

HB 2228  
HB 2393  
HB 2682  
HB 3079  
HB 3130

Tape 40 - Side 1  
0312-1775

HOUSE COMMITTEE ON REVENUE

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May 30, 1979

1:30 p.m.

Hearing Room 137

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Members Present: REP. MARY BURROWS  
REP. LARRY CAMPBELL  
REP. JOHN SCHOON  
REP. BILL GRANNELL, Chairperson

Members Delayed: REP. WAYNE FAWBUSH  
(excused) REP. WALLY PRIESTLEY  
REP. TOM THROOP  
REP. CURT WOLFER  
REP. TED ACHILLES, Vice Chairperson

Staff Present: James R. Scherzinger, Economist,  
Legislative Revenue Office  
Deborah Boughn,  
Committee Assistant

Witnesses: Rep. Bill Markham, District 46  
Rep. Doc Stevenson, District 48  
Rep. John Kitzhaber, District 45  
Dave Davidson, Adult and Family Services  
Division  
Theodore Delooze, Department of Revenue  
Walter Apley, Department of Revenue  
Ozzie Rose, Confederation of Oregon School  
Administrators  
Robert Stevens, Educational Coordinating  
Commission  
Lloyd Thomas, Department of Education  
Rep. Ted Bugas, District 2  
Frank Butler, Auditor, Department of Revenue

0312 CHAIRPERSON GRANNELL called the House Committee on Revenue to order at 1:35 p.m. and opened the hearing on HB 2682, which allows loggers to deduct commuting expenses from taxable income.

0322 REP. BILL MARKHAM, District 46, and REP. DOC STEVENSON, District 48, testified in favor of HB 2682.

0390 REP. THROOP arrived.

0417 REP. PRIESTLEY arrived.

0420 REP. ACHILLES arrived.

0482 Discussion focused on the derivation of the revenue impact figure of \$720,000 for the first year.

0516 REP. JOHN KITZHABER, District 45, offered support of HB 2682.

0541 CHAIRPERSON GRANNELL closed the hearing on HB 2682 and opened the hearing on HB 3079, which permits the Department of Revenue to give officers of state agencies access to income tax returns to collect pas due obligations owed to such agencies.

0557 DAVE DAVIDSON, Adult and Family Services, testified in support of HB 3079 and remarked that no additional staff or equipment would be required.

0555 REP. FAWBUSH arrived.

0691 REP. PRIESTLEY asked if release of indebtedness information would be used against the debtor. Discussion followed.

0802 THEODORE DELOOZE and WALTER APLEY from the Justice Department, representing the Department of Revenue, spoke about the federal and state laws on disclosure. MR. DELOOZE opposed the "broad sweep" provision which referred to all state agencies. He stated that SB 148 dealt with the same issue but referred to people who file for a Homeowner Renter Refund. He said that SB 148 could be used as a vehicle for the objectives of HB 3079.

0915 MR. DAVIDSON explained that "access" meant access to addresses of debtors.

0919 CHAIRPERSON GRANNELL suggested that the Committee look at SB 148 as a vehicle.

0920 REP. ACHILLES moved to table HB 3079.

HB 2032, 2126, 2596,  
2682, 2780, 2843, 2883,  
3053, 3130

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Tape 41 - Side 2  
0053 - 1530

HOUSE COMMITTEE ON REVENUE

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June 4, 1979

1:30 p.m.

Hearing Room 137

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Members Present: REP. LARRY CAMPBELL  
REP. WAYNE FAWBUSH  
REP. WALLY PRIESTLEY  
REP. JOHN SCHOON  
REP. TOM THROOP  
REP. TED ACHILLES, Vice Chairperson  
REP. BILL GRANNELL, Chairperson

Members Delayed: REP. CURT WOLFER  
(unexcused)

Members Absent: REP. MARY BURROWS  
(excused)

Staff Present: James Scherzinger, Economist,  
Legislative Revenue Office  
Stephen Meyer, Economist,  
Legislative Revenue Office  
Deborah Boughn,  
Committee Assistant

Witnesses: Walter Apley, Department of Revenue  
Frank Butler, Department of Revenue  
Theodore Delooze, Department of Revenue  
Ira Jones, Department of Revenue  
Janet Gillaspie, Legislative Assistant  
to Rep. Nancie Fadeley

0060 CHAIRPERSON GRANNELL called the House Committee on Revenue to order at 1:30 p.m. and opened the work session on HB 2682, which allows loggers to deduct commuting expenses from taxable income.

