

Tapea 219-222, (A\B)
Public Hearing & Work Sesaion:
SB 820, HB 2002A
HB 2262A, HB 2716A
HB 3050A, HB 3073B
HB 3467B, HB 3469B
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

June 26, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair
Senator Joan Dukes, Vice Chair (arrived 1:37)
Senator John Brenneman (arrived 2:05, departed 2:35)
Senator Shirley Gold (arrived 1:34, departed 3:30)
Senator Ron Grensky (excused 1:40-1:45, and 2:05-3:34)
Senator Bill McCoy
Senator Tricia Smith (arrived 2 :19, departed 2:35)
Staff Present: Dick Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Terry Drake, Legislative Revenue Office
Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Steven Westfall, Oregon Housing Agency
Frank Brawner, Oregon Bankers Association (OBA)
Peter Gruindfossen, Association of Oregon Housing Authorities
Dave Barrows, Oregon League of Financial Institutions
Jim Brown, Department of Revenue (DOR)
Representative Larry Campbell, District 43
Janis Elliot, Office of Child Care Coordination
Quint RaHB erger, Bureau of Labor Industries/Apprentice Training Division
Keith Leavitt, Legislative Assistant to Rep. Bunn
Rick Burke, Department of Education
Kathlenn Beaufait, Legislative Counsel
Margie Lowe, Executive Department
Representative Ron Sunseri, District 22
Chuck Maylender, Oregon State Tenants Association Don Miner, Oregon
Manufactured Housing Association Fred VanNatta, Manufactured Housing
Communities of Oregon
Greg Peeble, Building Construction Trades Council
George Brown, Dean-College of Forestry

TAPE 219 SIDE A

005 CHAIR CEASE called the meeting to order at 1:30 as a subcommittee until
a quorum was reached at 1:34. Administrative business was conducted.

These minutes paraphrase and/or aummarize atatements made during this
meetings. Text enclosed in quotation marks reports the speakera exact
words. For complete context of proceedings, please refer to the tape
recording.

Senate Committee on
Revenue and School
Financo

June 26, 1991 Page 2

HB 3467B - PUBLIC HEARING

021 STEVEN WESTFALL explained HB 3467B contained language amending the
Oregon Lenders Tax Credit Program (1989) to allow banks easier lending to
housing programs.

030 FRANK BRAWNER explained the Oregon Lenders Tax Credit Program is a tax
credit to lenders that must be passed on to the borrower and cannot exceed
41. HB 3467 amends the program to include an ability to refinance, extends
the length of time to finance a project from 10 years to 20 years, allows
lenders to sell the loan and maintain the tax credit while servicing the

loan, redefines the term lender and community development corporation (CDC) allowing banks to be investors in CDCs, allows a tax credit to go to the Network for Affordable Housing (NOAH) who will transfer the tax credit to participating banks so the interest rate from the participating bank to the CDC would be reduced and passed onto the borrower, and the bill contains a cap of \$37.5 million.

064 PETER GRUNDFOSSEN explained HB 3567B is not a banking bill but is an affordable housing bill

075 DAVE BARROWS testified in support of HB 3567B

080 Discussion and questioned follow regarding the loans for affordable housing.

099 DICK YATES explained the bill extends additional flexibility to the Oregon Housing Authority

117 MOTION Senator McCoy moved HB 3467B to the floor with a do pass recommendation.

128 VOTE In a roll call vote the motion passed 4-0. Ayes: Senators Dukes, Gold, McCoy, Chair Cease

SB 820 - PUBLIC HEARING

145 DICK YATES presented an explanation of the HARRP program with reference to current law and HB 2352A. The elderly rental assistance program was compared to the HARRP. EXHIBIT 1

160 Discussion followed regarding the funding appropriation for HARRP as well as the elderly rental assistance program.

230 Discussion continued regarding the funding appropriation for low income housing.

250 DICK YATES continued his overview of HARRP. Page 1, EXHIBIT 1

304 DICK YATES explained the three plans for the HARRP program on Page 1, EXHIBIT 1.

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senate Committee on

Revenue and School

Finance

June 26, 1991 Page 3

312 DICK YATES presented a chart depicting the first plan for HARRP compared to current law. Page 2, EXHIBIT 1

325 DICK YATES addressed the second plan for HARRP as explained on Page 1, EXHIBIT 1.

345 DICK YATES discussed Plan 3 with a comparison to Plan 1 and Plan 2. EXHIBIT 1

359 DICK YATES presented a chart depicting the number of returns comparing current law to Plan 1, 2 and Plan 3. The chart also compares the returns of homeowners as well as renters. Page 4, EXHIBIT 1

TAPE 220 SIDE

A

006 DICK YATES addressed the difference between current law and the three HARRP plans with reference to the monetary refunds. EXHIBIT 1, Page 5

017 DICK YATES explained the average refunds illustrated in EXHIBIT 1, Page 6.

025 SEN. GOLD testified in opposition to SB 820 because money is being taken away from households instead of helping.

049 SEN. MCCOY asked Sen. Gold if more money could be obtained for the HARRP program.

062 SEN. GOLD felt plan 1 offered more to households than the other plans.

070 Discussion followed -- It was noted that Plan 1 would be for only one-year of the biennium and notification of the phase out of the program.

