

PUBLIC HEARING AND WORK SESSION: SB 125

PUBLIC HEARING: SB 248

TAPES 029 A/B,

030 A

SENATE REVENUE COMMITTEE

February 9, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Randy Miller, Chair

Senator Thomas Wilde, Vice Chair

Senator Lee Beyer

Senator Tom Hartung

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Senator Ginny Burdick, District 6

Laura Attebury, Citizen, Multnomah County

Jesica Harris, Citizen, Speaking for Jeannette Hamby

Bob Ellis, Multnomah County Assessor

Gary Carlson, Associated Oregon Industries

Gary Wright, Department of Revenue

Tom Linhares, Columbia County Assessor and Oregon State Association
of County Assessors

Don Schellenberg, Oregon Farm Bureau

TAPE 029, SIDE A

007 Chair Miller Meeting called to order at 3:05 p.m.

OPENED PUBLIC HEARING ON SB 125

015 Lizbeth Martin- SB 125 would change the number of years that corrections of errors or omissions
Mahar could be made on the tax rolls; from 5 years to 3 years for real property.

031 Martin-Mahar Distributed and discussed revenue impact for SB 125. (Exhibit 1)

051 Sen. Ginny Burdick Spoke in support of the measure.

077 Laura Attebury Spoke in support of the measure.

123 Jessica Harris Spoke, on the behalf of former Senator Jeannette Hamby, in support of the measure.

144 Sen. Burdick Foreclosure is a six-year process, if taxes are not paid. In the case of back taxes the foreclosure timeline begins at the time the back taxes were due. In Ms. Attebury's situation that time clock stopped years before she knew she had a liability and therefore had only 30 days to pay back taxes.

SB 125 states that if there are back taxes there is still a responsibility, but they are added to the next year's tax bill and that is when the foreclosure clock starts.

171 Vice Chair Wilde Would prefer to go a different route and place statute of limitations on government's ability to go back and recover those back taxes because of the financial impact on the individual.

188 Sen. Burdick SB 125 does not go as far as Vice Chair Wilde proposed, but it does reduce the time period that the county clerk can collect back taxes from five years to three years.

194 Vice Chair Wilde That does meet my statute of limitations.

204	Sen. Hartung	Where do the amendments fit in?
218	Sen. Burdick	Spoke in support of the (-1) amendments. (Exhibit 3) The (-1) amendments would forgive some back taxes in very limited circumstances. It would apply for the time period after January 1, 1998 until the bill takes effect.
249	Martin-Mahar	The (-1) amendments would be a substitute for section 6, which currently exists, if the requirements are met.
		Distributed the (-1) revenue impact statement. (Exhibit 2)
255		Discussion and questions interspersed, as to the effect of the (-1) amendments.
284	Bob Ellis	<p>Spoke to the bill, providing the background and history. The Assessor's office is neutral to this bill, but would request equitable treatment, as it relates to properties that are undervalued because of significant modifications without permit. There is a bona fide purchaser's statute, which protects the homeowner to some extent. The six-year appraisal cycle provided another protection to the property owner.</p> <p>Supportive of easing the burden in hardship cases, especially when it is due to an assessor's error. Spoke to concerns; the bill, as I read it, talks only to stopping increases, but does not address decreases in value. It would be more workable if the assessor's office could go back three years to make a correction, whether it is an increase or decrease.</p>
382	Ellis	Discussed impact on county, per his office research. Also discussed research of Washington State's three-year limit for both increases and decreases in corrections to the tax role. Requested the Committee consider one process for all types of property to expedite the administration and cost to the assessor.
413	Chair Miller	If a change lowers value and a taxpayer is entitled a refund are you suggesting this bill would not allow that?
421	Ellis	The bill, as I read it, only addressed adding omitted property to the role. It would be our request that the same three-year limitation would be put on decreases to the role, as is put on for increases to the role.

