

PUBLIC HEARING
HB 2682, 2683, 2865
BILL INTRODUCTION

TAPES 95-96 A

HOUSE REVENUE COMMITTEE

MARCH 31, 2005 1:00 PM STATE CAPITOL BUILDING

Members Present: Tom Butler, Chair
Rep. Vicki Berger, Chair
Rep. Mark Hass, Vice-Chair
Rep. Brian Boquist
Rep. Sal Esquivel
Rep. Larry Galizio
Rep. Betty Komp
Rep. Andy Olson
Rep. Chuck Riley

Witnesses Present: John Phillips, Dept. of Revenue
H.A. (Mack) MacDonald, Disabled American Veterans, Post 6
Harley Ray, American Legion
Michelle Deister, League of Oregon Cities

Staff Present: Paul Warner, Legislative Revenue Officer
Mary Ayala, Economist
Lizbeth Martin-Mahar, Economist
Kristi Bowman, Committee Assistant

TAPE 95, SIDE A

002 Chair Butler Calls meeting to order at 1:30 p.m.

OPENS WORK SESSION FOR BILL INTRODUCTION

014 Paul Warner Gives overview of Legislative Concept (LC) 3455 (Exhibits 1 and 2). This LC modifies the existing the pollution control credit. Gives overview of LC 3490 (Exhibit 3) and LC 3510 (Exhibit 4). LC 3490 and 3510 concern tangible and intangible property pertaining to energy marketing.

027 Rep. Boquist MOTION: MOVES LC 3490, 3510, AND 3455 BE INTRODUCED AS HOUSE REVENUE COMMITTEE BILLS.

034 Chair Butler ORDER: THERE BEING NO OBJECTION, THE CHAIR SO ORDERS. MOTION PASSES 9-0-0. ANSWERING AYE: BERGER, HASS, BOQUIST, ESQUIVEL, GALIZIO, KOMP, OLSON, RILEY, BUTLER.

CLOSES WORK SESSION FOR BILL INTRODUCTION

OPENS PUBLIC HEARING FOR HOUSE BILL 2682.

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| 040 | Lizbeth Martin-Mahar | Gives overview of HB 2682 (Exhibit 5). It allows the Dept. of Revenue (DOR) to waive penalties for late filing or failure to file a tax return if the taxpayer is a disabled veteran. Refers to the Revenue Impact Statement (Exhibit 6). |
| 072 | Chair Butler | Asks if there is any other similar statutory requirement that mandates certain groups [for penalty waivers]. |
| 074 | Martin-Mahar | Responds that there is nothing in current law that specifies certain groups. Under current law the DOR has discretion to waive the late filing fees for some individuals who submit a petition. |
| 084 | Rep. Esquivel | Asks for the definition of “disabled veteran.” |
| 090 | Martin-Mahar | Responds that a disabled veteran is defined as a person entitled to disability compensation from the Dept. of Veteran Affairs, or a person who has received a Purple Heart. The definition is in ORS 408.225 |

110 Rep. Boquist Comments that the Oregon Paralyzed Veterans of America have corresponded with him about this bill. Suggests that another public hearing be scheduled for this bill in order for them to testify.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2682

OPENS PUBLIC HEARING FOR HOUSE BILL 2683

136 Mary Ayala Gives overview and revenue impact of HB 2683 (Exhibits 7 and 8). The bill modifies the definition of disabled persons for the purposes of the homestead property tax deferral.

190 John Phillips Gives informational testimony on HB 2683 and submits a handout titled: HB 2683 Disabled Veteran Deferral Program (Exhibit 9).

220 Chair Butler Asks if the property tax deferral funds would be returned to the Revenue Dept. after the sale of the home.

224 Phillips Responds yes. Adds that “it is his understanding that the deferral payments out of the Revolving Deferral Account to pay for added participants would deplete the fund, and payments in the future would be deposited to repay that debt.”

234 Chair Butler Comments that with interest accrued on the repayment monies, the fund would eventually become self-sustaining.

229 Phillips Discusses variables of the Deferral Revolving Account (see page 2 of Exhibit 9). Comments that the DOR lien would be in effect for a longer period of time if disabled people are brought into the program. Adds that 10 bills including HB 2683 are pending in the 2005 session that pertain to property tax deferral (see page 3 of Exhibit 9).

330 Chair Butler Discusses the revenue implications between a disabled person deferral and a senior citizen deferral.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2683

OPENS PUBLIC HEARING FOR HOUSE BILL 2865

341 Ayala Gives overview for HB 2865 (Exhibits 10). This bill increases the current homestead and personal property tax exemption amounts for a qualified war veteran with a disability of 40% or more. There are currently 38,000 veterans in this program, and they received an exemption averaging \$12,600 per applicant. Refers to the Revenue Impact Statement (Exhibit 11).

384 H.A. (Mack) MacDonald Testifies against HB 2865. Comments that the Disabled American Veterans (DAV) Post 6 members recommend that certain sections of the bill be changed or deleted. MacDonald cites specific sections of the bill for consideration.

TAPE 96, SIDE A

- 032 Chair Butler Asks about the DAV's position on HB 2682 and HB 2683.
- 034 MacDonald Responds that the bills were acceptable to the DAV members, and they recommend a "do pass."
- 046 Harley Ray Testifies against HB 2865. Comments that this bill will help returning veterans who will be 100% disabled.
- 065 Chair Butler Asks MacDonald to follow-up with Rep. Donna Nelson on the House Veteran Committee regarding pending legislation affecting veterans.
- 079 Michelle Deister Asks committee members to look at the various bills pertaining to property taxes for veterans in a way that doesn't adversely impact them.
- 095 Chair Butler Asks Ayala about calculations used on the revenue impact.
- 096 Ayala Responds that the amounts stated represent the full amount of taxes.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2865

113 Paul Warner Discusses committee business.

129 Chair Butler Discusses committee business.

149 Chair Butler Adjourns meeting at 2:11 p.m.

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee
Coordinator

Exhibit Summary:

1. 1. LC 3455, Legislative Counsel, 33 pp., 3/31/05
2. 2. LC 3455, Letter, Waugh, 1 pg., 03/31/05
3. 3. LC 3510, Legislative Counsel, 2 pp., 03/23/05
4. 4. LC 3490, Legislative Counsel, 4 pp., 03/21/05
5. 5. HB 2682, Staff Measure Summary, Martin-Mahar, 1 pg., 03/31/05
6. 6. HB 2682, Revenue Impact Statement, Martin-Mahar, 1 pg., 03/31/05
7. 7. HB 2683, Staff Measure Summary, Ayala, 1 pg., 03/30/05
8. 8. HB 2683, Revenue Impact Statement, Ayala, 1 pg., 03/30/05
9. 9. HB 2683, Handout: HB 2683, Disabled Veteran Deferral Program, Phillips, 6 pp., 03/31/05
10. 10. HB 2865, Staff Measure Summary, Ayala, 1 pg., 03/30/05

11. 11. HB 2865, Revenue Impact Statement, Ayala, 1 pg., 03/30/05