

Minutes of the
House Taxation Committee

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March 8, 1967

Members Present: Johnson, L., Chm.
Bazett, Vice Chm.
Bradley
Guynes
Leiken
Mann
Redden
Rogers
Smith

Members Excused: Johnson, S.
Hart

Others Present: Bob Newberry, Committee Consultant

Witnesses: Gordon Walker
Richard Cornish, Polk County Planning Commission,
Member of Land Use Committee
Drew Michaels
Carlisle Roberts, Chief Legal Counsel, Oregon State
Tax Commission
Rep. Kennedy
Sen. Stadler
Ed Whelan, Secretary, Oregon AFL-CIO
Dick Eymann
Allan Grant
Reginald Williams, Motion Picture Association of America
Paul Lansdowne
Rep. B. Roberts
Harry S. Trick
Walt White, Josephine County Assessor
Don Hatten, Clackamas County Assessor
C. F. Dafoe, Industrial Forest Association
Parks Walker, Chairman, Industrial Forestry Association
Jack Isberg, Small Woodlands Association

Chairman Johnson called the meeting of the House Taxation Committee to order at 8:00 a.m.

1713 Rep. L. Smith explained the intent of HB 1495 for members of the committee.

Mr. Gordon Walker told members of the committee that it has been difficult to define a farm and felt that HB 1495 represents a fair approach to all concerned in assisting with enactment of the existing law. HB 1495 contains clear-cut statutes making the current law more workable.

Chairman Johnson noted his concern about the \$250. gross income per year feature of the bill. (Page 3, line 7)

1715 Mr. Richard Cornish, a member of the Polk County Planning Commission and Land Use Committee stated that this bill is necessary because something has to be done to simplify the definition of a farm. Mr. Cornish said that many times the county assessor and county court do not agree and during the past few years they have had increased difficulty in arriving at some solution as to what is a farm, particularly around Salem in Polk county. This bill will answer this problem, Mr. Cornish said.

Chairman Johnson asked Mr. Cornish if he agreed with the test of farm use being determined by whether or not the farm is operated for profit. Mr. Cornish agreed to a point, but thought other tests should be met at the same time.

Mr. Drew Michaels called the committee's attention to what he considered an oversight in the drafting of the bill. Mr. Michaels a Christmas Tree Farmer living in Polk County said he would like to see something in the bill listing Christmas Tree Farmers as such.

Rep. Rogers asked Mr. Michaels if he would be satisfied with a forest land classification. Mr. Michaels said he would, but wants to pay his share of taxes and be taxed like any other farmer in Polk County.

Mr. Carlisle Roberts, Chief Legal Counsel for the Commission commented on the situation in Polk County and said that farm zoning in Polk County is in somewhat of a turmoil. Mr. Roberts said the statutes are clear enough; laws gradually work themselves out.

Chairman Johnson suggested that Mr. Michaels meet with a representative of the tax commission since it appeared that he had applied for consideration under the Woodlands Bill rather than the Timberlands Bill relating to Western Oregon Timber.

Rep. Rogers noted that the assessor of Polk County was present in the audience and very interested in the outcome of HB 1495. Rep. Rogers noted also that the language of the bill was drafted by and with the assistance of the Oregon State Tax Commission.

1721 Mr. Richard Kennedy, Lane County Representative and sponsor of HB 1496 explained the bill to members of the committee which relates to income earned in Oregon by people from out of state connected with movie productions filmed in Oregon. Rep. Kennedy stated that estimated revenue loss, as supplied to him from the tax commission, would be approximately \$30,000.

Rep. Kennedy felt HB 1496 would not result in a revenue loss for the state since Oregon would be receiving advertising around the world via the scenery photographed, thus bringing tourists into Oregon. Rep. Kennedy told members of the committee skilled technicians and crew members do have something to do with site selections for films and after filming of the recent picture "Way of the West" many expressed little or no

68 Commissioner Mack commented on work done on the bill upon its presentation in 1965 giving a background of the counties reluctance at first and then approval of it in virtually all areas at this time. Commissioner Mack noted that at the time of the original drafting it was thought to be a start in the direction of needed legislation.

42 Rep. Guynes then introduced Clackamas County Treasurer, Mr. Wayne H. LaFarge, who explained that the daily turnover and percentage distribution aspects of HB 1567 are currently working very well in Clackamas County.

Mr. LaFarge said that the job of County Treasurer is a money management rather than a custodial problem. Mr. LaFarge said that it doesn't make sense for the Sheriff to deposit these funds making turnover at his discretion and suggested that Legislation be enacted in areas such as this where it is determined needed for the benefit of the county.