0073 JAMES SCHERZINGER, Economist for the Legislative Revenue Office, reviewed the revenue impact with the Committee.

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0155 WALTER APLEY, Department of Revenue, testified on HB 2682.

0219 The Committee decided not to take HB 2682 from the Table.

0224 CHAIRPERSON GRANNELL opened the work session on HB 2843, relating to an energy facility credit.

0237 REP. FAWBUSH testified on the amendments to HB 2843 (see Exhibit 1).

0255 REP. FAWBUSH moved the amendments into HB 2843.

The motion carried, the vote being Yeas, 6 - ACHILLES, CAMPBELL, FAWBUSH, GRANNELL, SCHOON, THROOP; Nays, 1 - PRIESTLEY; Absent, 2 - BURROWS, WOLFER.

0291 REP. FAWBUSH moved HB 2843 to the Floor with a Do Pass recommendation. Discussion followed.

The motion carried, the vote being Yeas, 6 - ACHILLES, CAMPBELL, FAWBUSH, GRANNELL, SCHOON, THROOP; Nays, 1 - PRIESTLEY; Absent, 2 - BURROWS, WOLFER.

0356 REP. FAWBUSH will lead the Floor discussion on HB 2843.

0357 CHAIRPERSON GRANNELL opened the work session on HB 3130, which allows a corporation to defer taxes on income deposited in a capital construction fund under the Merchant Marine Act.

0365 JAMES SHCERZINGER reviewed the fiscal impact of HB 3130 with the Committee.

0436 CHAIRPERSON GRANNELL moved the amendments dated 6/01/79 into HB 3130 (see Exhibit 2). Discussion followed.

0443 FRANK BUTLER, Department of Revenue, explained what the amendments to HB 3130 were designed to do.

0495 CHAIRPERSON GRANNELL's motion passed, the vote being Yeas, 7 - ACHILLES, CAMPBELL, FAWBUSH, GRANNELL, PRIESTLEY, SCHOON, THROOP; Nays, 0; Absent, 2 - BURROWS, WOLFER.

0500 CHAIRPERSON GRANNELL wanted to know if steamship companies were included in the amendments.

0040 CHAIRPERSON GRANNELL called the House Committee on Revenue to order at 1:50 p.m. and opened the work session on HB 2682, which allows loggers to deduct commuting expenses from taxable income.

0048 REP. WOLFER moved to untable HB 2682.

The motion carried, the vote being Yeas, 6 - ACHILLES, CAMPBELL, FAWBUSH, GRANNELL, SCHOON, WOLFER; Nays, 0; Absent, 3 - BURROWS, PRIESTLEY, THROOP.

0059 REP. WOLFER moved HB 2682 to the Floor with a Do Pass recommendation.

The motion carried, the vote being Yeas, 6 - ACHILLES, CAMPBELL, GRANNELL, SCHOON, THROOP, WOLFER; Nays, 1 - FAWBUSH; Absent 2 - BURROWS, PRIESTLEY.

0104 CHAIRPERSON GRANNELL requested that REP. BILL MARKHAM carry HB 2682 on the Floor. REP. MARKHAM agreed.

0112 CHAIRPERSON GRANNELL opened the hearing on HB 2563, which relates to farm use rollback.

0129 REP. CAMPBELL moved to amend HB 2563 by changing the 10 year rollback to a 5 year rollback.

The motion carried, the vote being Yeas, 6 - ACHILLES, CAMPBELL, GRANNELL, SCHOON, THROOP, WOLFER; Nays, 1 - FAWBUSH; Absent, 2 - BURROWS, PRIESTLEY.