133 JIM BROWN in response to questions explained under Plan 1 some people

would not receive all or a reduced portion of a refund and those people would be notified. Another group, in combination with the pension bill, will receive an increased refund in the elderly rental assistance. Those people will also receive a notice. The 1991 tax packets will explain the program will not exist for the 1991 tax year.

147 JIM BROWN continued the intent of the Department of Revenue (DOR) is to bring suggestions to the Interim Committee for possible language to include in the tax packet.

160 Discussion

176 CHAIR CEASE asked language be drafted in an amendment to enact Plan 1 for SB 820.

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Senate Committee on

Revenue and School Finance

June 26, 1991 Page 4

HB 2002 - PUBLIC HEARING

210 DICK YATES presented an overview of HB 2002A which relates to school district programs for child development and student parent programs. The bill contains language creating an income tax credit for contributions to certified programs. Exhibit 2

316 REP. CAMPBELL testified in support of the bill and explained the child development program or teen parent program in Churchill High School in Eugene.

350 Discussion followed

393 SEN. GOLD suggested additional language in HB 2002 and HB 2003 making reference to HB 3565.

410 REP. CAMPBELL responded there is no need for a legislative tie to HB 356 5.

TAPE 219 SIDE B

023 SEN. GOLD asked for Legislative Counsel to review the need for a tie between HB 2002 and HB 3565 and response from the Department of Education as to how that agency would implement HB 2002.

HB 2262 - WORK SESSION

070 DICK YATES explained HB 2262 would extend the sunset for the employer dependent care assistance tax credit program. EXHIBIT 3

080 JANIS ELLIOT presented prepared testimony in support of HB 2262 referring to a brochure on the child care benefits. Exhibit 3

Questions and discussion

164 MOTION Sen. Dukes moved HB 2262 to the floor with a do pass recommendation.

184 VOTE In a roll call vote the motion passed 4-0. Ayes: Senators Dukes, Gold, McCoy, Chair Cease.

HB 3469B - PUBLIC HEARING

200 QUINT RAHB ERGER AND KEITH LEAVITT introduced the bill.

209 DICK YATES presented an overview of HB 3469A which establishes a pilot youth apprenticeship training program for high school students and also provides a tax credit for participating employers.

259 QUINT RAHB ERGER outlined support for the measure.

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Senate Committee on
Revenue and School Finance
June 26, 1991 Page 5

Questions and discussion

294 QUINT RAHB ERGER explained high school juniors would go through a 16 week career exploration and evaluation period and then enter an eligibility process to be accepted into an apprentice program.

322 Discussion followed regarding the apprentice program being introduced in HB 3469A. Reference is made to OSHA regulations.

414 SEN. DUKES voiced her concerns with a possible conflict with the unions and other legislation being written on vocational programs.

TAPE 220 SIDE

B

012 QUINT RAHB ERGER responded to questions there was much support with the program.

025 KEITH LEAVITT responded to questions the Department of Education had fully supported the program and had been involved in drafting the bill.

033 SEN. GOLD voiced her concerns with a possible conflict between HB 3469, and HB 3565 (Katz) bill.

060 RICK BURKE explained there may be uncertainty in crossreferencing so many bills and attempt to put all educational programs under one umbrella.

084 KEITH LEAVITT noted that the House Education Committee felt HB 3469A was compatible to HB 3565

095 SEN. DUKES urged the two bills be tied together.

130 Discussion followed regarding implementing the program in HB 3469A.

147 SEN. DUKES would not support the bill until hearing from someone in the trade community and how the program will work.

180 CHAIR CEASE presented an overview of the questions raised by Senators Gold and Dukes regarding the relationship between HB 2002, HB 3469 and HB 3565.

195 SEN. GOLD explained her support of HB 2002 and HB 3469 but wanted assurance that the bills will fit under the umbrella of HB 3565

211 KATHLENN BEAUFIT explained HB 3469 refers to the Apprenticeship and Training Council and the Division of Vocational Education of the Department of Education establishing the pilot program. Because the Department of Education is involved initially, it gives the Department an opportunity to shape the legislation in way that is consistent with

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senate committee on
Revenue and School
Finance

June 26, 1991 Page 6

the goals of the other bill. BEAUFIT did not think a reference to HB 3565 was needed.

244 Questions and
discussion

HB 2002A - WORK SESSION

270 MOTION Senator Gold moved HB 2002 to floor with a do pass recommendation.

291 VOTE In a roll call vote, the motion passed 4-0. Ayes: Senators Dukes, Gold, McCoy, Chair Cease

297 MARGIE LOWE clarified for the record support of the teen program but wanted to voice concern in expanding the tax credit

HB 3073B - PUBLIC

HEARING

342 REP. SUNSERI began discussion of HB 3073B explaining the bill would provide a tax credit for low income people owning mobile homes who are forced to move them because of a closure to the mobile home park.

