

Tapea 213-15 (A/B)
Public Hearing HB 3378A
HB 3416A, HB 2130B
Work Session HB 2352A, HB
337 8A, HB 3416A, HB 2130B
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE
June 24, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair Senator Joan Dukes, Vice Chair
(1:50 arrival, 3:00 departure) Senator John Brenneman Senator Shirley Gold
(1:50 arrival) Senator Ron Grensky Senator Bill McCoy Senator Tricia Smith
(1:40 arrival)

Staff Present: Dick Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Mary Ann Zimmerman, Committee Assistant

Witnesses Present: Representative Marie Bell, District 41

Senator Larry Hill, District 21
Richard Weinman, City of Eugene
Linda Lynch, City of Eugene
Peter Grundfossen, Association of Oregon Housing
Authorities
Bruce Anderson, Oregon Home Builders Association
Michael Grainey, Department of Energy
Representative Bill Dwyer, District 42
Senator Dick Springer, District 6
Jim Anderson, Pacific Power
Sara Baker-Sifford, Oregon Rural Electric
Cooperative Association
Dick Feeney, Tri-Met
Roxanne Summers, City of Corvallis
Al Jasso, Public Utilities Commission (PUC)
Susan Schneider, City of Portland
George Richardson, Northwest Natural Gas

TAPE 213 SIDE A

007 CHAIR CEASE called the meeting to order at 1:34 and conducted
administrative business.

HB 3416A - PUBLIC
HEARING

020 REP. MARIE BELL testified in support of HB 3416A dealing with tax
exemption for low-income housing.

These minutes paraphrase and/or summarize statements made during this
meetings. Text enclosed in quotation marka reports the speakera exact
worda. For complete context of proceedings, please refer to the tape
recording.

Senate Committee on
Revenue and School
Finance

June 26, 1991 Page 2

051 SEN. LARRY HILL appeared before the committee in support of HB 3416.
072 RICHARD WEINMAN discussed long term low-income housing. Reference was
made to a ten-year exemption being an obstacle to obtaining a loan.
088 REP. BELL addressed the issue of getting people off the streets into
low-income housing and eventually into buying affordable housing.
100 Discussion followed regarding the background of HB 3416A.
115 STEVE MEYER explained HB 3416A amended existing law dealing with low
income housing. Reference was made to Section 2, where an exemption was
granted to property that was either occupied or unoccupied and offered for
rental to a low income person; a sunset in 2,000; offered to a nonprofit
corporation; and a limit on monies used of rent paid.

140 STEVE MEYER explained the contents of HB 3416A and the changes to current law.

179 LINDA LYNCH suggested that HB 3416A authorize permissive legislation for local governments to make these decisions. A taxing decision could not be made without the people involved agreeing. The City of Eugene asked that the exemption last longer and apply to a wider variety of properties.

185 RICHARD WEINMAN addressed the issue of low-income housing in the City of Eugene.

215 LINDA LYNCH presented proposed amendments HB 3416-A3. EXHIBIT 1

226 LINDA LYNCH presented a hand-engrossed version of HB 3416A with the proposed HB 3 41 6-A3 amendments (EXHIBIT 1). EXHIBIT 2

245 STEVE MEYER discussed the revenue impact of the amendments.

Discussion followed.

268 SEN. MCCOY asked why they wanted to increase the length of the exemption from 10 to 20 years.

Discussion followed.

292 PETER GRUNDFOSSEN noted that the low-income housing was not only an issue for the City of Eugene but was a statewide issue. There must be subsidies for low income housing and this was provided with HB 3416A.

330 PETER GRUNDFOSSEN urged support of HB 3416A and the proposed amendments in EXHIBIT 1.

These minutes paraphrase and/or summarize statements made during this meetings. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

Senate Committee on

Revenue and School Finance

. June 26, 1991 Page 3

368 BRUCE ANDERSON testified in support of HB 3416A which will help the low income housing issue in the State of Oregon. HB 3416-A3 amendments would add flexibility to the low-income housing because people would have the ability to move up.

415 Discussion followed.

TAPE 214 SIDE A

HB 3378A - PUBLIC HEARING AND WORK SESSION

030 STEVE MEYER presented HB 3378A.

042 PETER GRUNDFOSSEN testified in support of HB 3378A explaining the bill extended tax exemption for housing authority property leased or rented to persons of lower income for housing purposes. EXHIBIT 4

060 SEN. SMITH asked if the federal government required the tenants to be tax exempt before they were classified as low income.

