

WORK SESSION: HB 2048A

TAPES 246, 247 A/B, 248 A

HOUSE REVENUE COMMITTEE

JUNE 30, 1997 7:00 PM HEARING ROOM E STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Leslie Lewis

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

WITNESSES PRESENT: Jeffrey Tashman, Association of Oregon Redevelopment Agencies (AORA)

Bob Cantine, Association of Oregon Counties

John Nelson, City of Troutdale

John DiLorenzo, Oregon Taxpayers United

Tom Linhares, Columbia County Assessor

Frank Brunner, Oregon Bankers Association

Jim Manary, Department of Revenue

STAFF PRESENT: Jim Scherzinger, Legislative Revenue Officer

Ed Waters, Economist

Brian Reeder, Economist

Barbara Guardino, Committee Assistant

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WORK SESSION -- HB 2048A

- 009 Chair Called meeting to order at 7:20 p.m. Opened work session on HB 2048A, beginning
Brian with urban renewal, then SB 1215 amendments. Will blend SB 1215 with HB 2048.
- 032 Jeffrey Testimony concerning urban renewal. Will supply an amendments when they are ready.
Tashman Reviewed what the amendments will entail.
- 044 Tashman Basic policy question being addressed was, urban renewal agencies were requesting
three different options for collecting urban renewal taxes as a way of letting local
governments manage at local level, the impacts of collecting these taxes, either on
taxpayers or on overlapping taxing districts. Association of Oregon Redevelopment
Agencies (AORA) proposes options:

1) Results in lowest overall taxes, impacts overlapping taxing districts;

2) Results in highest overall taxes, least impact on taxing districts;

3) Blend of 1 and 2.

- 059 Tashman A Senate Revenue Committee member expressed concern that option 2 had potential
for raising taxes higher than what was satisfactory. Therefore, of the three options,
AORA is willing to live with amendments. These amendments would drop second
option, modify third option to take minimum of funds from increment.

104 Vice Chair **MOTION TO ADOPT LANGUAGE AS STATED IN HB 2048A, SECTION**
Beyer **442.**

**OBJECTED TO MOTION. PROPOSED OPTION 2 BE ELIMINATED AND
OPTION 3 BE MODIFIED WITH A 30 % FLOOR TO BE COLLECTED**

FROM THE TAX INCREMENT.

108 Rep. Lewis

Questions and discussion.

170 Jim Scherzinger

Noted, under all three options, urban renewal gets same amount of money. Difference is how much districts receive.

190 Chair Brian

More questions and discussion.

202 Tashman

Association would prefer to retain current the bill with minor amendment to option 3. Would find Rep. Lewis' proposal acceptable.

226 Chair Brian

Restated Rep. Lewis' amendment as a conceptual amendment: **MOTION TO ADOPT A CONCEPTUAL AMENDMENT TO DELETE OPTION 2 AND TO MODIFY OPTION 3 WITH A 30 % MINIMUM, 100 % MAXIMUM, TO BE COLLECTED FROM THE TAX INCREMENT.**

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IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. LEWIS, STROBECK, BRIAN.

240 VOTE

MEMBERS VOTING NO: REPS. EDWARDS, RASMUSSEN, SHETTERLY; VICE CHAIR BEYER.

MEMBERS EXCUSED: REPS. CORCORAN, SIMMONS.

MOTION FAILED.

Refer to SB 1215, Section 454 (2) (c), page 256.

256 Tashman

(Refer to June 19, 1997 "Urban Renewal" chart, (Exhibit D) concerning option 3.)

296 Rep. Rasmussen

MOTION TO AMEND HB 2048A: PAGE 214 LINE 7, REMOVE PHRASE "AN AMOUNT EQUAL TO THE AMOUNT RAISED"; LINE 8, ADD PHRASE "AN AMOUNT STATED IN THE ORDINANCE ADOPTED PURSUANT TO SUBSECTION 1 OF THIS SECTION"; AND LINE 14, DELETE PHRASE "COLLECTED UNDER ORS 457.440 IN THE 1997-98 TAX YEAR," INSERT "STATED IN THE ORDINANCE."