TAPE 221 SIDE

A

021 SEN. DUKES questioned the \$40,000 income threshold being considered low income.

027 REP. SUNSERI had no problem with lowering the figure.

044 DICK YATES directed members attention to the revenue impact analysis. Exhibit 5

050 REP. SUNSERI clarified HB 3075, a companion to HB 3073B, contains a household income of \$40,000. HB 3073B is written as a gross income.

062 CHUCK MAYLENDER testified in support of HB 3073B.

081 DON MINER testified in support of HB 3073B emphasizing many elderly people live in mobile homes and cannot afford to their move mobile homes when parks close.

100 FRED VAN NATTA testified in support of HB 3073.

118 SEN. DUKES asked who received the tax credit in HB 3073?

125 DICK YATES clarified taxpayers filing a joint return would get one tax credit. The bill did not contain language clarifying if separate returns were filed would it then be a double credit.

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Senate Committee on

Revenue and School

Finance

June 26, 1991 Page 7

152 SEN. DUKES suggested going to household income and lowering that figure to \$30,000.

Discussion

160 CHAIR CEASE requested language to lower the household income to \$30,000 and language should include a limit for one credit for one move for one household.

HB 3469B - WORK SESSION

198 GREG PEEBLE explained members of the Building Construction Trades Council worked on HB 3469 early in the Session. HB 3469B incorporates amendments his organization requested. PEEBLE stated his organization supports HB 3469B.

209 SEN. DUKES voiced her concern that people on the waiting list for apprenticeships being displaced to make room for high school students.

223 GREG PEEBLE responded that some crafts have more applicants than jobs to fill, however, in other crafts an effort is underway to recruit people.

235 Discussion followed regarding the wages involved in the apprentice ship program. It was clarified that the bill is a pilot program.

310 CHAIR CEASE conducted administrative business.

HB 2716A - PUBLIC HEARING AND WORK SESSION

343 GEORGE BROWN explained HB 2716A proposed to increase the Forest Products Harvest Tax by \$.25 per 1,000 board feet to a total of \$.30 per 1,000 board feet. The bill provides the revenue for apx. 20% of the forest research lab budget. The rates have been agreed to by the forest industry through the Oregon Forest Industries Council and Oregon Small Woodlands Association. BROWN noted the importance of the bill in funding forest research.

368 Discussion followed regarding the research activities of the College of Forestry.

395 MOTION SENATOR MCCOY moved HB 2716A to the floor with a do pass recommendation.

421 VOTE The motion passed 4-0. Ayes: Senators Dukes, Grensky, McCoy, Chair Cease.

421 CHAIR CEASE recessed at 3:50.

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Senate Committee on

Revenue and School Finance

June 26, 1991 Page 8

TAPE 222 SIDE A

010 CHAIR CEASE reconvened the meeting at 4:29 and adjourned the meeting at 4:30.

Mary Ann Zimmerman, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUNMARY

1. HARRP: Review, LRO, 6/26/91 - SB 820

2. Revenue Analysis, LRO, 6/12/91 - HB 2002A

3. Written Testimony, Janis Elliot, 6/26/91 - HB 2262A

4. Written Testimony, Oregon Commission for Child Care, 6/26/91 - HB 226 2A

5. Revenue Analysis, LRO, 6/15/91 - HB 3073B

6. Staff Measure Summary, LRO, 6/26/91 - HB 2002A

7. Fiscal Analysis, LFO, 6/21/91 - HB 2002A

8. Staff Measure Summary, LRO, 6/26/91 - HB 2262A

9. Revenue Analysis, LRO, 6/15/91 - HB 2262A

10 Fiscal Impact, LFO, 6/19/91 - HB 2262A

11. Revenue Analysis, LRO, 5/22/91 - HB 2716A

12. Fiscal Analysis, LFO, 6/18/91 - HB 2716A

13. Staff Measure Summary, LRO, 6/26/91 - HB 3073B

14. Fiscal Analysis, LFO, 6/18/91 - HB 3073B

15. Staff Measure Summary, LRO, 6/26/91 - HB 3467B

16. Fiscal Analysis, LFO, 6/20/91 - HB 3467B

17. Revenue Analysis, LRO, 6/16/91 - HB 3467B

18. Fiscal Analysis, LFO, 5/17/91 - HB 3467A

19. Staff Measure Summary, LRO, 6/26/91 - HB 3469B

20. Revenue Analysis, LRO, 6/14/91 - HB 3469B

21. Fiscal Analysis, LFO, 6/18/91 - HB 3469B

22. Staff Measure Summary, LRO, 6/26/91 - HB 3050A

23. Fiscal Analysis, LFO, 6/4/91 - HB 3050A

24. Revenue Analysis, LRO, 5/30/91 - HB 3 05 OA

25. Fiscal Analysis, LFO, 5/17/91 - SB 1112A

26. Fiscal Analysis, LFO, 5/1/91 - SB 1112

27. Correspondence from Fleming Newcomb, 5/9/91 - SB 440

28. Correspondence from David Kinman, 5/9/91 - SB 440

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