

**HOUSE REVENUE COMMITTEE  
APRIL 29, 2003 8:30 AM STATE CAPITOL BUILDING**

Members Present: Representative Lane Shetterly, Chair  
Representative Wayne Scott, Vice Chair  
Representative Joanne Verger, Vice Chair  
Representative Phil Barnhart  
Representative Vicki Berger  
Representative Pat Farr  
Representative Mark Hass  
Representative Elaine Hopson  
Representative Max Williams

Witness Present: John Phillips, Department of Revenue (DOR)  
Debra Buchanan, DOR  
Dave Boyer, Multnomah County  
Walter Barkon, Benton County Resident  
Member: Kids!  
Cyrel Gabel, Corvallis School Board  
Kathy Rodeman, Corvallis School District

Staff Present: Paul Warner, Legislative Revenue Officer  
Mazen Malik, Legislative Revenue Office  
Kathy Tooley, Committee Assistant

**TAPE 146, SIDE A**

004 Chair Shetterly Calls meeting to order at 8:35 a.m.

**OPENED PUBLIC HEARING ON SB 223-A**

010 Mazen Malik Provided description and background of SB 228, (Exhibit 1); has minimal fiscal impact.

033 John Phillips Bill places intergovernmental agencies that levy taxes under local budget law (Exhibit 2).

055 Questions and discussion regarding current intergovernmental agencies that can levy taxes.

068 Rep. Barnhart If they have a small levy that covers one area of the budget, does this law apply to the whole budget?

074 Phillips Answered affirmatively, for only the year the intergovernmental agency levies a tax.

077 Chair Shetterly Closed the Public Hearing on SB 223-A.

**OPENED WORK SESSION ON SB 223-A**

079 Rep. Scott **MOTION: MOVED SB 223-A TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION**

084 **ROLL CALL: MOTION PASSED 9-0-0**

**REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams, Chair Shetterly.**

**Rep. Farr will carry the bill.**

**OPENED PUBLIC HEARING ON SB 229-A**

095	Malik	Provided description and background of SB 229-A, (Exhibit 3); discussed positive revenue impact (Exhibit 4).
140	Phillips	Provided description of SB 229-A, discussed history and described scenarios in which taxes on additional taxes on a property from appeal.
192	Rep Verger	Have you jumped back too far giving the person until the 16 <sup>th</sup> of the next month?
198	Phillips	The proposal is to take it to what is prior to the bill in 1999. It is on the table if it is something you are interested in changing. For the person who appeals discussed 16% penalty that is accrued during appeal.
203	Rep. Verger	Prior to 1999 this was not a big problem? There was a taxpayer with a problem in 1999 and a bill came from that.
208	Chair	Yes, The problem in 1999 was not related to appeals, but to omitted property that caught the person by surprise.
212	Phillips	Questions and discussion relating to unique tax liability situation.
231	Chair	Closed Public Hearing on SB 229-A.

**OPENED WORK SESSION ON SB 229-A**

232	Rep. Verger	<b>MOTION: MOVED SB 229-A TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION</b>
235		<b>ROLL CALL: MOTION PASSED 9-0-0 REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams, Chair Shetterly.</b>  <b>Rep. Verger will carry the bill.</b>
243	Chair Shetterly	Closed Work Session on SB 229-A.

**PUBLIC HEARING SB 228**

249	Malik	Provided description and background of SB 228 (Exhibit 6). Discussed -1, (Exhibit 7); -2, (Exhibit 8); and -3 amendments.
284	Debra Buchanan	Provided description of the bill and amendments. The -1 amendment corrects a inadvertent problem from 1999 legislation which rerestricted DOR from disclosing information to a certified public accountant or an attorney. Worked with Rep. Verger on the -2 amendment takes care of language regarding implied consent.
327	Rep. Verger	Had been concerned with the implication and the amendment satisfies that concern.

