

WORK SESSION (INVITED TESTIMONY): HB 2048

TAPE 231 A

HOUSE REVENUE COMMITTEE

JUNE 20, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tony Corcoran (Arrived 8:55)

Rep. Lane Shetterly

Rep. Ken Strobeck

MEMBERS EXCUSED: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Randall Edwards

Rep. Leslie Lewis

Rep. Anitra Rasmussen

Rep. Mark Simmons

WITNESSES PRESENT: Joe Parrott, City of Gresham

Bernie Giusto, City of Gresham

Gussie McRobert, City of Gresham

Sharon Timko, Multnomah County

STAFF PRESENT: Jim Scherzinger, Legislative Revenue Officer

Barbara Guardino, Committee Assistant

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008 Rep. Strobeck Called meeting to order at 8:45 a.m. Opened work session in subcommittee for the purpose of invited testimony on HB 2048.

WORK SESSION -- INVITED TESTIMONY -- HB 2048

015 Bernie Giusto Refer to written testimony verbatim "Measure 47/50 impact on the City of Gresham" (EXHIBIT A): Issue is whether Gresham tax revenue should be shifted from providing essential public safety services to Gresham citizens and given to other governments for non-public safety services. Proposed amendments ensures that funds dedicated for public safety purposes are used only for those services.

041 Rep. Shetterly Asked if amendments are included in Senate bill.
Senate Revenue Committee on June 19 adopted a concept amendment that would address this. Would shift reductions. Method of implementation is to be worked out.
Jim Scherzinger This is different problem from Heppner's compression problem. Proposal applies to Gresham only.

067 Giusto Explained, Senate Revenue Committee discussed issue of benefit realized by taxing district of spread-back of revenues that occurred because of public safety levies that expired. Question was, who should benefit?

084 Joe Parrott There is no fire district within this taxing area.

086 Gussie McRobert Noted, City of Gresham approved its budget based on M47 \$100,000 property tax revenue reduction. They voted against the \$2 million reduction that would occur with passage of M50. Asked, should that money go to other taxing districts (i.e. Metro, Multnomah County, Port of Portland, Portland Zoo)?

Chalk board explanation on why this has happened.

1995-96 code areas where City of Gresham imposed tax: City of Gresham tax base, other tax bases. Serial level expired. 1997-98, same situation, but serial levy expired. City in had proposed new tax base that rolled serial levy into base. 1997-98 city has

just a tax base.

Under M47, taxes in 1997-98 are 10 % less than in 1995-96. Gresham serial levy expired in 1995-96, so levy was lower, base year relatively high compared to other code areas in rest of county and state. Under M47, taxes would be allocated proportionately through all districts. This puts other districts into compression. Effect is, proportional distribution is shared among all the districts.

102 Scherzinger

Proposal is that City of Gresham get full benefit of serial levy.

This situation can occur anywhere where there is an expiring serial levy. Proposal would limit its effect to cities where entire levy is dedicated to police and fire. Gresham is the only one.

Senate said, if city share is increased, the other districts' share will be decreased.

185 Giusto

Noted, Gresham taxpayers paid the taxes without the help of other districts, and should not get the benefit. Asking Gresham realize the benefit of whatever is added back as result of what taxpayers paid.

194 McRobert

Citizens are concerned because under M5, both Portland and Multnomah County were in compression. Gresham was not. Gresham taxpayers paid more than Portland residents.

197 Scherzinger

This decision does roll into permanent rate of district. Would raise permanent rate of City of Gresham and lower other districts.

215 Sharon
Timko

This would effect Multnomah County due to the way its taxing districts are set up. If Gresham got this local fix, it would cost Multnomah County would lose \$1.8 to \$2 million. This would affect permanent tax rate, and would impact services that Multnomah County provides for City of Gresham.

241 Scherzinger

Amendments to HB 2048 concerning this matter will be written to keep the effect local.

279 Rep.
Strobeck

Adjourned meeting at 9:05 a.m.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

A. HB 2048, Giusto, Measure 47/50 Impact on the City of Gresham, 1 p.

B. HB 2048, Carlson, letter from Heppner, Morrow County, 1 p.

C. HB 2048, Association of Oregon Redevelopment Agencies (AORA), Measure 50 Urban Renewal Implementation, 10 pp.