

PUBLIC HEARING AND WORK SESSION

SB 510, HB 2028-A, HB 2030

TAPES 045-046, A

SENATE REVENUE COMMITTEE

February 19, 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

Witnesses: Diane Belt, Oregon Association of City Tax Collectors

Hasina Squires, Special Districts Association of Oregon

Roger Martin, Executive Director, Oregon Transit Association

Jeff Hamm, General Manager, Salem Area Transit

Ben Featherston, Attorney representing Salem Area Transit

John Phillips, Department of Revenue, Property Tax

Division

TAPE 045, SIDE A

- 005 Chair Ferrioli Meeting called to order 8:35 a.m.
- 011 Paul Warner Gave overview of the three bills to be discussed at today's meeting.
- 03 Lizbeth Martin-
Mahar Began discussion of HB 2028-A. This bill stipulates when taxes shall attach as a lien on manufactured structures or floating homes removed from the county between January 1 and July 1. It distinguishes two circumstances, one when the manufactured or floating home is removed entirely from the state, and the other when the home is moved from one Oregon county to another.

OPENED PUBLIC HEARING ON HB 2028-A

- 072 Diane Belt Stated that HB 2028-A will improve customer service. The lien for personal property tax attaches on the day preceding the date that a manufactured structure or floating home is removed from the county if the removal is between January 1 and July 1 of an assessment year. If the home is removed from the state between January 1 and July 1, it is removed from the tax roles. HB 2028-A will allow the county to collect taxes before the DMV issues their form 113 on homes that are leaving a county. Discussed Exhibit 5.

CLOSED PUBLIC HEARING ON HB 2028-A

OPENED WORK SESSION ON HB 2028-A

- 151 Sen. L. Beyer MOTION:

MOVES HB 2028-A TO THE SENATE
FLOOR WITH A DO PASS
RECOMMENDATION.

154 Chair Ferrioli ORDER:

HEARING NO OBJECTION, MOTION
PASSES: 7 — 0 — 0

Sen. Ferrioli will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON HB 2028

159 Martin-Mahar Discussed HB 2030. The bill changes the word shall to may in ORS 311.640. Under current law, it is mandatory that Oregon counties seize and sell all delinquent personal property tax accounts. HB 2030 would give tax collectors the discretion to choose which delinquent personal property tax accounts are economically advantageous for collectors to seize and sell.

OPENED PUBLIC HEARING ON HB 2030

215 Belt Discussed HB 2030 and Exhibit 10. Stated HB 2030 will make better sense of current law to conform to current practice. The provision to seize and sell would become discretionary instead of mandatory.

Questions and answers followed.

CLOSED PUBLIC HEARING ON HB 2030

OPENED WORK SESSION ON HB 2030

386 Sen. L. Beyer MOTION:

MOVES HB 2030 TO THE SENATE FLOOR
WITH A DO PASS RECOMMENDATION.

391 Chair Ferrioli ORDER:

HEARING NO OBJECTION, MOTION
PASSES: 7 — 0 — 0

Sen. L. Beyer will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON HB 2030

- 404 Martin-Mahar Discussed SB 510. This bill inserts the requirement that boundary changes be filed in a final form to the county assessor and the Department of Revenue, to other pertinent statutes pertaining to cities, counties, and special districts. This does not change current law, and has no revenue or fiscal impact. ORS 308.225 stipulates that county assessors disregard any taxing district's boundary changes if the map showing the changes are not filed in final approved form prior to March 31 of the assessment year. There is some concern that local districts are not aware of this statute, and their failure to file can cause a district to potentially lose their authority to levy property taxes in that area affected by the boundary change.

Questions and answers interspersed.

OPENED PUBLIC HEARING ON SB 510

- 465 Hasina Squires Discussed Exhibit 16. Special Districts Association of Oregon represents approximately 800 special service districts throughout Oregon including rural fire protection districts, ports, water, sanitary, library, parks and recreation, and many other types of districts. Most of these districts do not have staff attorneys, so when they do an annexation, merger, or consolidation, they do not have the ability to read through the entire ORS to know that ORS 308.225 requires them to file those boundary changes with the county assessor and the Department of Revenue in order for them to levy a tax.

The purpose of this bill is to enable each taxing district to be able to look within their own enabling statutes to know that the requirements of ORS 308.225 do exist so they do not accidentally fail to file their boundary change with the county assessor or the Department of Revenue.