0218 REP. GLENN OTTO, District 23, testified in support of HB 2563.

0435 REP. DOC STEVENSON, District 48, testified in support of HB 2563, 2591 and 2598.

0481 REP. BURROWS arrived.

0496 CHAIRPERSON GRANNELL said that SB 473 had the elements of HB 2598, so he intended to set HB 2598 aside for now.

0509 CHAIRPERSON GRANNELL returned to HB 2563.

0510 WALLY JOHNSON and BETH CASTER, Oregon Farm Bureau Federation, supported HB 2563 as amended.

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AFFAIRS AND RULES

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0155 REPRESENTATIVE ACHILLES answered that the money was going into the fund subject to 48 hour call as established by rule, but there would be no limitation other than the three year maturity on individual investments of the Pool.

0160 SENATOR SMITH asked if there were any funds other than the 48 hour call funds being invested by local government.

0162 REPRESENTATIVE ACHILLES replied that many units of local government had, on their own, determined they would use money markets and bypass the Pool. This tended to be the larger units of government such as the City of Portland.

0165 SENATOR SMITH noted that the Pool would really only be effective for short term call kinds of money certificates.

0170 REPRESENTATIVE ACHILLES acknowledged this and noted it was intended primarily for smaller units of local government.

0175 SENATOR WYERS asked what the policy reason was behind the limitation in foreign investments.

0178 REPRESENTATIVE ACHILLES noted this amendment was added by the House Committee. The underlying concept was the difficulty an office in Salem would have tracking the fluctuation of foreign markets. He felt the amendment had possibly been too stringent and may have overstated the concern by removing foreign investments entirely.

0187 MOTION: SENATOR HEARD moved that HB 3095, as amended, be sent to the Senate Floor with a Do Pass Recommendation.

0188 VOTE: By unanimous voice vote, the motion carried.

0190 The Chair noted that Senator Powell would be assigned to carry HB 3095 on third reading on the Senate Floor.

HB 2682 - Relating to Personal Income Taxation.

0224 REPRESENTATIVE BILL MARKHAM, of Douglas and North Josephine Counties, stated that he looked at this bill as a matter of fairness to the timber cutters. He noted that it was well known in the industry that if logging companies furnish transportation, it was entirely deductible. However, if the cutter had to furnish his own, it was not.

0276 The Chair stated that he had statements from various accountants in connection with this and they had all made the same argument as Representative Markham.

0277 REPRESENTATIVE MARKHAM stated once more that it would only be equitable to allow this.

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0298 MOTION: SENATOR THORNE moved that HB 2682 be sent to the Senate Floor with a Do Pass Recommendation.

0299 VOTE: By unanimous voice vote, the motion carried.

0300 The Chair assigned Senator Thorne to carry HB 2682 on third reading on the Senate Floor.

HB 2681 - Relating to State Employees.

0301 REPRESENTATIVE BILL MARKHAM stated that his constituents had expressed a very real concern with what they perceived to be excessive growth in the size and cost of government. He noted that their concerns were not without justification. According to recent employment statistics, one out of five, or 20 percent of the work force in the state are public employees. He also stated that HB 2681 would limit the number of budgeted, full time equivalency positions to no more than 1.6 of the population of the state. The intent was to allow the flexibility for government to grow in proportion to the growth of the number of people served and no more.

He noted that the constitutional offices and functions of the Governor, the Secretary of State, the State Treasurer, the Supreme Court and the legislature were excepted for a total number of 2,100 people.

There was only one real fault in the bill that he could see and that was the fact that the state population was going up about 65,000 people a year, and that would allow about another thousand bureaucrats to be laid on the following year. He had not been able to crank in all the safeguards he would have liked, but felt this bill was a real attempt to try to get a handle on the situation.

0305 SENATOR JERNSTEDT asked where he had gotten his figures.

0306 REPRESENTATIVE MARKHAM stated his figures were from the Executive Department, personnel division, according to an annual census from the State of Portland.

0307 The Chair noted that this was the direction the legislature had received from the people in the last election - that they wanted less government.

0308 MOTION: SENATOR HEARD moved that HB 2681 be sent to the Senate Floor with a Do Pass Recommendation.

0308 VOTE: By unanimous voice vote, the motion carried.

0309 The Chair assigned Senator Meeker to carry HB 2681 on third reading on the Senate Floor.