335 All

Questions and discussion on motion, increments.

470 Chair Brian

ASKED COMMITTEE FOR ANY OBJECTIONS TO ADOPTION OF RASMUSSEN'S AMENDMENT. HEARING NO OBJECTIONS, CHAIR SO ORDERED.

463 Chair Brian

Call of the house, committee recessed at 7:50 p.m.

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035 Chair Brian

Reconvened meeting at 7:57 p.m.

045 Tashman

Directed members' attention to "Technical Amendments to HB 2048-A Engrossed" (EXHIBIT A). Reviewed amendments, which are in process of being written in Legislative Counsel.

- 093 Vice Chair **MOTION TO MOVE ADOPTION OF CONCEPTUAL AMENDMENTS AS SET FORTH IN AORA MEMO PAGES 1 AND 2.**
Beyer
- 097 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO CONCEPTUAL ADOPTION OF AMENDMENTS AS SET FORTH IN AORA MEMO PAGES 1 AND 2. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
Presented amendments in concept: Consulting process between urban renewal agencies and overlapping jurisdictions. Two consultation pieces:
- 101 Bob Cantine 1) Determination of cost for completion of urban renewal plan. Sets how big increment may be, or grandfathered levy, and how long that will last. Requires Urban Renewal Agency meet with governing body of sponsoring entity and overlapping general purpose government, for purpose of reviewing cost estimate. One-time event.
- 2) Applies only to 1998 and after when begin to exercise options. In that case, require the adoption of a resolution by the sponsoring entity and overlapping entity (county or city) which would either endorse or oppose the exercise of a selected option by Urban Renewal Agency. If difference of opinion between those two entities, there would be a joint meeting. Final decision would rest with sponsoring entity.
- 130 Scherzinger Commented on Cantine testimony. Both of these are one-time processes.
- 145 Vice Chair **MOTION TO MOVE CONCEPTUAL AMENDMENTS AS SET FORTH BY MR. CANTINE.**
Beyer
- 148 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTING CONCEPTUAL AMENDMENTS AS SET FORTH BY MR. CANTINE. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
Reviewed SB 1215 -27 amendments (EXHIBIT B). Deal with double majority election, challenge whether 50 % turnout occurred.
- 171 Scherzinger Bottom page 1, Section 313a (7): Allows election to be contested in court.

Section 313b: Changes remedy from overturning election to doing a redetermination of number of electors.
Section 313c: Attorney fees.
- 203 Scherzinger Section 313d: Applies to elections under M50 and M47.

Page 4: Allows direct appeal to Supreme Court.
- 243 All Questions and discussion concerning SB 1215 -27 amendments.

Refer to SB 1215 -27 amendments.
- 345 John Nelson Refer to SB 1215 -39 amendments (EXHIBIT C) how tax assessors do their job in regard to double majority challenge. Helps ensure accurate elections.

Summarized, nothing wrong in an election in this process, just an attempt to determine accuracy in regard to 50 % or more turnout.
- 402 Rep. Rasmussen

442 Vice Chair Beyer **MOTION TO MOVE SB 1215 -27 AMENDMENTS INTO SB 1215.**
443 Rep. Lewis **OBJECTED TO MOTION. DOES NOT LIKE RETROACTIVE SECTION.**
445 All Questions and discussion.

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1) Noted, by adopting -27, committee is making a major break with traditional remedy, and this is a significant change from law.

064 John DiLorenzo 2) Oregon Taxpayers United objects to making law retrospective.. Urged committee to adopt prospectively, if at all.

3) If adopted, suggest -39 line 4, insert "and following expiration or resolution of all appeals."

