

SENATE REVENUE COMMITTEE
FEBRUARY 7, 2005 8:30 AM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Charles Starr, Vice Chair
Senator Gary George
Senator Rick Metsger
Senator Floyd Prozanski

Witnesses Present: Judge Henry C. Breithaupt, Oregon Tax Court
Judge Jill Tanner, Presiding Magistrate
Ginny Lang, Qwest
John Phillips, Oregon Department of Revenue

Staff Present: Paul Warner, Legislative Revenue Officer
Mary Ayala, Economist
Barbara Guardino, Committee Assistant

TAPE 26, SIDE A

006 Chair Deckert Calls meeting to order at 8:34 a.m.

PUBLIC HEARING, SB 270

023 Paul Warner Staff Measure Summary (**EXHIBIT 1**). Grants Tax Court authority to establish rules for selecting person to represent taxpayers before a Tax Court magistrate.

029 Henry Breithaupt Testifies in favor of SB 270. See written testimony, Statement of Judge Henry C. Breithaupt (**EXHIBIT 2**). Magistrate Division, created 7 years ago, permits a wide group of people to represent taxpayers. In some instances there is too much flexibility. This creates problems. Proposal broadens representation without requiring additional costs.

083 Vice Chair C. Starr Asks for questions or discussion on bill. Hearing, none, closes public hearing, opens work session.

WORK SESSION, SB 270

096 Sen. Metsger MOTION: MOVES SB 270 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

100 Vice Chair C. Starr ASKS FOR ANY OBJECTIONS TO MOTION. THERE BEING NO OBJECTIONS THE CHAIR SO ORDERS.
VOTE: 4-0-1
MEMBERS VOTING AYE: METSGER, PROZANSKI, VICE CHAIR C. STARR, CHAIR DECKERT
MEMBERS EXCUSED: GEORGE

PUBLIC HEARING, SB 269

112 Warner Staff Measure Summary (**EXHIBIT 3**). Eliminates statutory

requirement for taxpayers appealing to the Tax Court to file certified copy of complaints and petitions.

- 111 Breithaupt Testifies in favor of SB 269. See written testimony (**EXHIBIT 4**). Housekeeping bill is designed to have statutes conform to what most often occurs. Individuals who testify before Magistrate Division are confused as to whether they need a certified copy of their complaint.
- 158 Sen. Prozanski Expresses support for the measure.
- 162 Vice Chair C. Starr Closes public hearing, opens work session.

WORK SESSION, SB 269

- 164 Sen. Metsger MOTION: MOVES SB 269 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
- 168 Vice Chair C. Starr ASKS FOR ANY OBJECTIONS TO MOTION. THERE BEING NO OBJECTIONS THE CHAIR SO ORDERS.
VOTE: 5-0-0
MEMBERS VOTING AYE: GEORGE, METSGER, PROZANSKI, VICE CHAIR C. STARR, CHAIR DECKERT

PUBLIC HEARING, SB 267

- 174 Mary Ayala Staff Measure Summary (**EXHIBIT 5**). Allows Tax Court to determine real market value or correct valuation of property that is subject to special assessment based on evidence before the court.
- 185 Breithaupt Testifies in support of SB 267. See written testimony (**EXHIBIT 6**) with attachments. This bill returns the court to its position prior to 1995.
- 209 Chair Deckert Asks Breithaupt to refresh committee on the questions members had when bill last came up.
- 217 Breithaupt Responds, discussion was what occurs in the courtroom. As a trial proceeds, appraisers might submit evidence that is different from evidence submitted by taxpayer. Question: is the court limited or can it find a different value? Believes an oversight allowed for this statute to be repealed, and wants to correct it.
- 280 Jill Tanner Comments, there is a provision in the income tax side of the code that allows the court to determine the correct assessment. This reinforces idea that this was an oversight and should be removed.
- 298 Ginny Lang Testifies in support of an amendment to SB 267. See written testimony (**EXHIBIT 7**). See Proposed Amendment to Senate Bill 267 (**EXHIBIT 8**).
- 345 Sen. Metsger Asks, why should record be capped?
- 368 Lang Responds.
- 391 Chair Deckert Asks for clarification to what the amendment would do.
- 405 Lang Responds, issue is whether the party filing for an appeal should be overridden by the court based solely on evidence. Qwest would be

glad to have a conversation with the Department of Revenue on this amendment. Qwest just went through a situation concerning this issue.

426 Sen. Prozanski Wonders why the committee should accept this amendment.

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035 John Phillips Sees Qwest's point, but does not understand the purpose of the amendment. Passage would not harm the Department of Revenue, but it would only allow efficiency to work in one direction. Goal is for property to be valued at 100% of its real market value.

055 Breithaupt Observes, the way the bill is drafted, he as a judge would not have the ability to grant that motion. Suggests alternate wording.

081 Phillips Concurs, that would be a problem for DOR.

085 Sen. Prozanski Observes, this would be an extra step. Judge should have authority without going through extra step.

110 Breithaupt Agrees, this is a one-way amendment.

130 Vice Chair C. Starr Comments, this amendment would restrict the process beyond what presently exists.

143 Breithaupt Agrees with vice chair's comments.

154 Vice Chair C. Starr Asks for committee's input on whether to move ahead with SB 267.

160 Chair Deckert Recommends holding bill to revisit later.

175 Vice Chair C. Starr Closes public hearing on SB 267.

179 Chair Deckert Reviews activities planned for the remaining of the week.

209 Vice Chair C. Starr Adjourns meeting at 9:45 a.m.

Tape Log Submitted by,

Barbara Guardino, Committee Assistant

Exhibit Summary:

1. SB 270, Staff Measure Summary, Warner, 1 pp.
2. SB 270, Statement of Judge Henry C. Breithaupt before the Senate Revenue Committee, Breithaupt, 1 pp.
3. SB 269, Staff Measure Summary, Warner, 1 pp.
4. SB 269, Statement of Judge Henry C. Breithaupt before the Senate Revenue Committee, Breithaupt, 1 pp.
5. SB 267, Staff Measure Summary, Ayala, 1 pp.
6. SB 267, Additional Information Requested by Senate Judiciary Committee on January 26, 2005, Breithaupt, 20 pp.

7. SB 267, Statement of Qwest Corporation in Support of Amendment to Senate Bill 267, Lang, 2 pp.
8. SB 267, Proposed Amendment to Senate Bill 267, Lang, 1 pp.