

SENATE REVENUE COMMITTEE

MARCH 11, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Randy Miller, Chair

Senator Thomas Wilde, Vice Chair

Senator Tom Hartung

Senator Charles Starr

Members Excused: Senator Lee Beyer

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: David Carmichael, Attorney, Lane County

George Trahern, Josephine County and Association of County Assessors

Gary Bartholomew, Oregon Association of Tax Collectors

Diane Belt, Oregon Association of Tax Collectors

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005 Chair Miller

Meeting called to order at 3:01 p.m., as a subcommittee for the purposes of public hearing.

Full committee convened at 3:04 p.m.

OPENED PUBLIC HEARING ON HB 2041

013	Lizbeth Martin-Mahar	Described HB 2041, which changes the appeal process for gross errors of 20% or more of the assessed value to 20% or more of the real market value. Distributed House staff measure summary, revenue and fiscal impact statements. (Exhibit 1)
043	George Trahern	Spoke in support of the measure.
095	Vice Chair Wilde	How many appeals are filed each year?
096	Trahern	The tax court could better address the numbers.
099	Sen. Starr	Is the last-chance appeal a result of Measure 50?
102	Trahern	No, it has been statute for a long time; "market value" was changed to "real value" by Measure 50.
120	David Carmichael	Presented testimony on measure; "real market value should be added to the language, however the "assessed value appeal" needs to remain. (Exhibit 2)
229	Chair Miller	Isn't the issue before the Committee a last-resort appeal?
231	Carmichael	It is a last resort appeal for rare and unusual cases of an error of 20% or more, which does not happen often. The other situation is for "good and sufficient cause", which has been narrowly defined as meaning illness of taxpayer, an unanticipated, sudden absence and disability
244	Chair Miller	Prior to the last resort appeal both assessed and real market values can be appealed?
250	Carmichael	Concurred.

- 263 Trahern The Assessors intent was to set a threshold to file an appeal, not what can be appealed.
- 280 Carmichael If the measure were a threshold issue that changes the perspective, however would request clarification of that interpretation in the measure.
- 292 Trahern The purpose of the measure is to have an understandable threshold, which in the Assessor's opinion would be the real market value rather than the assessed value.
- 303 Chair Miller If a review panel found a difference of 20% why would Assessors not want that difference discovered; isn't that a substantial difference?
- 318 Trahern It creates two different tests that the court needs to look at and then the question arises do both tests need to be met or just one of the tests.
- 324 Chair Miller Isn't a 20% error a fairly stiff test; in either instance would a 20% error be demonstrable, therefore why not open the door?
- 333 Trahern It is a stiff test, the taxpayer has had to miss all of the prior opportunities. The Assessors would prefer one or the other, rather than both tests, however it is not a major issue in either case.
- 345 Vice Chair Wilde Spoke in support of the conceptual amendment as it allows flexibility for both the court and those filing the appeal to choose which is in error.
- 362 Chair Miller Requested if Mr. Carmichael was aware of the bill when it was before the House.
- 367 Carmichael I was aware of the measure, but was a day late.

WORK SESSION ON HB 2041

- 394 Vice Chair Wilde MOTION: BY CONCEPTUAL AMENDMENT ON LINE 14 PAGE 1 OF HB 2041, AFTER THE WORDS "REAL MARKET VALUE" INSERT "AND/OR ASSESSED VALUE". HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 420 Vice Chair Wilde MOTION: MOVED HB 2041, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.

427 VOTE ROLL CALL VOTE: MOTION PASSES 4-0-1
SENATORS VOTING AYE: Hartung, Starr, Wilde, Chair Miller
SENATORS EXCUSED: Beyer
Chair Miller will carry the bill.

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OPENED PUBLIC HEARING ON HB 2044

017 Lizbeth Martin-
Mahar Described HB 2044, which cancels the taxes imposed in the current year if the assessed value does not consider damaged or destroyed property. Distributed House staff measure summary, revenue and fiscal impact statements. (Exhibit 3)

034 George Trahern Spoke in support of the measure.

061 Gary Bartholomew Spoke in support of the measure.

Paraphrased language that was enacted into law from 1997 legislation (SB 1215). Lines 26-28 of HB 2044 should read ". . .the assessed value of the property **before** **after** the damage bears to the real market value or assessed value of the property (whichever is less) after before the damage."

092 Trahern The Assessors would support the change.

102 Bartholomew Noted additional language that would need to be changed to accommodate the "before" and "after" language.