107 Rep. Lewis **MOTION TO AMEND REP. BEYER'S MOTION (TO ADOPT SB 1215 -27 AMENDMENTS INTO SB 1215); TO DELETE SECTION 313D.**
ASKED MEMBERS FOR ANY OBJECTIONS TO AMENDING MOTION TO ADOPT SB 1215 -27 INTO SB 1215; AND TO DELETE SECTION 313D.
112 Chair Brian **MOVED TO CONCEPTUALLY AMEND SB 1215 -27 TO AFFECT PROSPECTIVE ELECTIONS AND NOT RETROSPECTIVE ELECTIONS.**

131 All Questions and discussion.
5 - 2 - 2

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. LEWIS, SHETTERLY, SIMMONS, STROBECK; CHAIR BRIAN.

140 **VOTE** **MEMBERS VOTING NO: REP. EDWARDS, VICE CHAIR BEYER.**

MEMBERS EXCUSED: REPS. CORCORAN, RASMUSSEN.

MOTION CARRIED.

151 Vice Chair Beyer **MOTION TO MOVE SB 1215 -39 AMENDMENTS AS AMENDED INTO SB 1215 -27 AMENDMENTS.**

155 Chair Brian **ASKED MEMBERS FOR ANY OBJECTION TO ADDING TO SB 1215-39, LANGUAGE ON PAGE 4. HEARING NO OBJECTION, CHAIR SO ORDERED.**

163 Chair Brian **ASKED MEMBERS FOR ANY OBJECTION TO MOVING SB 1215 -39 AMENDMENTS AS AMENDED INTO SB 1215 -27 AMENDMENTS. HEARING NO OBJECTION, CHAIR SO ORDERED.**

167 Chair Brian. **ASKED MEMBERS FOR ANY OBJECTIONS TO MOTION TO MOVE SB 1215 -27 AMENDMENTS AS AMENDED. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

***SOUND
OUT*** **173 - 388**

- 173 Chair Brian Resumed meeting at 8:50 p.m. Directed members' attention to packet of Senate Revenue Committee amendments.
- Scherzinger Discussed SB 1215 -1 amendments (EXHIBIT D).
- Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTION OF SB 1215 -1 AMENDMENTS INTO HB 2048. HEARING NO OBJECTION, CHAIR SO ORDERED.**
- Scherzinger Discussed SB 1215 -3 amendments (EXHIBIT E).
No action taken.
- Scherzinger Discussed SB 1215 -8 amendments (EXHIBIT F) dealing with shift restrictions.
- Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTION OF SB 1215 -8 AMENDMENTS INTO HB 2048. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- Scherzinger Discussed SB 1215 -9 amendments (EXHIBIT G).
- Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTION OF SB 1215 -9 AMENDMENTS INTO HB 2048. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- Scherzinger Discussed SB 1215 -12 amendments (EXHIBIT H).
- Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTION OF SB 1215 -12 AMENDMENTS INTO HB 2048. HEARING NO OBJECTION, CHAIR SO ORDERED.**
- Scherzinger Discussed SB 1215 -14 amendments (EXHIBIT I).
- Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTION OF SB 1215-14 INTO SB 1215. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

SOUND RETURNS

- Discussed SB 1215 -26 amendments (EXHIBIT J), new construction.
- 388 Scherzinger
- 441 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTING SB 1215 -26 AMENDMENTS. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

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- 009 Scherzinger Discussed SB 1215 -28 amendments (EXHIBIT K). Technical amendments, pages 1 & 2. Page 3, Senate Revenue Committee differed from House in dealing with destroyed property.
- 040 All Questions and discussion concerning destroyed property. Scherzinger will get clarification on "damaged portion".
- 115 Rep. Lewis Suggested adopt SB 1215 -28 but delete Section 196, dealing with restoration of value. Page 3, delete lines 7-31; page 4 delete lines 1-23.
- Prefers using House version in its entirety.