015	Vice Chair Wilde	Speaks to the personal side of the issue. What is the interest rate for delinquent taxes?
032		Discussion and questions interspersed.
055	Chair Miller	The other side of the question becomes at what point is there a burden on the taxpayer to notify the assessor's office that a property is undervalued?
061	Ellis	There is a burden and some courts have ruled that the homeowner has a responsibility to be aware of property values. Human nature is not to advise when the bill is too low, but only when it is too high.
080		Discussion and questions interspersed about the responsibility of property owners, as it relates to property value.
108	Gary Carlson	Spoke to HB 1215, which is a housekeeping bill for property taxes. Department of Revenue and Associated Oregon Industries will bring a mutual proposal forward for a 3-year adjudicated value going forward and 3-year omitted property limitation going backward. Conflict amendments will be necessary if this bill and HB 1215 with the above amendment is adopted.

OPENED WORK SESSION ON SB 125

151	Vice Chair Wilde	MOTION: MOVED (-1) AMENDMENTS TO SB 125 BE ADOPTED.
		HEARING NO OBJECTION, THE CHAIR SO ORDERED.
163	Vice Chair Wilde	MOTION: MOVED SB 125, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
170	VOTE	ROLL CALL VOTE: MOTION PASSES 5-0-0
		SENATORS VOTING AYE: Beyer, Hartung, Starr, Wilde, Chair Miller
		Sen. Burdick will carry the bill.

OPENED PUBLIC HEARING ON SB 248

184	Lizbeth Mahar	<p>Martin- SB 248 reorganizes the farm use statutes, but does not change existing law. Discussed work of the Committee formed in February 1998. Discussed the ramifications of the change in §24 of the bill.</p> <p>Discussed the revenue impact statement. (Exhibit 4)</p>
206	Gary Wright	<p>Gave history of bill and spoke in support of the measure.</p> <p>Discussed structure of working group, (Exhibit 7) and working group's recommendation in form of structure document, (Exhibit 6).</p>
312	Wright	<p>Referenced substantive changes that were recommended. (Exhibit 5)</p>
320		<p>Discussion and questions interspersed.</p>
368	Tom Linhares	<p>Spoke in support of the measure. Spoke to the importance of policy statements, as they relate in this instance. Existing language is being delete in §15, page 10 of the bill and being replacement with new language.</p>
399	Wright	<p>Continued with discussion of process to bring this bill forward.</p>

TAPE 029, SIDE B

035	Sen. Beyer	<p>Amendments are being drafted on this measure?</p>
038	Wright	<p>Concurred.</p>
040	Vice Chair Wilde	<p>Referenced page 3, line 2 §3(e) of the bill; why is something gaining a tax advantage from land that is not being used for farm use.</p>
065	Don Schellenberg	<p>The language referenced is taken directly from Chapter 215.203; it was felt it would be more appropriate to take the definition out of Chapter 215.203 and place it here.</p>

084	Chair Miller	Why did ß3(e) qualify for farm use?
088	Schellenberg	Without that language the assessor would be required to assess it at its highest and best use value.
097		Discussion and questions interspersed relating to ß3(e).
128	Schellenberg	Spoke in support of the measure. Requested this bill deal with technical changes only, that policy be addressed in another measure.
177	Linhares	Spoke to the importance of the bill. Reviewed substantive changes to SB 248 section by section referencing (Exhibit 5).
272	Chair Miller	Meeting adjourned at 4:17 p.m.

-

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 125, Martin-Mahar, Revenue impact statement, 1 page
2. SB 125, Martin-Mahar, SB 125-1 Revenue impact statement, 2 pages
3. SB 125, Sen. Burdick, (-1) amendments, (DJ/ps) 02/08/99, 2 pages
4. SB 248, Martin-Mahar, Revenue impact statement, 1 page
5. SB 248, Gary Wright, Written testimony, 1 page
6. SB 248, Gary Wright, Structure, 3 pages
7. SB 248, Gary Wright, Working and review groupings, 2 pages