109 Chair Miller Requested that Mr. Bartholomew and Mr. Trahern work out acceptable language prior to a work session or the Committee will request Legislative Counsel to draft amendments.

115 Trahern Concurred with recommendation and he and Mr. Bartholomew will work on language for the Committee's consideration later today.

OPENED PUBLIC HEARING ON HB 2047

- 128 Lizbeth Martin-Mahar Described HB 2047, which is a two-part bill.
1. Changes fees for foreclosed property that is redeemed following notice of expiration period.
 2. Eliminates \$1,000 limit on foreclosure delay for property subject to senior citizen property tax deferral.
- Discussed revenue impact and distributed House staff measure summary and fiscal impact statement. (Exhibit 4)
- 197 Diane Belt Presented testimony in support of measure. (Exhibit 5)
- 262 Gary Bartholomew Spoke in support of the measure.
- HB 2046, another bill before this Committee, would permit the county to defer incurring this cost for up to an additional six months.
- Multnomah County has 174 property owners that are taking advantage of the delay of foreclosure provision in the law and only 17 have taxes in excess of the \$1,000 and could be benefited by the provision in this bill.
- 299 Chair Miller What is the actual cost of a title search?
- 301 Belt The cost of a plat search is \$50.
- 326 Chair Miller Referenced the House staff measure summary, what is the actual cost figure?
- 330 Belt The \$50 redemption fee is provided by current statute.
- 344 Vice Chair Wilde Could the cost rise, if more than a plat search was required?
- 363 Belt The counties are going to try to protect all parties; the plat search does not protect

everyone and the litigation guarantee is the standard report used by any judgement creditor.

- 384 Vice Chair Wilde Would the publication and notification process be completed?
- 401 Belt Yes, the notification process is observed, as prescribed by law.
- 411 Vice Chair Wilde How would the additional costs for notification be recovered?
- 415 Belt There is a percentage penalty that is built into the redemption to help cover those costs.
- 423 Chair Miller The county could recover whatever the actual costs are rather than set fees, correct?
- 430 Belt Yes.

TAPE 060 SIDE B

- 019 Chair Miller Spoke to comfort level of a fixed number rather than a fluctuating number; perhaps the fixed number could more accurately reflect the counties cost.
- 026 Belt The county, through the years, has incurred substantial cost to notify parties. The intent was to that the fee was initiated to cover the legal title search fee. The property would have to be worth a substantial amount of money for the fee to go over the \$200.
- 047 Chair Miller What is the value in using the \$50 figure instead of stating actual cost will be paid?
- 053 Bartholomew The intent is to charge only for the cost of the title search, if it is for \$200 and not charge any other costs involved with the process. Besides covering the counties from potential lawsuits this measure is for the purpose of complying with the law, under due process.
- 063 Chair Miller How is actual cost determined; counties do not recoup for their time spent?
- 066 Belt The actual cost is taken from the title company's bill, counties do not recoup any cost

for their time.

WORK SESSION ON HB 2047

075 Sen. Starr MOTION: MOVED HB 2047 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

085 VOTE ROLL CALL VOTE: MOTION PASSES 3-1-1
SENATORS VOTING AYE: Hartung, Starr, Chair Miller
SENATORS VOTING NAY: Wilde,
SENATORS EXCUSED: Beyer
Sen. Starr will carry the bill.

WORK SESSION ON HB 2044

096 Trahern Presented the proposed conceptual amendment to HB 2044 to the Committee for their consideration. On page 1, line 26-28 to read " . . .percentage of one-twelfth of the taxes imposed on the property that real market value or the assessed value of the property before after the damage bears to the real market value or assessed value of the property (whichever is less) after before the damage."

Also would request a conceptual amendment to page 2, line 15 to read " . . . apply to the county assessor to have the real market and assessed value of the property . . ."

126 Bartholomew Requested page 1, line 27-28 be further amended to read " . . . after the damage (whichever is less) bears to the assessed value of the property (whichever is less) before the damage."

143 Chair Miller Requested that the conceptual amendment be put in LC form prior to any action being taken by the Committee.

155 Chair Miller Meeting adjourned at 4:06 p.m.

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Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2041, Martin-Mahar, House staff measure summary, revenue and fiscal impact statements, 3 pages
2. HB 2041, Carmichael, Written testimony, 5 pages
3. HB 2044, Martin-Mahar, House staff measure summary, revenue and fiscal impact statements, 3 pages
4. HB 2047, Martin-Mahar, House staff measure summary, revenue and fiscal impact statements, 4 pages
5. HB 2047, Belt, Written testimony, 5 pages