137 SEN. CEASE explained why the Senate changed the amusement device

These minutes paraphrase and/or summarize statements made during this  
meeting. Text enclosed in quotation marks report the speakers exact  
words. For complete context of proceedings, please refer to the tape  
recording. Conference Committee on HB 2550 June 24, 1991 Page 2 tax to a  
privilege tax. 155 Questions and discussion followed regarding  
amusement devices. 175 STEVE BENDER noted the following could be  
deleted from HB 2550B: -page 140, lines 33-34 which sets the excise for  
amusement device -page 141, line 5 regarding temporary permit -page 142,  
lines 5-6 (this deletion would leave the tax at \$100 dollars for games  
of chance) -page 142, line 15 relating to the penalty 194 CHAIR JONES  
questioned if the remaining language in HB 2550B would require video  
poker machines to follow current statute provisions regarding amusement  
device. 201 STEVE BENDER responded as long as the video poker machines  
were not owned by the Lottery Commission. 204 Questions and discussion  
interspersed regarding the definition of games of chance. 225 STEVE  
BENDER referred to page 140, line 37-39, noting this language was added  
to clarify that if a video lottery were established that the tax would  
apply to those machines as well. 230 Questions and discussion continued  
regarding the definition for games of chance. 260 CHAIR JONES felt the  
reference to lottery and games of chance should be removed from HB 2550B  
and be dealt with in existing law. 265 Questions and discussion  
followed regarding amusement device tax and privilege tax. 279 STEVE  
BENDER clarified that the machine owner pays the tax under current law  
and changing to a privilege tax would require the operator, or person  
displaying, to pay the tax. 281 CHAIR JONES requested amendments be  
drafted to have video poker machines pay the same tax imposed in current  
law. 273 STEVE BENDER explained the current distribution as 50 percent  
going to the Youth Conservation Core (YCC), 30 percent to state General  
Fund, and 20 percent to counties based on population. 280 Questions and  
discussion regarding the distribution of amusement tax. 286 REP. WHITTY  
summarized past testimony regarding amusement device tax and expressed  
his concern not to increase the tax on games of chance.

These minutes paraphrase and/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. Conference Committee on HB 2550 June 24, 1991 Page 3 324 Discussion followed regarding the amusement device tax being increased and the funding.

405 CHAIR JONES expressed her concern regarding the taxation of video type machines and felt it should not to be a state issue. TAPE 6, SIDE A 001 CHAIR JONES continued with her concerns regarding the taxation of video type machines. 605 SEN. MCCOY questioned the fees imposed regarding video machines. 014 MARJE KAFOURY described fees imposed by the City of Portland in relation to video machines and explained the machine requirements. 030 Questions and discussion interspersed. 038 BJ SMITH mentioned most areas have some type of amusement device tax and explained differences. 057 Discussion among members regarding the privilege tax amount and relating revenue impact. 101 CHAIR JONES noted the need for further discussion regarding the privilege tax amount. 112 CHAIR JONES identified committee issues still in conflict: amusement device tax -farm income test 121 Discussion among members regarding the farm income test. 137 REP. CLARNO felt the Farm Bureau does not represent the entire farm interests and concerns, suggested an interim study. 149 CHAIR JONES referred to the list of Senate changes to HB 2550A with questions and discussion interspersed, noting agreement between members regarding the first 3 issues. Exhibit 3 190 CHAIR JONES offered a compromise of July 20 for the personal and industrial property return deadline. Exhibit 3 200 GARY CARLSON suggested the committee leave the July 15 deadline instead of changing the date. 220 CONSENSUS Chair Jones noted consensus of the committee to keep the personal and industrial property return deadline at July 15. 227 CHAIR JONES clarified the \$10 fee would be allowed for certification of mobile home taxes. Exhibit 3

These minutes paraphrase and/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. Conference Committee on HB 2550 June 24, 1991 Page 4

248 CHAIR JONES noted agreement regarding the property restriction and to include partial exemptions with the interim study on gross income test and timber taxes. Exhibit 3 285 CHAIR JONES clarified concurrence to convert all penalties back to additional taxes, allow allocation of losses from multiple levies, and lower trigger point for spreading refunds. 299 CHAIR JONES commented that the collection of sewer fees and definition of taxes or fees not subject to Measure 5 have been resolved. Exhibit 3 303 CHAIR JONES recapped the issues left to resolve: farm income test, amusement device, and applying the limits of Measure 5. Exhibit 3 337 NOTION Sen. Brenneman moved the committee adopt the proposed HB 255 0-B89 amendments. Exhibit 4 322 JIM SCHERZINGER explained the proposed HB 2550-B89 amendments reduce the amount a county is required to place in the county school fund in relation to compression of Ballot Measure 5. Exhibit 4 336 SEN. BRENNEMAN commented regarding his district in relation to the limits of Ballot Measure 5. 359 Questions and discussion followed regarding the impact on special education. Exhibit 4 363 CHAIR JONES conducted administrative business, noting Sen. Brenneman's motion is still before the committee and recessed the meeting at 10:11. TAPE 7.SIDE A 001 CHAIR JONES reconvened the meeting at 3:44. 003 CHAIR JONES reconfirmed

the issues still unresolved: amusement tax amount, gross income test for farm use assessment, application of Measure 5 limits to all special assessed properties and the issue of school county fund. 027 JIM SCHERZINGER presented the proposed HB 2550-B93 amendments. Exhibit 5 036 MOTION Sen. Brenneman moved the committee adopt the proposed HB 2550-B93 amendments with the removal of "state" on line 5. Exhibit 5 040 ORDER There being no objections, Chair Jones so ordered.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact word=. For complete context of proceedings, please refer to the tape recording. Conference Committee on HB 2550 June 24, 1991 Page 5

041 CHAIR JONES adjourned the meeting at 3:48.

Marlene Stickley, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed Amendments to HB 2550-B91, 6/22/91 - HB 2550 2. Proposed Amendments to HB 2550-B90, 6/22/91 - HB 2550 3. Major Senate Changes to HB 2550A, LRO, 6/21/91 (See Exhibit 1 from 6/21/91 Conference Committee Meeting) - HB 2550 4. Proposed Amendments to HB 2550-B89, 6/22/91 - HB 2550 5. Proposed Amendments to HB 2550-B93, 6/24/91 - HB 2550 6. Correspondence, P. Barton DeLacy, 6/21/91 - HB 2550

These minutes paraphrase and/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.