

## SENATE REVENUE COMMITTEE

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MARCH 15, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

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Members Present: Senator Randy Miller, Chair

Senator Lee Beyer

Senator Tom Hartung

Senator Charles Starr

Members Excused: Senator Thomas Wilde, Vice Chair

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Roger Martin, Roger Martin and Associates

Bert Farrish, Columbia Grain

Gil Riddell, Association of Oregon Counties

### TAPE 062, SIDE A

005      Chair Miller              Meeting called to order at 3:04 p.m.

OPENED PUBLIC HEARING ON SB 548

011	Lizbeth Martin-Mahar	Described SB 548, which allows a partial property tax exemption for real property owned or leased by a municipality or port which is used to clean or decontaminate agricultural commodity cargo. Discussed revenue impact statement. (Exhibit 1)
045	Roger Martin	Spoke in support of the measure.
053	Bert Farrish	Spoke in support of the measure. Referenced handout. (Exhibit 3)
125	Farrish	Continued with testimony in support of measure.
161		Discussion and questions regarding amount of grain cleaned per year, who is responsible for making the determination as to whether the grain is cleaned and if custom cleaning is done.
175	Sen. Hartung	What is done with the dockage?
173	Farrish	It is sold to feed mill operations; it has a value.
188	Chair Miller	Do business contracts require the facility?
187	Farrish	Yes.
194	Chair Miller	The Port of Portland owns the property and facility?
195	Farrish	Yes.
196	Chair Miller	Is it a term of the lease that Columbia Grain is responsible for the property taxes?
198	Farrish	Yes.

199	Chair Miller	Does the Port pay property tax?
200	Martin	The Port does not pay property taxes for facilities that they have direct authority for; leasees pay an "in lieu of property tax".
210	Chair Miller	The Port of Portland is in support of the legislation?
212	Martin	Yes, the Port is in strong support of the legislation. The Multnomah County Assessor's office is disputing the measure without a visit to the facility.
		Requested the enactment date be amended to the date of enactment for a tax bill or July 1, 1999.
236	Sen. Beyer	Referenced B1, lines 9-12 bill; it would appear the facility already meets the condition of the law.
241	Farrish	That is Columbia Grain's opinion, but Multnomah County does not share it. Columbia Grain is involved in an administrative hearing process with the County. It was Columbia Grain's choice to seek clarification and a permanent solution from the legislature.
260	Sen. Hartung	To accommodate the ships used by Columbia Grain is it necessary to dredge the Columbia River?
262	Farrish	Yes, to maintain a viable shipping port the dredging of the river is necessary.
279	Sen. Hartung	Referenced lines 12-13 language, "... to the extent the property does not further alter or process an agricultural commodity." A case could be made that this is value added processing of a grain. Does that interfere with what the measure is to do or change the taxation status?
288	Martin	The definition was intended to narrow the legislation.
312	Farrish	The purpose of the language was to limit it to the removal of non-millable material.

323	Sen. Beyer	Do the plants in Washington pay taxes?
324	Farrish	Did not know.
338	Gil Riddell	Spoke to the measure; supported the narrow language and the administrative process that both Columbia Grain and Multnomah County are participating in. This measure is not a classic exemption, however the property tax has been changed to a permanent rate based system because of Measure 50. Any exemptions granted are a direct loss to local services. Referenced table. (Exhibit 2)

WORK SESSION ON SB 548

387	Sen. Starr	MOTION: MOVED SB 548 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
388	Chair Miller	Requested if Sen. Starr intended to include the requested change in §2, line 12 to read July 1, 1999 instead of July 1, 2000?
392	Sen. Starr	Yes, withdrew motion.
420	Chair Miller	MOTION: BY CONCEPTUAL AMENDMENT DELETED §2 ON PAGE 3, LINES 11-12. HEARING NO OBJECTION, THE CHAIR SO ORDERED.
423	Chair Miller	Explained the effect of the adopted conceptual amendment to cause the bill, if passed, to take effect 90 days after sine die.
411	Sen. Starr	MOTION: MOVED SB 548, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
434	Sen. Beyer	Spoke in support of the measure.
440	VOTE	<p>ROLL CALL VOTE: MOTION PASSES 4-0-1</p> <p>SENATORS VOTING AYE: Beyer, Hartung, Starr, Chair Miller</p> <p>SENATORS EXCUSED: Wilde</p>

Sen. Starr will carry the bill.

**TAPE 063, SIDE A**

WORK SESSION ON SB 248

017 Lizbeth Martin-Mahar Discussed amendment, which clarify statutes. (Exhibit 4)

The two major changes are:

1. Page 1, line 21 of the amendment, which changes the timeline that the County Assessors offices has to send out written disqualification notice.
2. Page 2 of the amendment, line 3 deletes lines 33-39 of the measure and inserts the new language as shown in lines 4-8 of the amendment.

Discussed revenue impact statement for the (-1) amendment. (Exhibit 5)

058 Sen. Hartung MOTION: MOVED (-1) AMENDMENT TO SB 248 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.

063 Sen. Hartung MOTION: MOVED SB 248, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.

066 VOTE ROLL CALL VOTE: MOTION PASSES 4-0-1

SENATORS VOTING AYE: Beyer, Hartung, Starr, Chair Miller

SENATORS EXCUSED: Wilde

Sen. Starr will carry the bill.

REOPENED WORK SESSION ON SB 548

077 Chair Miller MOTION: MOVED TO RECONSIDER THE VOTE BY WHICH THE COMMITTEE PASSED SB 548, AS AMENDED. OUT OF COMMITTEE. HEARING NO OBJECTION, THE CHAIR SO ORDERED.

078	Chair Miller	The Committee has been advised that a date specific needs to be inserted.
082	Sen. Starr	MOTION: BY CONCEPTUAL AMENDMENT, DELETE JULY 1, 2000 AND INSERT JULY 1, 1999 ON LINE 12, PAGE 3 OF THE BILL. HEARING NO OBJECTION, THE CHAIR SO ORDERED.
089	Chair Miller	MOTION: MOVED SB 548, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
091	VOTE	<p>ROLL CALL VOTE: MOTION PASSES 4-0-1</p> <p>SENATORS VOTING AYE: Beyer, Hartung, Starr, Chair Miller</p> <p>SENATORS EXCUSED: Wilde</p> <p>Sen. Starr will carry the bill.</p>
097	Chair Miller	Meeting adjourned at 3:35 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 548, Martin-Mahar, Revenue impact statement, 1 page
2. SB 548, Riddell, Handout, 1 page
3. SB 548, Martin, Handout, 3 pages
4. SB 248, Martin-Mahar, (-1) amendment, (DJ/ps) 02/22/99, 2 pages
5. SB 248, Martin-Mahar, SB 248-1 Revenue impact statement, 1 page