

WORK SESSION: SB 520, SB 521

PUBLIC HEARING AND WORK SESSION:

HB 2029-A, HB 2031-A

TAPES 055-056,A

SENATE REVENUE COMMITTEE

February 27, 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 John Minnis

Senator Charles Starr

Members Excused: Sen. Gary George

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Invited Testimony: John Brenemen

Witnesses: Diane Belt, Oregon Association of County Tax Collectors

TAPE 055, SIDE A

005 Chair Ferrioli Meeting called to order at 8:34 a.m.

012 Paul Warner Introduced James Jensen, intern from Willamette University.

OPENED WORK SESSION ON SB 520

035 Ed Waters Reviewed SB 520, which eliminates some sunset dates and modifies several of the alternative energy incentive programs administered by the Office of Energy. Also discussed the (-1) amendments.

056 Chair Ferrioli As evidenced by recent events regarding power shortages on the West Coast, and the ability of citizens to conserve energy and to use alternative systems to create energy, the two most important words in this bill are the words: Fuel Cell. Believes the technology offers incredible opportunities for the future. Everything possible should be done to promote the technology.

071 L. Beyer MOTION:

MOVES (-1) AMENDMENTS TO SB 520 BE ADOPTED.

080 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

081 L. Beyer MOTION:

MOVES SB 520 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

087 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE MOTION PASSES: 6 — 0 — 1

SENATOR ABSENT: GEORGE

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

CLOSED WORK SESSION ON SB 520

OPENED WORK SESSION ON SB 521

090 Waters Discussed SB 521, which modifies and expands several business energy tax credit programs. The (-1) amendments have already been adopted by this committee at a previous meeting.

113 L. Beyer MOTION:

MOVES SB 521 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

115 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE MOTION PASSES: 6 — 0 — 1

SENATOR ABSENT: GEORGE

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

CLOSED WORK SESSION ON SB 521

123 Sen. Corcoran Suggested a fuel cell display showing how they work should be made available, possibly on the day the bill is up for vote in the Senate. Very few people know much about them, but they should have the opportunity to learn.

136 Chair Ferrioli Stated that many citizens want "off the grid". It benefits every citizen to have individuals creating more energy than they consume. Technology such as fuel cells creates this behavior.

- 151 John Breneman Stated he has a client who recently purchased a fuel cell company in Bend. Offered to arrange a fuel cell demonstration if the Chair would provide the date, time, and place needed.
- 183 Lizbeth Martin-Mahar Discussed HB 2029A. Explained that the bill applies personal property tax collection laws to certain real property machinery and equipment. Allows tax collectors to secure the machinery and equipment if the tax collector has a reason to believe the machinery and equipment will leave the area. Specifies that only real machinery and equipment, which is owned separately from the land or buildings, will be affected by this measure. It is estimated that approximately \$2.2 million in additional taxes could be collected potentially in 2001-03 period from passage of this bill.

OPENED PUBLIC HEARING ON HB 2029-A

- 260 Diane Belt Testified in support of HB 2029-A. Discussed Exhibit 9. By definition, machinery and equipment are properties affixed to real property by bolts, screws, nails, or by being built into the structure. Examples are seed cleaning equipment, rock crushing plants, smelters, paper machines, newspaper presses, saw mills, plywood machinery, and presses. Collection problems arise when owners of this type of equipment remove it from the county or state without paying property taxes.

Questions and answers interspersed.

TAPE 056, SIDE A

- 007 Belt Continued comments, with questions and answers interspersed.

CLOSED PUBLIC HEARING ON HB 2029-A

OPENED WORK SESSION ON HB 2029-A

041 Sen. L. Beyer MOTION:

MOVES HB 2029-A TO THE SENATE
FLOOR WITH A DO PASS
RECOMMENDATION.

045 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE MOTION
PASSES: 6 — 0 — 1

SENATOR ABSENT: GEORGE

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

CLOSED WORK SESSION ON HB 2029-A

OPENED PUBLIC HEARING ON HB 2029-A

054 Martin-Mahar Discussed HB 2031-A. This bill stipulates when a county tax collector will cancel unpaid property taxes on abandoned manufactured homes on leased/rented land. Raises the current market value of an abandoned manufactured dwelling from \$3,500 to \$8,000 for a public sale to be held. Specifies the following four conditions when the county tax collector will cancel all unpaid property taxes on the abandoned manufactured structure:

1. The landlord disposes of an abandoned manufactured dwelling, which is valued less than \$8,000 and no public auction is held.
2. There is no buyer at a sale of an abandoned manufactured dwelling, the property's value is set at \$8,000 or less, and the landlord destroys the property.
3. There is a buyer at an abandoned manufactured dwelling sale, the current market value of the structure is \$8,000 or less, and the proceeds of the sale are insufficient to satisfy unpaid property taxes.
4. The landlord buys a manufactured structure, which has a current value of

more than \$8,000, the proceeds of the sale are insufficient to pay back taxes, and the landlord disposes of the structure.

116 Belt Testified in support of HB 2031-A and Exhibit 13. In the 1999 session, an issue was addressed concerning the condition where a park owner conducts a sale, but there is no purchaser of a home. The solution that was adopted to solve the problem opened the door for some landlords to take possession of a home that has value, and by statute have the property taxes canceled. That was not the intent of the original bill in 1997. HB 2031-A remedies that situation.

Questions and answers followed.

290 Belt Discussed (A-2) amendments.

Extensive questions and answers interspersed.

CLOSED PUBLIC HEARING ON HB 2031-A

OPENED WORK SESSION ON HB 2031-A

464 Sen. L. Beyer MOTION:

MOVES (-A2) AMENDMENTS TO HB 2031-A BE ADOPTED.

471 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

472 Sen. L. Beyer MOTION:

MOVES HB 2031(-A2) AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

479 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE MOTION
PASSES: 6 — 0 — 1

SENATOR ABSENT: GEORGE

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

492 Chair Ferrioli Meeting adjourned at 9:30 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 520, Waters, (-1) Amendments, (DJ/ps) 2/21/01, 1 pp.
2. SB 520, Waters, Revenue Impact Statement, 2 pp.
3. SB 520, Waters, Fiscal Impact Statement, 1 pp.
4. SB 521-1, Waters, Revenue Impact Statement, 1 pp.
5. SB 521, Waters, Revenue Impact Statement, 2 pp.
6. SB 521, Waters, Fiscal Impact Statement, 1 pp.
7. HB 2029-A, Martin-Mahar, Staff Measure Summary, 1 pp.
8. HB 2029-A, Martin-Mahar, Revenue Impact Statement, 1 pp.
9. HB 2029-A, Belt, Written testimony, 4 pp.
10. HB 2031-A, Martin-Mahar, (-A2) Amendments, (DJ/ps) 2/26/01, 1 pp.
11. HB 2031-A, Martin-Mahar, Staff Measure Summary, 1 pp.
12. HB 2031-A2, Martin-Mahar, Revenue Impact Statement, 1 pp.
13. HB 2031-A, Belt, Written testimony, 2 pp.