

PUBLIC HEARING AND WORK SESSION

SB 130, HB 2612, HB 2677, HB 2777

TAPES 082-083, A

SENATE REVENUE COMMITTEE

March 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 John Minnis

Senator Charles Starr

Members Excused: Senator Gary George

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: John DiLorenzo, Hagen, Dye, Hirschy & DiLorenzo

Scott Staff, Vice President College Relations, Lewis & Clark College

Mark Noakes, Linn County Assessor/Tax Collector

Rep. Jeff Merkley, HD16

Glenn O. Hartel, Multnomah Co. (retired Oregon taxpayer)

Dexter Johnson, Legislative Counsel

TAPE 082, SIDE A

005 Chair Ferrioli Meeting called to order at 8:39 a.m.

OPENED PUBLIC HEARING ON SB 130

012 Sen. Minnis Reminded members SB 130 was originally heard in Senate Revenue but sent to Judiciary without recommendation for their review with subsequent return to Senate Revenue. This bill gives court judges discretion to award reasonable attorney fees and costs to prevailing taxpayer payable by Department of Revenue in ad valorem property tax appeals.

025 Chair Ferrioli Summarized history of the bill to date. Action taken by Judiciary Committee was Do Pass by a vote of 7-0-0 to be returned to Senate Revenue. This committee can either re-refer the bill back to Judiciary, or pass it to the Senate Floor with Do Pass or no recommendation. Does not think any further debate is needed to move the bill, nor is it necessary to re-refer it to Judiciary. Asked the committee to pass SB 130 to the Senate Floor with no recommendation and the carrier to be Sen. Minnis.

CLOSED PUBLIC HEARING ON SB 130

OPENED WORK SESSION ON SB 130

035 Sen. Corcoran Asked if current law had allowed for attorney fees in income tax and inheritance tax appeals, why were they not allowed in ad valorem tax appeals, to which Sen. Minnis did not have an answer.

050 Vice Chair L. Beyer MOTION:
MOVES SB 130 THE SENATE FLOOR WITHOUT RECOM-MENDATION.

051 Chair Ferrioli ORDER:
HEARING NO OBJECTION, MOTION
PASSES: 6 — 0 — 1

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

CLOSED WORK SESSION ON SB 130

- 064 Lizbeth Martin-Mahar Discussed HB 2612-A. The bill allows the Board of Property Tax appeals to hear reductions in real market and assessed values when property has been damaged or destroyed and reassessed as of July 1. It also allows an appeal of maximum assessed value if property has been damaged or destroyed due to fire or Act of God and the assessment date is July 1.
- 076 Martin-Mahar Explained that the (A-2) amendments address the criteria of criminal acts in destruction of property. Property damaged or destroyed through criminal acts by the owner shall not have their assessment date changed. The (A-3) amendments deal with land that ceases to be used as a cemetery but allows for continuation of property tax exemption for the property that is owned or purchased by a charitable institution.

OPENED PUBLIC HEARING ON HB 2612-A

- 109 John DiLorenzo Testified in support of the bill. Read Exhibit 9 and discussed the (A-3) amendments. The (A-3) amendments provide that whenever land that has previously been held exclusively for cemetery and crematory purposes is transferred to another charitable institution for use in connection with educational purposes, that the transferee need not be burdened with a tax "rollback penalty".
- Questions and answers interspersed.
- 229 Mark Noakes Testified regarding HB 2677-A with comments regarding the (A-2) amendments. Had questions regarding the wording "a criminal" act. Suggested it be changed to "an intentional" act.
- Questions and answers interspersed.

294 Sen. Corcoran Asked for clarification regarding the wording question.

General discussion ensued.

CLOSED PUBLIC HEARING ON HB 2612-A

OPENED WORK SESSION ON HB 2612-A

329 Vice Chair L. MOTION:
Beyer
MOVES THAT RULES BE SUSPENDED FOR THE PURPOSE OF MAKING WORDING CHANGE IN (A-2) AMENDMENTS.

341 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO ORDERED.

342 Vice Chair L. MOTION:
Beyer
MOVES THAT LINE 5 OF THE (A-2) AMENDMENTS TO
HB 2612-A BE CHANGED TO REFLECT REMOVING "A CRIMINAL", REPLACING IT WITH "AN INTENTIONAL".

357 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO ORDERED.

358 Vice Chair L. MOTION:
Beyer
MOVES (A-2) AMENDMENTS AS AMENDED TO HB 2612-A BE ADOPTED.

362 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO ORDERED.

- 364 Vice Chair I. Beyer MOTION:
MOVES (A-3) AMENDMENTS TO HB 2612-A BE ADOPTED.
- 368 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 370 Vice Chair L. Beyer MOTION:
MOVES HB 2612-A AS AMENDED TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.
- 376 Chair Ferrioli ORDER:
HEARING NO OBJECTION, THE MOTION PASSES: 6 — 0 — 1
SENATOR EXCUSED: GEORGE
Sen. Minnis will carry the bill on the Senate Floor.