After lengthy discussion, the committee decided that the basic issue centers around the fact that some county Sheriff's do not turnover collections as promptly as desired by treasurer's so that these funds may be quickly invested.

Chairman Johnson asked Mr. Allen Howells, Valuation Division of the Tax Commission, to contact small counties in the state to get an idea of their feelings on the bill. Rep. Bazett suggested hearing testimony from Sheriffs.

75 Mr. Ira Jones presented the attached prepared statement to members of the committee urging approval of SB 89 described as a "housekeeping bill."

Rep. Bazett moved that SB 89 be sent to the floor with a do pass recommendation. The motion carried unanimously with Rep. Leiken, Redden, and Smith absent. Chairman Johnson appointed Rep. Hart to carry the bill.

81 The committee then conducted a work session on previously discussed bills.

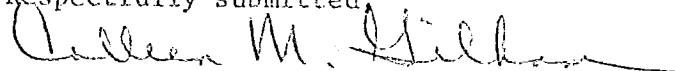
Rep. Bazett moved to Table HB 1345. The motion carried unanimously with Rep. Leiken, Redden, and Smith absent.

Rep. Bradley moved to Table HB 1620. The motion carried unanimously with Rep. Leiken, Redden and Smith absent.

84 After some clarification by Commissioner Mack and Mr. Jones, Rep. Rogers moved that HB 1495 be sent to the floor with a do pass recommendation. The motion carried with Rep. Guynes voting no. Rep. Leiken, Smith and Redden absent.

The meeting adjourned at 10:00 a.m.

Respectfully submitted,



Colleen M. Gilham, Clerk

SENATE COMMITTEE ON TAXATION
Subcommittee No. 1

April 10, 1967

3:00 p.m.

119 State Capitol

Members Present: Senator Victor Atiyeh, Chairman
Senator Donald Husband

Excused: Senator Vernon Cook

Witnesses: Jack Iseberg, Small Woodlands Association
Everett Skang " " "
Clyde Ramsey " " "
Carlisle Roberts, State Tax Commission
Representative Joe Rogers
Gordon Walker, Chairman, Land Use Committee
Ken Olmid, Lane County Assessor

HB 1154

Mr. Jack Iseberg, representing the small woodlands group, presented and explained their proposed amendments to this bill which deals with the classification of reforestation lands. This is the fifth hearing on this bill.

Mr. Annala suggested that instead of repealing ORS 321.735 it be amended to include "conversion" as well as acquisition. Mr. Iseberg said this would be agreeable with his group.

Mr. Everett Skang also testified in favor of the proposed amendments as did Mr. Olin Hornecker.

Mr. Clyde Ramsey also testified in favor of the amendments and said that he would like to see the number of acres changed to 1,000 or less.

Final subcommittee action will be taken later.

HB 1169

Mr. Carlisle Roberts, State Tax Commission, discussed this bill which limits value of homestead exemption from debt liability for married persons to an aggregate of \$7,500.

Senator Husband said this problem arises in the case of bankruptcies quite frequently.

The subcommittee recommended this bill to be referred to Judiciary.

HB 1495

Representative Joe Rogers, principal sponsor of the bill, explained that this bill was designed to define a farm for zoning purposes. It is based on gross income of the whole parcel of land for three of the

five years immediatly preceding the assessment day of the tax year for which farm use is claimed. As the bill is written, the gross income must be \$250.

Senator Atiyeh suggested changing the amount to \$500.

Mr. Carlisle Roberts explained this includes soil bank land, land lying fallow, orchards or other perennials prior to maturity, and farm woodlots of less than 20 acres.

Mr. Gordon Walker, chairman of the land use committee of the Polk County Planning Commission, also spoke in favor of the bill and said that the \$250 figure was an arbitrary one. He also explained that there are several non-conforming uses within a zoned area. He cited the example of a brick plant which was already established within an area that was later zoned.

Mr. Ken Omlid, Lane County assessor, spoke in favor of the bill.

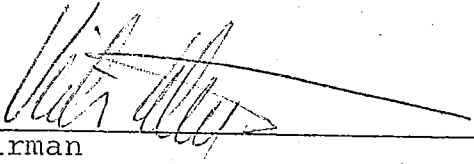
The subcommittee moved to amend the \$250 figure to \$500 and recommend to the full Committee that the bill DO PASS AS AMENDED. The motion carried.

