

**PUBLIC HEARING: HB 2029**

**PUBLIC HEARING AND WORK SESSION: HB 2282**

**TAPES 29 — 30 A**

**HOUSE SCHOOL FUNDING AND TAX  
FAIRNESS/REVENUE COMMITTEE**

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**JANUARY 31, 2001 — 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING**

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Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair

Representative Deborah Kafoury, Vice Chair

Representative Alan Bates

Representative Chris Beck

Representative Alan Brown

Representative Mark Hass

Representative Max Williams

Representative Bill Witt

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Steve Meyer, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: John Roach, Citizen

Diane Belt, Oregon Association of County Tax

Collectors

Jim Manary, Department of Revenue

Dexter Johnson, Legislative Counsel

Gary Carlson, Associated Oregon Industries

Larry Tapanen, Tapanen Industries

**TAPE 29, SIDE A**

006 Chair Shetterly Meeting called to order at 1:41 p.m.

**OPENED PUBLIC HEARING ON HB 2282**

015 Lizbeth Martin-  
Mahar Provided a description of the measure and discussed the background. (EXHIBIT 1)

039 Rep. Witt Provided background on the introduction of the measure and spoke in support of the measure.

071 John Roach Spoke in support of the measure and provided supporting documentation. (Exhibit 2)

092 Rep. Witt Explained the problem, as stipulated in the letter of denial, (Page 4, Exhibit 2).

119 Chair Shetterly Reviewed process under current law.

125 Diane Belt Concurred.

130 Chair Shetterly Technical questions to determine if the measure accomplishes what is intended. Spoke to concern that the measure may create a problem where there is a six-month time limitation in which to file, but it does not correspond with the periods for filing under ORS 307.250.

154 Rep. Witt The intent of the measure is to allow for reclaiming the exemption in the years that were lost when one was eligible, had application been made. Currently the Department of Revenue does not have the authority to go back to those prior years.

191 Chair Shetterly The bill as written will work?

192 Belt Yes.

193 Chair Shetterly Expressed concern that the language, "must file within six months of receiving the certification", creates a problem, if that six months falls outside the window for filing the application.

- 207 Belt Concurred with the Chair's reading of the measure.
- 217 Jim Manary Described the current process and discussed where the problem currently lies.  
Questions and discussion regarding the six-month window and making it a more "user friendly" measure.
- 265 Chair Shetterly Asked Rep. Witt his thoughts on extending the six-months to a year.
- 265 Rep. Witt That would correct an administrative issue; the intent of the measure was to allow a sufficient time period for the veteran to make application after receipt of the certification.
- 279 Belt Would request time to speak with other assessors prior to any action on the measure.
- 298 Dexter Johnson Is the concern over the six-month period?
- 298 Chair Shetterly States the concern: "If the veteran receives a certification after the time for filing the application under ORS 307.250 has passed then it is more than six months before that application period reopens. Does this create a situation where the assessor would have to deny the application?"
- 314 Dexter Johnson Explained the timelines set forth in ORS 307.260; this measure is an alternative to that statute.
- 331 Chair Shetterly Does that create potential administrative problems if that comes after a certain point of time in the year?
- 337 Johnson The entire property tax would be paid upon receipt of the bill and then a refund would need to be issued; does not know what administrative issues are involved with that.
- 347 Manary Fundamentally that is how the hardship currently works.
- 354 Chair Shetterly "This measure would create an exception to the time limitations for filing under ORS 260?"
- 359 Johnson Concurred.

**OPENED WORK SESSION ON HB 2282**

- 375 Rep. Witt **MOTION: MOVED HB 2282 TO THE**

**HOUSE FLOOR WITH A DO PASS  
RECOMMENDATION.**

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

**REPRESENTATIVES VOTING AYE: Bates,  
Beck, Brown, Hass, Williams, Witt, Carlson,  
Kafoury, Chair Shetterly**

**Rep. Witt will carry the bill.**

**OPENED PUBLIC HEARING ON HB 2029**

403 Lizbeth Martin- Provided a description of the measure and  
Mahar discussed the background. (EXHIBIT 3)

**TAPE 30, SIDE A**

004 Diane Belt Presented testimony in support of measure.  
(Exhibit 4)

Noted conversation with Mr. Tapanen prior to hearing and the need to further define "machinery and equipment"; my concern is with accounts (A1 accounts) that are taxed separately from the real property.

063 Rep. Beck "What means does the tax assessor have to keep the equipment from leaving the premises?"

068 Belt "It is a problem, but it is large equipment so it deters removal."

081 Rep. Witt "Is it typical that there can be as much as 15-20% of real property taxes on "real property equipment and machinery" that is unpaid in some counties? Why is there such a discrepancy between Washington County and other counties? "

089 Belt "These are current year figures. Multnomah County has three large accounts that equipment is gone; those are included in that figure."

093 Rep. Witt "Does the November 15 discount apply the same as it does on residences, and if so would that affect these figures?"

097 Belt Yes.

106 Rep. Witt "Is there statutory definition as to when this is taxed as real property vs. personal property?"

- 113 Belt "If it is "affixed" that makes it machinery and equipment; the value can also come into play."
- 118 Rep. Witt "If it is not bolted to the floor it is taxed as personal property?"
- 120 Belt "Not necessarily, size also factors in."
- 127 Rep. Hass "If the property is seized can it continue to operate and what stops someone from moving tagged machinery?"
- 135 Belt Explained process that is used under an ideal situation for a summary seizure.
- 149 Rep. Bates "Why can't this property be followed and taxes collected; does it go out the country?"
- 153 Belt "Some of the equipment has gone to Canada, some to Japan and some to California. Letters to California have not been successful. It becomes a cost effectiveness issue; does the county physically go to California and pick up the equipment to return to Oregon?"
- 162 Chair Shetterly "Is there statute that distinguishes between types of personal property or is that a judgement call?"
- 168 Belt "There is a statute, but I cannot cite it."
- 174 Gary Carlson Spoke in opposition to the measure. Referenced conversation prior to today's meeting with Ms. Belt and desire to work with her on a definition.
- 204 Larry Tapanen Spoke in opposition to the measure.
- 247 Chair Shetterly You agree with Ms. Belt's definition of the A1 accounts and that is the accounts they are interested in addressing with this measure?
- 250 Tapanen Yes, and am in agreement with that narrow definition.
- 254 Chair Shetterly Directed staff to work with parties on amendments

Meeting adjourned at 2:27 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2282, Preliminary Staff Measure Summary and Revenue and Fiscal statements, Martin-Mahar, 3 pages
2. HB 2282, Testimony, Roach, 4 pages
3. HB 2029, Preliminary Staff Measure Summary and Revenue and Fiscal statements, Martin-Mahar, 3 pages
4. HB 2029, Testimony, Belt, 4 pages