

SENATE REVENUE COMMITTEE

APRIL 12, 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

Steve Meyer, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Jim Manary, Department of Revenue

Bob Muir, State Attorney General's Office

TAPE 087, SIDE A

004 Chair Miller Meeting called to order at 3:03 p.m.

PUBLIC HEARING ON SB 244

021	Lizbeth Martin-Mahar	Described SB 244, which changes to the assessment and taxation laws pertaining to watercraft, war veterans' property tax exemption limit increase, personal property owned by cemeteries and the application process for charitable organizations. Reviewed the bill section by section. (Exhibit 1)
078	Jim Manary	Presented testimony in support of measure. (Exhibit 2)
120	Manary	Continued with testimony in support of measure, (Page 2, Exhibit 2).
168	Chair Miller	Are the counties in agreement with the "elimination of the county governing body's approval step" in §3, has the Association of Counties bought off on this?
175	Manary	Can't recall if the Association of Counties was contacted.
180	Sen. Beyer	The only amendment that this measure would require would be the deletion of §4-6 for the veterans' disability exemptions?
179	Manary	Yes.

WORK SESSION ON SB 244

205	Sen. Beyer	MOTION: MOVED BY CONCEPTUAL AMENDMENT DELETION OF SECTIONS 4-6, PAGES 3-5 OF SB 244. HEARING NO OBJECTION, THE CHAIR SO ORDERED.
210	Sen. Beyer	MOTION: MOVED SB 244, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
214	VOTE	ROLL CALL VOTE: MOTION PASSES 5-0-0 SENATORS VOTING AYE: Beyer, Hartung, Starr, Wilde, Chair Miller Sen. Beyer will carry the bill.

PUBLIC HEARING ON SB 245

224	Lizbeth Martin-Mahar	Described SB 245, which clarifies statutes pertaining to taxation on Indian country. There is no revenue impact, (Exhibit 3)
238	Jim Manary	Presented testimony in support of measure. (Exhibit 4)
254	Bob Muir	Spoke to the measure and reviewed 1993 10 th Circuit's Supreme Court case of Oklahoma Tax Commission vs. the Sak and Fox Nation decision.
312	Sen. Beyer	Would this apply to the casino in Lincoln City?
313	Muir	Not sure, if it were land set aside for the resident of Indians then it would apply.

WORK SESSION ON SB 245

327	Vice Chair Wilde	MOTION: MOVED SB 245 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
331	VOTE	ROLL CALL VOTE: MOTION PASSES 5-0-0 SENATORS VOTING AYE: Beyer, Hartung, Starr, Wilde, Chair Miller Vice Chair Wilde will carry the bill.

PUBLIC HEARING ON SB 246

344	Manary	Presented testimony in support of measure. (Exhibit 6) Referenced the (-1) amendment to §3. (Exhibit 8) Section 3, which deals with the disqualification of property tax exemptions; the (-1) amendment would prohibit billing of back taxes because the county assessor (government) had made a determination that it was exempt and the taxpayer relied on that determination.
399	Manary	Continued with testimony in support of measure, (Page 2, Exhibit 6).

423 Chair Miller The (-1) amendment would impact B3, correct, (Exhibit 8).

425 Manary The (-1) amendment is basically a rewrite of B3; the original measure would have back taxes assessed on the disqualification, which is not what was intended. The Department would request the language in the (-1) amendment, (Exhibit 8).

442 Distributed the revenue and fiscal impact statements for SB 246, (Exhibit 5) and the revenue impact statement for the (-1) amendment, (Exhibit 7).

WORK SESSION ON SB 246

446 Vice Chair Wilde MOTION: MOVED (-1) AMENDMENT TO SB 246 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.

452 Vice Chair Wilde MOTION: MOVED SB 246, AS AMENDED, TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.

457 Chair Miller Spoke to B3 and the improvement made in the law with the addition of that language.

477 Sen. Beyer Section 3 might also address the issues that non-profits bring in each session relating to exemptions.

486 VOTE ROLL CALL VOTE: MOTION PASSES 5-0-0

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

Sen. Starr will carry the bill.

TAPE 088, SIDE A

WORK SESSION ON SB 718

047 Steve Meyer The original measure dealt with the "use fuel" taxes. Distributed Transportation staff measure summary. (Exhibit 9)

Discussed the (-1) amendment, requested by the Committee at the last hearing, which would expand the refund, beyond school districts, to any governmental that is not currently exempt or is only partially exempt from the "use fuel" tax now. (Exhibit 10)

Distributed the revenue impact statement for the (-1) amendment. (Exhibit 11)

070	Chair Miller	What is the definition for "governmental unit"?
071	Meyer	State or any governmental unit of the State; it does not include the federal government.
077	Chair Miller	The revenue impact is to highway funds?
078	Meyer	The numbers in the revenue impact statement refer only to the Highway Fund. The counties and the State would receive some refunds that are not netted out of the numbers reflected, as that information was not available yet. Cities are currently exempt and don't qualify for further refunds, (Exhibit 10).
092	Sen. Beyer	Are cities and counties paying self-taxes?
098	Meyer	Counties are doing the same thing; cities are currently exempt.
102	Vice Chair Wilde	Spoke to the effort last session to promote this concept, am in support of the measure without the (-1) amendment, (Exhibit 11).
114	Sen. Starr	Spoke in favor of moving the measure without the (-1) amendment, (Exhibit 11).
117	Sen. Starr	MOTION: MOVED SB 718 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
119	Sen. Beyer	AMENDED MOTION: MOVED (-1) AMENDMENT TO SB 718 BE ADOPTED.
127	Sen. Beyer	The counties and Oregon Department of Transportation are currently taxing themselves to put the money back into the fund, it circulated the money and that

doesn't make sense.

135	Chair Miller	Spoke to preference of sending the measure, as printed, to House and let that body amend the bill, if desired.
139	Sen. Hartung	Concurred.
141	Sen. Beyer	MOTION TO ADOPT THE (-1) AMENDMENT WITHDRAWN BY UNANIMOUS CONSENT.
142	VOTE	ROLL CALL VOTE: MOTION PASSES 5-0-0 SENATORS VOTING AYE: Beyer, Hartung, Starr, Wilde, Chair Miller Sen. Hartung will carry the bill.
152	Chair Miller	On Wednesday, April 14 the Committee will meet at the Department of Revenue, in the Director's office on the 4 th floor at 3:00 p.m. to begin the field trip.
160	Chair Miller	Meeting adjourned at 3:40 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 244, Martin-Mahar, Revenue and fiscal impact statement, 3 pages
2. SB 244, Manary, Written testimony, 2 pages
3. SB 245, Martin-Mahar, Staff measure summary and fiscal impact statement, 2 pages
4. SB 245, Manary, Written testimony, 1 page
5. SB 246, Martin-Mahar, Revenue and fiscal impact statement, 2 pages
6. SB 246, Manary, Written testimony, 2 pages
7. SB 246, Martin-Mahar, SB 246-1 Revenue impact statement, 2 pages
8. SB 246, Martin-Mahar, (-1) amendment, (DJ/ps) 02/02/99, 1 page

9. SB 718, Meyer, Transportation staff measure summary, 1 page
10. SB 718, Meyer, SB 718-1 Revenue impact statement, 1 page
11. SB 718, Meyer, (-1) amendment, (JR/ps) 03/24/99, 1 page