

**SENATE REVENUE COMMITTEE
JANUARY 23, 2003 1:00 PM STATE CAPITOL BUILDING**

Members Present: Senator Ryan Deckert, Chair
Senator Tony Corcoran
Senator Lenn Hannon
Senator Charlie Ringo

Members Excused: Senator Ted Ferrioli, Vice Chair
Senator Bruce Starr

Invited Witness: John Phillips, Oregon Department of Revenue

Staff Present: Paul Warner, Legislative Revenue Office
Mazen Malik, Legislative Revenue Office

TAPE 6, SIDE A

005	Chair Deckert	Calls meeting to order at 1:06 p.m.
010	Mazen Malik	Introduces himself to the Committee and outlines his area of expertise. Begins overview of Property Tax orientation.
024	Malik	Discusses slide 2: Home Ownership, Ten Highest and Lowest.
052	Malik	Discusses slide 3: Home Ownership, U.S. and Oregon.
075	Malik	Discusses slide 4: Property Tax System.
105	Malik	Discusses slide 5: Oregon Property Tax per Capita and % of Income.
136	Malik	Discusses slide 6: Property Tax per Capita and % of Income – State Rank. Questions and answers interspersed.
167	Malik	Discusses slide 7: Property Value and Tax Rate -- 1970 – 2001.
201	Malik	Discusses slide 8: Growth of Imposed Tax Levies – 1970 – 2002.
217	Malik	Discusses slide 9: Who Levies Taxes on Property?
247	Malik	Discusses slide 10: What Property is Taxed? Questions and answers interspersed.
290	Malik	Discusses slide 11: 2001-02 Property Assessed Value Breakdown.
300	Malik	Discusses slide 12: 1979 – 2002 Comparison of Residential and Non-Residential Assessed Value as a % of Total Assessed Value. Questions and answers interspersed.
444	Paul Warner	Regarding longer term trends on commercial and industrial property, added that increasingly investment dollars are spent on equipment and less on structures.

- 470 Malik Discusses slide 13: 2001-02 Property Assessed Value by Property Class.
- 482 Malik Discusses slide 14: Oregon County Ranking of Overall Total Assessed Value.

TAPE 7, SIDE A

- 038 Malik Discusses slide 15: Average Growth in Assessed Value by Property Class from 1990 – 2002.
- 052 Malik Discusses slide 16: Total Real Market Value Growth Rates–10-Year Annual Average (1990 – 2000).
- 066 Malik Discusses slide 17: Overview of the Current Property Tax System.
- 070 Malik Discusses slide 18: Property Tax Bill. Questions and answers interspersed.
- 122 Warner Adds that local option discussion will be included in the school finance orientation to be presented next week.
- 153 Malik Discusses slide 19: Components of the Tax Statement.
- 175 Malik Discusses slide 20: Building Blocks of the Property Tax System.
- 183 Malik Discusses slides 21, 22, and 23: Measure 5.
- 198 Malik Discusses slides 24 and 25: Measure 50. Questions and answers interspersed.
- 241 Malik Discusses slide 26: Total Property Taxes.
- 257 Malik Discusses slide 27: Value and Rate Limit.
- 283 Malik Discusses slide 28: Basic Value Limit.
- 299 Malik Discusses slide 29: Value Limit Exception.
- 334 Malik Discusses slide 30: Minor Construction.
- 340 Malik Discusses slide 31: Comparison of ways to arrive at assessed value.
- 367 Malik Discusses slide 32: 2001-02 Property Change Ratios – by Property Class. Questions and answers interspersed.
- 390 Malik Discusses slide 33: M50 Established Maximum Assessed Value.
- 423 Malik Discusses slide 34: Specially Assessed Value.
- 431 Malik Discusses slide 35: Measure 5 Value.
- 444 Malik Discusses slide 36: Tax Rates.
- 469 Malik Discusses slide 37: Characteristics of Permanent Rates. Questions and answers interspersed.

TAPE 6, SIDE B

059	Malik	Discusses slide 38: Measure 50 – Voter Approved Levies.
061	Malik	Discusses slide 39: Local Option Election.
077	Malik	Discusses slide 40: School Local Option.
083	Malik	Discusses slide 41: General Obligation Bonded Debt.
090	Malik	Discusses slide 42: Oregon’s Property Tax Limits.
105	Malik	Discusses slide 43: 2001-02 Property Taxes Imposed by District and Tax Source.
114	Malik	Discusses slide 44: 2001-02 Breakdown of Taxes % of Total Taxes.
117	Malik	Discusses slide 45: Statewide Average Tax Growth Rates Since M50.
123	Malik	Discusses slide 46: Measure 50 Tax Calculation. Questions and answers interspersed.
162	Malik	Discusses slide 47: Measure 5 – Tax Compression.
192	Malik	Discusses slide 48: Example of figuring tax compression.
219	Malik	Discusses slide 49: Tax Compression Occurs.
225	Malik	Discusses slide 50: M5 Compression Losses 1991 – 2002.
251	Malik	Discusses slide 51: Local Option Gap Amount – Size and Growth.
278	Malik	Discusses slide 52: Other Features of the Property Tax System.
293	John Phillips	In response to question of how mailing date of property tax statements was established, responds that the October 25 mailing date allows tax collectors to print and mail the statements so that the tax due date of November 15 can be achieved. Further questions and answers interspersed.
376	Malik	Begins discussion of Urban Renewal. Discusses slide 53 and 54: Urban Renewal Basics.
409	Malik	Discusses slide 55: Oregon’s Urban Renewal Agencies.
430	Malik	Discusses slide 56: Urban Renewal.

TAPE 7, SIDE B

020	Malik	Discusses slide 57: Urban Renewal Revenue Sources.
049	Malik	Discusses slide 58: Example: Urban Renewal Division of Tax Calculation. Questions and answers interspersed.
055	Malik	Discusses slide 59: Urban Renewal Division of Tax Revenue 1998-

2000. Questions and answers interspersed.

071	Malik	Discusses slide 60: Breakdown of Urban Renewal Division of Tax 1998-1999.
074	Malik	Discusses slide 61: Urban Renewal Revenue Sources.
084	Malik	Discusses slide 62: Urban Renewal Maximum Tax Authority.
088	Malik	Discusses slide 63: Urban Renewal Special Levy Limit.
090	Malik	Discusses slide 64: Options for Urban Renewal Plans. Questions and answers interspersed.
108	Malik	Discusses slide 65: Urban Renewal Revenue by Source.
111	Malik	Discusses slide 66: Urban Renewal Tax Revenue & Maximum Authority 1992-2000.
117	Malik	Discusses slide 67: Trends in Urban Renewal Program. Questions and answers interspersed.
155	Warner	Reminds members that they are invited to attend the House Revenue Committee meeting Friday, January 24, to hear about the School Funding and Revenue Options task force report and report from advisory council members.
175	Chair Deckert	Adjourns meeting at 2:45 p.m.

Tape Log Submitted by,

Carol Phillips, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. The Property Tax System, Malik, 34 pp.