- 180 Tom Linhares Generally, destroyed property falls into two categories: Total destruction; relatively minor damage. Agreed with Brian that, as few cases as there are, it may not be worth crafting complex mechanism to deal with it.
- 229 Chair Brian Asked which version committee prefers. Ambivalent.
- 338 Rep. Lewis **MOTION TO ADOPT SB 1215 -28 AMENDMENTS AFTER DELETING SECTION 196.**
- 248 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO ADOPTING SB 1215 -28 AFTER DELETING SECTION 196. NO ACTION.**
- 256 Scherzinger Continued review of SB 1215 -28.
- 275 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO AMENDING SB 1215 -28 BY DELETING LINE 25 ON PAGE 4. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- 278 Scherzinger Continued discussion on SB 1215 -28, changes to adjudicated value statute; what happens if roll is late., etc.
- 331 Chair Brian Local budget law, technical changes.
- 340 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO DELETING SECTION 196 OF SB1215 -28 AMENDMENTS. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- 340 Chair Brian **ASKED MEMBERS FOR OBJECTIONS TO ADOPTING -28 AS AMENDED. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

PUBLIC HEARING -- HB 2049

- 366 Chair Brian Close work session on HB 2048. Opened work session on HB 2049. Directed members' attention to HB 2049 -9 amendments (EXHIBIT L).
- 399 Brian Reeder Reviewed HB 2049. Bill extended sunset on assessor funding program, increased fee from \$20 to \$30. Amendments undo most of this.
- 439 All Questions and discussion.

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- 032 Cantine Testified, HB 2049 represents good tax policy. Those who benefit pay portion of the cost. Encouraged committee to support bill.
- 056 Frank Brunner Oregon Bankers Association support HB 2049-9 amendments. Asked for a study of this issue.
- 078 Jim Manary Department of Revenue supports -9 amendments. One technical information "interest charged" should say "interest charged and collected".

WORK SESSION -- HB 2049

136 Rep. **MOTION TO MOVE CONCEPTUAL AMENDMENT TO HB 2049 -9, PAGE 3,**
Edwards **LINE 7, ADDING "AND COLLECTED" AFTER "INTEREST CHARGED."**

138 Chair **ASKED MEMBERS FOR ANY OBJECTIONS TO CONCEPTUAL**
Brian **AMENDMENT TO HB 2049 -9, PAGE 3, LINE 7, ADDING "AND**
COLLECTED" AFTER "INTEREST CHARGED." HEARING NO
OBJECTION, CHAIR SO ORDERED.

141 Rep. **MOTION TO MOVE -9 AMENDMENTS AS AMENDED INTO HB 2049.**
Edwards

143 Chair **ASKED MEMBERS FOR ANY OBJECTIONS TO MOVING HB 2049 -9**
Brian **AMENDMENTS AS AMENDED INTO HB 2049. NOTING OBJECTION OF**
REP. SIMMONS, CHAIR SO ORDERED.

155 Chair **ASKED FOR SUSPENSION OF RULE FOR MULTIPLE ADOPTIONS.**
Brian **HEARING NO OBJECTIONS, RULES WERE SUSPENDED.**

169 Edwards **MOTION TO MOVE HB 2049 AS AMENDED TO FLOOR WITH DO PASS**
RECOMMENDATION.

6 - 1 - 2

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REP. EDWARDS,
LEWIS, RASMUSSEN, SHETTERLY, STROBECK; CHAIR BRIAN.

182 **VOTE** **MEMBERS VOTING NO: REP. SIMMONS**

MEMBERS EXCUSED: REP. CORCORAN, VICE CHAIR BEYER.

MOTION CARRIED.

199 Chair **Adjourned meeting at 9:50 p.m.**
Brian

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

- A. HB 2048, Tashman, Technical Amendments to HB 2048-A Engrossed, 2 pp.
- B. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -27, 4 pp.
- C. SB 1215, Nelson, Proposed Amendments: SB 1215 -39, 1 p.
- D. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -1, 1 p.
- E. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -3, 1 p.
- F. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -8, 1 p.
- G. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -9, 1 p.
- H. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -12, 1 p.
- I. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -14, 1 p.
- J. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -26, 1 p.
- K. SB 1215, Scherzinger, Proposed Amendments: SB 1215 -28, 6 pp.
- L. HB 2049, Reeder, Proposed Amendments: HB 2049 -9, 4 pp.
- M. HB 2049, Reeder, Revenue Impact of Proposed Legislation, 1 p.