329	Chair Shetterly	Do not need -1 if use the -2. And Rep. Verger likes the -2?
342	Rep. Verger	Answered affirmatively.
351	Debra Buchanan	Provided overview of -3 amendments.
370	Chair Shetterly	Is there a fiscal impact?
373	Buchanan	If there is, it would be minimal.
376	Rep. Berger	Would this open the door in any municipality that is contemplating an income tax?
377	Buchanan	It would to the extent they are contemplating a tax on or measured by income and then pursuant to a written agreement protecting the confidentiality of the information. Multnomah and Benton Counties have expressed an interest in pursuing an income tax.
385	Rep. Berger	Or any other county or city in the state?
390	Buchanan	Answered affirmatively.
392	Rep. Barnhart	The purpose of this disclosure would be what?
398	Buchanan	Described scenario where county requests tape of returns filed for comparison purposes, probably a compliance effort after the fact. Anticipate it would be as needed to administer the tax.
416	Chair Shetterly	Are you satisfied with municipal corporations, does that work for counties?
418	Buchanan	John Phillips described definition of a municipal corporation does include cities and counties.
440	Dave Boyer	Spoke in support of SB 228, (Exhibit 10), provided background and discussion regarding upcoming vote on personal income tax in Multnomah County. -3 will help on the initial collection and follow-up enforcement.

**TAPE 147, SIDE A**

035	Walter Barkan	Spoke in support of SB 228, (Exhibit 11), as it provides new tax revenue for schools in Benton County. Access to state tax return is vital for effective enforcement. Current law prohibits sharing tax information with county governments. Ensuring confidentiality addressed by -3 amendment.
055	Cyrel Gable	Spoke in support of SB 228, (Exhibit 12). Corvallis is looking at a county personal income tax to raise money for schools. -3 Amendment would assist county in tax collections.
075	Kathy Rodeman	Spoke in support of SB 228, (Exhibit 13), reiterated testimony of panel as it helps resolve funding issue for schools.
082	Chair Shetterly	Closed Public Hearing on SB 228

**OPENED WORK SESSION ON SB 228.**

090	Rep. Verger	<b>MOTION: MOVED ADOPTION OF THE -2 AMENDMENTS INTO SB 228.</b>
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**ORDER: HEARING NO OBJECTION, THE CHAIR SO ORDERS. (ALL MEMBERS PRESENT).**

092 Rep. Verger

**MOTION: MOVED ADOPTION OF THE –3 AMENDMENTS INTO SB 228.**

**ORDER: HEARING NO OBJECTION, THE CHAIR SO ORDERS. (ALL MEMBERS PRESENT).**

095 Rep. Verger

**MOTION: MOVED SB 228 AS AMENDED TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.**

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**ROLL CALL: MOTION PASSED 9-0-0**

**REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams, Chair Shetterly.**

**Rep. Barnhart will carry the bill.**

106 Chair Shetterly

Closed Work Session on SB 228.

108 Chair Shetterly

Meeting adjourned at 9:13 a.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant

Exhibit Summary:

1. Malik, "Staff Measure Summaries SB 223-A", 2 pages
2. Phillips, "SB 223-A Local Budgeting and Intergovernmental Agencies", 1 page
3. Malik, "Staff Measure Summary SB 229-A", 1 page
4. Malik, "Revenue Impact Statement SB 229-A", 1 page
5. Phillips, "SB 229 Due Date for Additional Taxes After Appeal", 2 pages
6. Malik, "Staff Measure Summary SB 228", 1 page
7. Malik, "SB 228 -1 Amendment", 1 page
8. Malik, "SB 228 -2 Amendment", 1 page
9. Malik, "SB 228 -3 Amendment", 1 page
10. Boyer, "Testimony SB 228", 1 page
11. Barkan, "Testimony SB 228", 1 page
12. Gable, "Testimony SB 228", 1 page
13. Rodeman, "Testimony SB 228", 1 page