072 PETER GRUNDFOSSEN responded the housing had to be affordable for families earning 60% of median income.

078 PETER GRUNDFOSSEN continued addressing the importance of HB 3378A.

100 RICHARD WEINMAN testified in support of HB 3378A with an explanation of the low-income housing issue in the City of Eugene.

125 PETER GRUNDFOSSEN noted that the Oregon Home Builders Association supported HB 3378A.

135 MOTION SEN. MCCOY moved HB 3378A to the floor of the Senate

with a do pass recommendation.

140 VOTE In a roll call vote the motion passed (7-0).

AYES:

Senator Smith, Brenneman, Gold, Grensky, McCoy,

Dukes,

Cease.

HB 2352A - WORK

SESSION

179 DICK YATES summarized HB 2352A as the taxation of pension income. HB 235 2 deletes out of current law the provisions for up to a \$5,000 exclusion for federal retirement income, and deletes for persons under 62 years the tie to the amount of the exclusion for earned income. The result of HB 235 2A is that Oregon taxes all pension the same as any other income. The bill provides for a new pension credit no matter what the source of retirement income is. Example: Joint returns -begin with \$15,000, subtract social security, using the smaller number of what is left over after making that calculation or the taxpayers pension, which ever is smaller, multiply that number by 9%, which equals the joint return pension credit. The rationale is that most people are in the higher income bracket. Example: Single return -

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.

Senate Committee on
Revenue and School
Finance

June 26, 1991 Page 4

begin with \$7,500, subtract social security, using the smaller number of what is left over after making that calculation or the taxpayers pension, which ever is smaller, multiply that number by 9%, which equals the single return pension credit.

315 DICK YATES explained HB 2352-A15 amendments dealing with the phasing out of the program for household income over \$15,000 which channels the tax relief to low-income individuals. EXHIBIT 5

352 SEN. DUKES questioned a double exemption with reference to social security.

365 DICK YATES responded there was no double exemption and explained how HB 235 2A related to Social Security.

396 DICK YATES continued explaining the amendments in EXHIBIT 5 with reference to Sections 11 and 12.

TAPE 213 SIDE

B

015 MOTION SEN. MCCOY moved to adopt HB 2352-A15 (LC 1943) amendments dated 6/22/91. EXHIBIT 5

017 CONSENSUS CHAIR CEASE noted no objection to the motion.

020 MOTION SEN. MCCOY moved HB 2352A as amended to the floor of the

Senate with a dopass recommendation.

022 VOTE In a roll call vote the motion passed (5-2).

AYES:

Senators Gold, McCoy, Smith, Dukes, Cease. NAYS:

Senators Brenneman, Grensky.

HB 2130B - PUBLIC HEARING AND WORK

SESSION

030 MICHAEL GRAINEY presented prepared testimony in support of HB 2130B. HB 213 0 changes Oregon's business energy tax credit to allow utilities to earn a tax credit for alternative motor fuels, allows utilities to advance the value of the tax credit that an industrial customer earns by installing an energy project, extends the business energy tax credit to subsidiaries that own commercial property and buildings, and extend the credit to employer expenses to subsidize employee's use of mass transit or carpools. EXHIBIT 6

140 MICHAEL GRAINEY presented amendment HB 2130-B15 containing mass transit incentives and an additional subcap of \$2 million. EXHIBIT 7

150 SEN. SMITH questioned the if the utilities' ability to get a tax credit for their own energy conservation measures have a cap.

165 MICHAEL GRAINEY responded no.
Questions and discussion

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.

Senate Committee on
Revenue and School
Finance

June 26, 1991 Page 5

172 SEN. GRENSKY voiced concerns once tax credits for transportation are taken the programs will end.

183 MICHAEL GRAINEY responded it is a valid concern but the issue is important in reference to energy. Reference is made to a chart on Page 6, EXHIBIT 6 dealing with projected energy savings costs with the passage of HB 2130B.

208 Discussion follows regarding the energy savings involved with HB 2130B
219 REP. BILL DWYER testified in support of HB 2130B with emphasis on the energy savings.

228 SEN. SPRINGER testified in support of HB 2130. Prepared testimony was presented. EXHIBIT 8

Question and discussion

265 JIM ANDERSON testified in support of HB 2130B in that form. ANDERSON noted concerns with an additional \$2 million subcap, however, he noted the committee is asked to deal with the amendment as the committee desires and to pass the bill.

290 Discussion followed

317 SARA BAKER-SIFFORD testified in support of HB 2130B, however, expressed concerns with HB 2130B-15 amendments regarding employee subsidies for Tri-Met.