CLOSED WORK SESSION ON HB 2612-A

- 417 Paul Warner Gave overview of HB 2677-A. The bill gives taxpayers the option of requiring Department of Revenue to directly deposit any refund in a designated account. Forms and deadlines are to be determined by Department of Revenue rules.

OPENED PUBLIC HEARING ON HB 2677-A

- 448 Rep. Jeff Merkley Introduced Glenn Hartel who will speak about the bill. Stated the bill originated with Mr. Hartel. This bill provides an opportunity to increase safety to seniors and savings for the Department of Revenue.
- 460 Glenn Hartel Testified in support of the bill, which started out as a bill to benefit seniors. Direct deposit eliminates possibility of checks being lost in the

mail or stolen from mailboxes. This appears to be a win/win situation for everyone involved. The state would save on postage, materials (paper, envelopes, etc.), and seniors would have peace of mind regarding their checks.

TAPE 082, SIDE A

038 Rep. Merkley Added that the timing of refund checks and kicker checks makes them relatively easy targets for people thinking of stealing them from mailboxes. Just the process of physically getting to the mailbox sometimes creates a major challenge for seniors.

CLOSED PUBLIC HEARING ON HB 2677-A

OPENED WORK SESSION ON HB 2677-A

052 Sen. Minnis MOTION:

MOVES HB 2677-A TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

055 Sen. Castillo Thanked Rep. Merkley's constituent for bringing forward the idea for the bill. It is a great idea that will benefit not only seniors.

062 Chair Ferrioli Pointed out that bills like this reflect the accessibility of legislators and their responsiveness in bringing good ideas to the people of Oregon. It also demonstrates the fact in Oregon's legislative history that most of the good ideas come from outside the capitol building.

068 Vice Chair L. Beyer Added that this bill proves that a citizen does not have to spend a half million dollars on the initiative process to get an issue addressed.

070 Chair Ferrioli ORDER:

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

SENATOR EXCUSED: GEORGE

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

CLOSED WORK SESSION ON HB 2677-A

086 Warner Stated that HB 2777 comes from Legislative Counsel and makes technical changes in language of tax statutes. Adds definitions of: clerical error, error of jurisdiction, contract rent, and payments for heat for tax law purposes. It describes the difference between technical changes and substantive changes.

OPENED PUBLIC HEARING ON HB 2777

100

CLOSED PUBLIC HEARING ON HB 2777

OPENED WORK SESSION ON HB 2777

117 Vice Chair L. MOTION:
Beyer
MOVES HB 2777 TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

122 Chair Ferrioli ORDER:

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

SENATOR EXCUSED: GEORGE

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

149 Warner Gave overview of bills to be discussed at next week's committee meetings.

173 Chair Ferrioli Added he intends to hold Public Hearing next Thursday on SB 61. Wants to combine all school funding issues into one bill for consideration to be moved out of this

committee. Sen. Minnis noted that a Conference Committee could be held to get input from the House side of Revenue.

Extensive comments, and questions and answers interspersed.

300 Sen. Minnis Asked that Ozzie Rose and John Marshall meet with Senate Revenue Committee members individually before the school funding bills are discussed in Public Hearing next week.

314 Chair Ferrioli Adjourned meeting at 9:26 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 130, Minnis, Staff Measure Summary, 1 pp.
2. SB 130, Minnis, Fiscal Impact Statement, 1 pp.
3. SB 130, Minnis, Revenue Impact Statement, 1 pp.
4. HB 2612-A, Martin-Mahar, (A-2) amendments (DJ/ps) 3/9/01, 1 pp.
5. HB 2612-A, Martin-Mahar, (A-3) amendments (DJ/ps) 3/12/01, 3 pp.
6. HB 2612-A, Martin-Mahar, Staff Measure Summary, 1 pp.
7. HB 2612-A, Martin-Mahar, Revenue Impact Statement, 1 pp.
8. HB 2612-A, Martin-Mahar, Fiscal Impact Statement, 1 pp.
9. HB 2612-A, DiLorenzo, Written testimony dated March 22, 2001, 3 pp.
10. HB 2677-A, Warner, Staff Measure Summary, 1 pp.
11. HB 2677-A, Warner, Fiscal Impact Statement, 1 pp.
12. HB 2677-A, Warner, Revenue Impact Statement, 1 pp.
13. HB 2777, Warner, Staff Measure Summary, 1 pp.
14. HB 2777, Warner, Fiscal Impact Statement, 1 pp.
15. HB 2777, Warner, Revenue Impact Statement, 1 pp.