

Tapes 193-194, (A)

Public Hearing: HB 3048A

Work Session: HB 3048A

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

June 11, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair

Senator Joan Dukes, Vice Chair

Senator John Brenneman (arrived 1:50)

Senator Shirley Gold

Senator Ron Grensky

Senator Bill McCoy

Senator Tricia Smith

Staff Present: Jim Scherzinger, Legislative Revenue Officer

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Chuck Smith, Treasury Department

Jim Shannon, Municipal Debt Advisory Commission (MDAC)

Bob Muir, Attorney General's Office

B.J. Smith, League of Oregon Cities (LOC)

TAPE 193 SIDE A

005 CHAIR CEASE called the meeting to order at 1:28 and conducted administrative business.

PUBLIC HEARING AND WORK SESSION - HB

304 8A

030 JIM SCHERZINGER explained HB 3048A with reference to the Staff Measure Summary. Reference is made to the Oregon Municipal Debt Advisory Commission recommendations that have shown up in HB 2550A with the remaining found in HB 3048A. EXHIBIT 1

107 JIM SCHERZINGER continued addressing the Staff Measure Summary while explaining HB 3048A. Discussion and questions are interspersed.

170 SEN. DUKES questioned "conduit" financing. Discussion follows.

180 SEN. DUKES clarified the money can be approved by the voters and questioned the Measure 5 exclusion of bonded indebtedness.

191 JIM SCHERZINGER responded that the taxes for repaying bonded indebtedness can be outside the limits of Measure 5 because of: 1) debt authorized by Oregon Constitution; 2) the bonded debt has to be General Obligation (GO) bonds which have restrictions; 3) voter approved; 4) for capital construction.

These minutes paraphrase and/or summarize statements made during this meetings. 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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220 Discussion follows regarding the difference between GO bonds and Limited Obligation Bonds.

240 JIM SHANNON presented an historical overview of development of HB 3048A by the MDAC. HB 3048A attempts to give local governments options of what could be done if debt is established.

300 CHUCK SMITH presented a Section by Section description of HB 3048A. EXHIBIT 2

313 CHUCK SMITH also presented a chart illustrating Bancroft Bonds. EXHIBIT 3

330 CHUCK SMITH commented on the seven recommendations presented by MDAC in HB 3048A. The first recommendation is found in Section 7 in HB 3048A dealing the Bancroft Bonding option with reference to EXHIBIT 3.

412 SEN. SMITH asked if sources of revenue must be listed on the ballot when a local government uses other sources to pay off a bond.
427 CHUCK SMITH responded Bancroft bonds have not been voted obligation bonds.
432 Discussion follows regarding a limitation of size of a Bancroft bond.
TAPE 194 SIDE A
028 CHUCK SMITH addressed the second recommendation of MDAC with reference to negotiated bonds in Section 95, Page 31 of HB 3048A. Discussion and questions are interspersed. Reference is made to the definition of an "expert advisor".
079 CHUCK SMITH explained a third recommendation by MDAC dealing with the pledge of "revenues other moneys". An example was presented explaining the use of Revenue Bonds in the State of Oregon. Section 103, Page 37, HB 3048A
106 CHUCK SMITH discussed Special Assessment Bonds in Section 14, Page 7, of HB 3048A.
133 CHAIR CEASE asked for clarity in Section 103, Page 37 dealing with the distinction between current language in subsection (a) and (b).
147 BOB MUIR explained currently the revenue stream for revenue bond is from the facility to be built. HB 3048A will expand the sources of revenue to other potential revenue streams that the issuer has available.
183 CHUCK SMITH addressed the fifth recommendation from MDAC regarding Refunding Bonds in Section 100, Page 34 in HB 3048A.

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202 CHUCK SMITH discussed the sixth recommendation regarding extending credit in Section 101, Page 35 in HB 3048A.
228 CHUCK SMITH explained the seventh recommendation of debt financing review which is found throughout HB 3048A.
239 CHUCK SMITH discussed an expansion of local government investment pool as recommended by the State Treasury.
276 B.J. SMITH presented HB 3048-A10 amendments dealing with how applications are received by a city for Bancrofting which gives a lower interest rate for building capital improvement. Reference is made to a situation of specially assessed or partially assessed property in Medford.
EXHIBIT 4
352 CHAIR CEASE pointed out the reference to the appraiser statute is correct in the proposed amendment. EXHIBIT 4
372 SEN. SMITH questioned the economic improvement districts in Section 5, subsection 2c, Page 3 HB 3048A. Discussion follows.
398 CHAIR CEASE conducted administrative business and adjourned the meeting at 2:29.

Mary Ann Zimmermann, Committee Assistant
Kimberly Taylor Office Manager
EXHIBIT SUMMARY

1. Staff Measure Summary, LRO, 6/11/91 - HB 3048A
2. Description of HB 3048A, Chuck Smith, 6/11/91 - HB 3048A
3. Chart on Bancroft Bonds, Chuck Smith, 6/11/91 - HB 3048A
4. Proposed Amendment HB 3048-A10 (LC 3437), 6/6/91 - HB 3048A
5. Revenue Analysis, LRO, 5/8/91 - HB 3048A

6. Fiscal Impact, LFO, 5/9/91 - HB 3048A

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