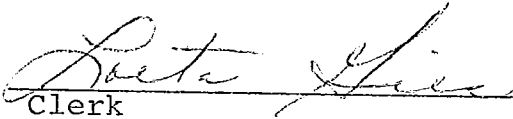
HB 1356

Mr. Carlisle Roberts explained this measure which relates to taxing of religious organizations and the requirement of notice by the county assessor and allows 10 days for filing after notice.

Senator Husband moved that the subcommittee recommend to the full committee that this bill DO PASS. The motion carried.

The meeting was adjourned at 4:30 p.m.


Chairman


Clerk

exemption from Oregon personal income tax the earnings of foreign students temporarily in this country. An amendment was proposed to limit the time to six months.

Senator Yturri moved the adoption of the amendments. The motion carried. He then moved the bill be recommended DO PASS AS AMENDED. The motion carried. Senator Yturri will lead the floor discussion.

HB 1120, HB 1121, HB 1122, HB 1123

Senator Atiyeh explained these four measures which deal with gift and inheritance taxes and the desire on the part of the Oregon State Bar to make these laws compatible with the income tax laws and the federal laws. Amendments were proposed to all of these bills changing the effective date from 1966 to 1967.

Senator Husband moved to amend HB 1120. The motion carried. Senator Husband moved the bill be recommended DO PASS AS AMENDED. The motion carried with Senator Cook voting "no." Senator Atiyeh will lead the floor discussion.

Senator Cook spoke against HB 1121 because of the possible revenue loss to the state.

Senator Husband moved to amend HB 1122 by changing the effective date. The motion carried. He then moved the bill be recommended DO PASS AS AMENDED. The motion carried with Senator Cook voting "no." Senator Husband will lead the floor discussion.

HB 1495

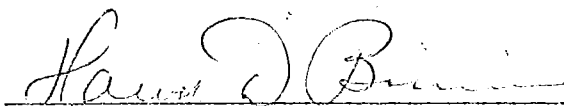
Senator Atiyeh explained this bill which deals with the zoning of farm lands. An amendment was suggested on Page 3, line 7, changing \$250 to \$500. No action was taken on this measure.

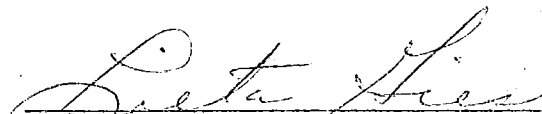
HB 1059

Mr. Ted deLooze of the State Tax Commission explained this bill and the proposed amendments. It deals with the stating the consideration given in an exchange of real property on the face of the instrument. He said these amendments had been discussed with the appraisers and that they clear up previous objections. Senator Cook moved the adoption of the amendments. The motion carried.

Senator Cook moved the bill be recommended DO PASS AS AMENDED. The motion carried. Senator Atiyeh will lead the floor discussion.

The meeting was adjourned at 3:00 p.m.


Chairman


Clerk

levies that are used by assessors in each county and make recommendations to the counties as to simplification.

Senator Husband moved that the bill be reported out DO PASS. The motion carried. Senator Atiyeh will lead the floor discussion.

HB 1495

Senator Atiyeh explained that this bill adds to the definition of "farm use" for zoning purposes. He proposed an amendment changing the \$250 figure to \$500. The amendment was adopted and Senator Atiyeh moved that the bill be reported out DO PASS AS AMENDED. The motion carried. Senator Raymond will lead the floor discussion.

HB 1154

Senator Atiyeh explained this bill which deals with the classification of forest lands. He explained the proposed amendments.

Senator Cook moved to adopt the amendments. The motion carried. Senator Cook moved the bill be reported out DO PASS AS AMENDED. The motion carried. Senator Husband will lead the floor discussion.

HB 1539

Senator Atiyeh explained this bill deals with the procedure needed to come under the Western Oregon timber tax law.

Mr. Sam Hughes pointed out an error in the House amendments and proposed further amendments to the bill which related to property taken out of forest land use under the exercise of eminent domain.

Senator Atiyeh moved the adoption of the amendments. The motion carried. Senator Atiyeh then moved that the bill be reported out DO PASS AS AMENDED. The motion carried. Senator Cook will lead the floor discussion.

HB 1605

Senator Atiyeh explained this bill which deals with exemption from inheritance tax the full amount of benefits payable to beneficiaries under certain pension and retirement plans. He explained proposed amendments which would not change the sense of the statute but would clarify it. Another amendment was proposed to change the amount in the House amendment from \$25,000 to \$20,000.

Senator Atiyeh moved the adoption of the amendments. The motion carried.

Senator Husband moved that the bill be reported out DO PASS AS AMENDED. The motion carried. Senator Husband will lead the floor discussion.