- 036 Squires Continued comments.
- 057 Roger Martin Gave comments against SB 510. Discussed Proposed Amendments to SB 510.
- 082 Jeff Hamm Stated there are two fundamental problems with SB 510. First is that Salem Area Transit cannot set its own boundaries. That is done by the legislature. In 1999 the legislature changed the district's boundaries to float with the Urban Growth Boundary in the Salem-Keizer area. The problem created is that when the UGB changes, it is not up to the district to keep track of that. The UGB does not necessarily follow tax parcel lines, particularly in Polk County along the Willamette River. Fundamentally, if Salem Area Transit has to file the boundary along tax parcel lines, it puts the special district in the position of having to define what property is in and what property is out of the UGB. Maintains that should be the responsibility of general purpose government and not the special district.
- 100 Ben Featherston Gave some history of boundaries as of 1977. The boundaries had not changed until the 1999 legislative session, although Salem's UGB changed several times after the 1999 session. Because of that some property was within the district but outside the UGB that was being taxed by the district but not likely to receive the extension of urban services. That was determined inequitable, so the 1999 session changed their boundaries to float with the UGB. Stated that the wording of the proposed (-1) amendments is inaccurate. Will have wording clarified.
- Questions and answers followed.
- 248 John Phillips Testified in favor of SB 510, without the amendment. Said there are approximately 1,500 taxing districts in Oregon, and they do change their boundaries quite frequently for various

reasons (annexations, withdrawals, consolidations, mergers, dissolutions, formations, etc.). Agreed it is very complicated for an assessor to keep track of all the changes that occur to a district's boundaries.

Stated that beginning one marine league at sea off the mouth of the Columbia River at North latitude 46 15' 00 is the actual beginning boundary description for the State of Oregon. Discussed Exhibit 17, which outlined examples of boundary issues. Also discussed Exhibit 18.

Questions and answers followed.

- 372 Chair Ferrioli Called a five-minute recess for members to discuss bill before taking action on it.
- 373 Chair Ferrioli Re-convened meeting. Explained that there are questions about the efficacy of the (-1) amendments, and other people should be consulted before any action taken on it. Stated that the Chair intends to move this bill without amendment. If it is determined that amendments are necessary and will be effective, that would be presented in the House side for their review.

CLOSED PUBLIC HEARING ON SB 510

OPENED WORK SESSION ON SB 510

- 397 Sen. L. Beyer MOTION:

MOVES SB 510 TO THE SENATE FLOOR
WITH A DO PASS RECOMMENDATION.

- 400 Chair Ferrioli ORDER:

HEARING NO OBJECTION, MOTION
PASSES: 7 — 0 — 0

Sen. Ferrioli will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON SB 510

406 Chair Ferrioli Adjourned meeting at 9:35 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2028-A, Martin-Mahar, Senate Staff Measure Summary, 1 pp.
2. HB 2028-A, Martin-Mahar, Revenue Impact Statement, 1 pp.
3. HB 2028-A, Martin-Mahar, House Staff Measure Summary, 1 pp.
4. HB 2028-A, Martin-Mahar, Fiscal Impact Statement, 1 pp.
5. HB 2028-A, Belt, Written testimony dated February 19, 2001, 2 pp.
6. HB 2030, Martin-Mahar, Senate Staff Measure Summary, 1 pp.
7. HB 2030, Martin-Mahar, House Staff Measure Summary, 1 pp.
8. HB 2030, Martin-Mahar, Revenue Impact Statement, 1 pp.
9. HB 2030, Martin-Mahar, Fiscal Impact Statement, 1 pp.
10. HB 2030, Belt, Written testimony dated February 19, 2001, 2 pp.
11. SB 510, Martin-Mahar, Staff Measure Summary, 1 pp.
12. SB 510, Martin-Mahar, ORS 308.225 description, 1 pp.
13. SB 510, Martin-Mahar, Fiscal Impact Statement, 1 pp.
14. SB 510, Martin-Mahar, Revenue Impact Statement, 1 pp.
15. SB 510, Proposed (-1) Amendments LC 2361 BHC/ps 2/19/01, 3 pp.
16. SB 510, Squires, Written testimony dated February 19, 2001, 5 pp.
17. SB 510, Phillips, Written testimony dated February 19, 2001, 2 pp.
18. SB 510, Phillips, Written testimony dated September 25, 2000, 2 pp.