

SENATE REVENUE COMMITTEE

January 22, 2001 — 8:30 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative
Revenue Office

Carol Phillips, Committee Assistant

TAPE 1, SIDE A

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| 005 | Chair Ferrioli | Meeting called to order at 8:35 a.m. |
| 022 | Lizbeth Martin-Mahar | Began discussion of Property Tax. Exhibit 1. |
| 038 | Martin-Mahar | Discussed slide 1: Oregon Property Taxes. |
| 042 | Martin-Mahar | Discussed slide 2: Homeownership Rates —
1990 —1998. |

Questions and answers interspersed.

- 083 Martin-Mahar Discussed slide 3: Property Tax System.
- 099 Martin-Mahar Discussed slide 4: Oregon Property Tax per Capita and % of Income 1982 — 2000.
- 136 Martin-Mahar Discussed slide 5: Property Value and Tax Rate 1970 — 1999.

Questions and answers interspersed.

- 310 Martin-Mahar Discussed slide 6: Growth of Imposed Tax Levies 1970 — 2000.
- 341 Martin-Mahar Discussed slide 7: Who Levies Taxes on Property?
- 363 Martin-Mahar Discussed slide 8: What Property is Taxed? Explained that Chair Ferrioli had requested further information on intangible personal property issues. The following were distributed to the members for their review: Exhibit 2: Utility Intangible Personal Property; Exhibit 3: Revenue Impact Statement re HB 2050-A (1999); Revenue Impact Statement re SB 559-B (1999); and Exhibit 5, Work Group on Taxation of Intangibles.

- 405 Martin-Mahar Discussed slide 9: 1999-2000 Property Value Breakdown.
- 425 Martin-Mahar Discussed slide 10: 1979-2000 Comparison of Residential and Non-Residential Assessed Value as a % of Total Assessed Value.

Questions and answers interspersed.

TAPE 014, SIDE A

- 007 Martin-Mahar Discussed slide 11: 1999-2000 Assessed Value by Property Class.
Questions and answers interspersed.
- 043 Martin-Mahar Discussed slide 12: Average Growth in Assessed Value by Property Class from 1990-2000.
- 056 Martin-Mahar Discussed slide 13: Oregon County Ranking of Overall Total Assessed Value 1999-2000.
Questions and answers interspersed.
- 208 Martin-Mahar Discussed slide 14: Net Assessed Value Growth Rates 1999-2000.
- 229 Martin-Mahar Discussed slide 15: Net Assessed Value Growth Rates Annual Average — 1997-1999.
- 244 Martin-Mahar Discussed slide 16: Total Real Market Value Growth Rates — 1999-2000.
- 261 Martin-Mahar Discussed slide 17: Total Real Market Value Growth Rates Annual Average 1990-2000.
Comments interspersed.
- 290 Martin-Mahar Discussed slide 18: Overview of the Current Property Tax System.
- 295 Martin-Mahar Discussed slide 19: Property Tax Bill.
Questions and answers interspersed.
- 435 Martin-Mahar Discussed slide 20: Components of the Tax Statement.
Questions and answers interspersed.

TAPE 013, SIDE B

- 027 Martin-Mahar Discussed slide 21: Data Building Blocks of the Property Tax System.
Questions and answers interspersed.
- 056 Martin Mahar Cover slide 22: Measure 5.
- 057 Martin-Mahar Discussed slide 23: Measure 5 Limit — Key Elements.
- 077 Martin-Mahar Discussed slide 24: Measure 5 Limit Key Elements.
Questions and answers interspersed.
- 082 Martin-Mahar Discussed slide 25: M50 — Principles.
- 111 Martin-Mahar Cover slide 26: Measure 50 Value and Rate Limit.
- 112 Martin-Mahar Discussed slide 27: Value and Rate Limit.
- 123 Martin-Mahar Discussed slide 28: Basic Value Limit.
- 126 Martin-Mahar Discussed slide 29: Value Limit Exceptions.
- 133 Martin-Mahar Discussed slide 20: Minor Construction.
- 151 Martin-Mahar Discussed slide 31: Average Ratio of Assessed Value to Real Market Value.
- 171 Martin-Mahar Discussed slide 32: 1999-2000 Changed Property Ratios by Property Class.
Questions and answers interspersed.

- 208 Martin-Mahar Discussed slide 33: M50 Established Maximum Assessed Value (MAV).
- 230 Martin-Mahar Discussed slide 34: Specially Assessed Value (SAV).
- 240 Martin-Mahar Discussed slide 35: Measure 5 Value.
- 260 Martin-Mahar Discussed slide 36: Tax Rate.
Questions and answers interspersed.
- 313 Martin-Mahar Discussed slide 37: Characteristics of Permanent Rates.
Questions and answers interspersed.
- 407 Martin-Mahar Cover slide 38: Measure 50 Voter Approved Levies.
- 409 Martin-Mahar Discussed slide 39: Local Option Election.
- 423 Martin-Mahar Discussed slide 40: School Local Option.
- 443 Martin-Mahar Discussed slide 41: General Obligation Bonded Debt.
- 455 Martin-Mahar Discussed slide 42: Oregon's Property Tax Limits.
- 479 Chair Ferrioli Adjourned meeting at 10:00 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Martin-Mahar, Oregon Property Taxes, 39 pp.
2. Martin-Mahar, Utility Intangible Personal Property, 2 pp.
3. Martin-Mahar, HB 2050-A Revenue Impact Statement (1999), 2 pp.
4. Martin-Mahar, SB 559-B Revenue Impact Statement (1999), 2 pp.
5. Martin-Mahar, Work Group on Taxation of Intangibles, 9 pp.
6. Sen. Ferrioli, A Resolution Regarding the "Secure Rural School and Community Self-Determination Act of 2000", 1 pp.