Questions and discussion regarding concerns with possible future growth of the public/private transportation portion of the bill and utilities receiving tax credits for conservation efforts.

TAPE 214 SIDE B

044 DICK FEENEY testified in support of HB 2130B and proposed amendments B-15. Discussion included carpools/vanpools. EXHIBIT 9

107 ROXANNE SUMMERS testified in support of HB 2130B. SUMMERS stressed the importance of carpool/vanpool amendments and presented an overview of the impact of mass transit in the city of Corvallis.

Questions and discussion

178 AL JASSO clarified the PUC amendments were prepared in response to amendments that would have been prepared by Mr. Nelson, however, due to an incorrect relating to clause neither set were valid. EXHIBIT 10

200 SUSAN SCHNEIDER testified in support of HB 2130B and the B15 proposed amendments. EXHIBIT 7

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.

Senate Committee on
Revenue and School
Finance

June 26, 1991 Page 6

219 CHAIR CEASE conducted administrative business

223 GEORGE RICHARDSON testified in support of HB 2130B. RICHARDSON discussed the progress of the bill through the 1991 Legislature thus far and support for the bill. He observed the real issue before the committee was whether or not transit passes and vehicle carpooling should also be

included in the bill and qualify for the business energy tax credit. He supported HB 2130B being passed out of committee without the B-15 amendments. RICHARDSON presented a description of NW Natural Gas' program encouraging its employees to use mass transit. RICHARDSON commented on the issue of the State paying for something that is already being done by business. EXHIBIT 11

256 Questions and discussion on use of mass transit

278 Questions and discussion on federal support of the subsidy program.

362 NOTION SEN. SMITH moved to adopt HB 2130-B15 (LC 924) dated 6/19/91.

EXHIBIT 7

365 DISCUSSION

400 VOTE In a roll call vote the motion failed (2-4). AYES:

Senator Gold, Smith. NAYS: Senators Grensky, McCoy, Brenneman, Cease. Senator Dukes was excused.

454 MOTION SEN. SMITH moved HB 2130B to the floor with a do pass recommendation.

VOTE In a roll call vote the motion passed (6-0). AYES:

Senators Grensky, McCoy, Smith, Brenneman, Gold, Cease. Senator Dukes was excused.

469 CHAIR CEASE noted for the record an explanation of her no vote on amendment B-15.

042 CHAIR CEASE adjourned the meeting at 3:28.

Mary Ann Zimmerman, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Proposed Amendments HB 3416-A3 (LC 3488), 6/21/91 - HB 3416A
2. Hand Engrossed HB 3416A, City of Eugene, 6/24/91 - HB 3416A
3. Tax Exemptions for Low Income Housing, City of Eugene, 6/24/91 - HB 3416A
4. Written Testimony, Peter Grundfossen, 6/24/91 - HB 3378A

These minutes paraphrase and/or summarize statements made during this meetings. Text enclosed in quotation mark" reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

Senate Committee on

Revenue and School

Finance

June 26, 1991 Page 7

5. Proposed Amendments HB 2352-A15 (LC 1943), 6/22/91 - HB 2352A
6. Written Testimony, Dept. of Energy, 6/24/91 - HB 2130B
7. Proposed Amendments HB 2130-B15 (LC 924), 6/19/91 - HB 2130B
8. Written Testimony, Sen. Dick Springer, 6/24/91 - HB 2130B
9. Written Testimony, Tri-Met, 6/24/91 - HB 2130B
10. Proposed Amendments, PUC, 6/24/91 - HB 2130B
11. Project Earth, George Richardson, 6/24/91 - HB 2130B
12. Staff Measure Summary, LRO, 6/24/91 - HB 2130B
13. Revenue Analysis, LRO, 6/12/91 - HB 2130B
14. Fiscal Impact, LFO, 6/14/91 - HB 2130B
15. 1991-93 Revenue Impact, LRO, 6/24/91 - HB 2352A
16. Written Testimony, Ione Curtis, 6/15/91 - HB 2352A
17. Staff Measure Summary, LRO, 6/24/91 - HB 3378A
18. Revenue Analysis, LRO, 6/13/91 - HB 3378A
19. Fiscal Impact, LFO, 6/13/91 - HB 3378A
20. Staff Measure Summary, LRO, 6/24/91 - HB 3416A
21. Revenue Analysis, LRO, 6/10/91 - HB 3416A
22. Fiscal Analysis, LFO, 6/14/91 - HB 3416A
23. Fiscal Analysis, LFO, 5/6/91 - HB 3416
24. Oregon Economic Indicators, First Interstate Bank, 6/24/91 -

Miscellaneous ~

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.