

WORK SESSION: HB 2047  
PUBLIC HEARING: HB 2047  
BILL INTRODUCTIONS  
TAPES 44, 45 A/B  
HOUSE REVENUE COMMITTEE  
FEBRUARY 14, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair (Excused, arrived 8:51 a.m.)

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Leslie Lewis (arrived 8:46 a.m.)

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

WITNESSES PRESENT: Judge Ben Boswell, Wallowa County Court

Vickie Totten, Oregon Community Colleges Assn.

Ozzie Rose, Confederation Oregon School Administrators

John Marshall, Oregon School Boards Assn.

Robert Cantine, Association of Oregon Counties

STAFF PRESENT: James Scherzinger, Legislative Revenue Officer

Barbara Guardino, Committee Assistant

TAPE 044 SIDE A

006 Vice Chair Beyer Called meeting to order at 8:40 a.m.

Opened public hearing.

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014 Ben Boswell Refer to EXHIBIT A. In the matter of implementing Ballot Measure 47

and creating new provisions. Verbatim. Wallowa County property taxes

continue to rise. Requested compensation for providing state mandated

services. Impact will be reduced services.

Wallowa County defeated M47.

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1

House Committee on Revenue

February 14, 1997

Page 2

109 Boswell Suggestions to committee to consider in addressing impacts of reduction in revenues to local government.

145 All Questions and discussion concerning Boswell testimony.

200 Rep. Simmons What other areas could state lessen effect of mandate in Wallowa County?

204 Boswell Have tried come up with funding mechanism for every request the state has made.

228 Rep. Edwards Asked if Boswell would characterize the impact he described as typical to rural areas within state.

234 Boswell Yes, he is in touch with other rural jurisdictions.

260 Jim Scherzingerr Resumed review of M47 Progress Summary (EXHIBIT B) top of page 2, regarding who has standing to file a claim and to benefit from refunds.

Chair wanted to hear from representatives of schools.

286 Vicki Totton Refer to written testimony (EXHIBIT C) Paraphrased. Only a property

owning fee payer should be entitled to make a claim. OCCA attorney

decision is that government doesn't owe restitution of tuition paid to tuition payer.

340 Ozzie Rose Doesn't believe new definition necessary. Bill needs to be as broad as

possible to meet intent of authors. Must also be as narrow as possible and

still meet intent of authors.

380 John Marshall Definition for public school system should be made much simpler. On

issue of shift, asked committee to include language that will preclude K

12 schools from dealing with issue of fees and shifts.

Most school fees are for optional activities, very limited.

427 Rose School fees are limited. In M5 language said portion of state school fund

is replacement dollars. This can be done district by district.

#### **TAPE 045 SIDE A**

040 Totten A policy statement in implementing statement would be helpful. State has

been replacing school property tax losses with income taxes.

059 Rep. Corcoran Asked how many school districts have resorted to funding activities with

fees.

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1

House Committee on Revenue  
February 14, 1997  
Page 3

068 Rose Will try to find the answer to that. Not just sports, but choir, drama, art.

087 Chair Brian Asked if committee has consensus of creating "firewall" separation between school and non-school allocations.

109 All Questions and discussion on issue of firewall, definitions, role of public libraries in communities.

168 Chair Brian What about issue of definition? Will schedule day to discuss the issue of definition of public libraries.

204 Chair Brian Returned to Progress Summary p. 2. Wanted committee to draw conclusions on the question of who has standing to file a claim and who benefits from a refund.

220 All Discussion on Totten testimony concerning who is entitled to a refund - property owning fee payers is different from property owners who are subject to a fee.

308 Rep. Corcoran Concerning definition of government services, drafter Bill Sizemore clearly intended it to be a monopolistic issue. Under wording of M47, a person who is damaged by a fee is the one who gets the tax break.

359 Vice Chair Beyer Gave example: Community college tuition raised \$50, one student appeals it, fee increase is refunded to all property taxpayers in district.

393 Rep. Shetterly This section of measure is almost incomprehensible. Quoted Totten testimony to not be distracted by ambiguous wording.

426 Rep. Rasmussen Regardless of drafter's intent, committee still has to go back to language of the measure.

#### TAPE 044 SIDE B

044 Chair Brian ASKED FOR AGREEMENT THAT THE PERSON WHO CAN

FILE A CLAIM IS A PROPERTY OWNING FEE PAYER  
THERE BEING NO OBJECTION, CHAIR SO ORDERED.

048 All Questions and discussion on who is entitled to a refund.

090 Rep. Corcoran In case of confusing language, look to the intent of the drafter.

099 Vice Chair Beyer Referred to measure: "If a fee is charged without approval, the ad  
valorem tax on each such property shall be reduced." This implies

"not  
all properties."

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1

House Committee on Revenue

February 14, 1997

Page 4

144 Rep. Lewis Phrase "tax on each such property" might be helpful. Seems to  
indicate

that properties that are subject to the fee.

168 Bob Cantine Question for the committee: If include phrase "in anticipation of,"  
how

would that be interpreted?

183 Chair Brian That type of issue would become a fact circumstance that a claimant  
would have to prove.

217 Cantine Question: Asked for **guidelines** on how to distribute unlawfully  
imposed

fees back to property owners.

225 All Questions and discussion concerning how to distribute refunds.

Who

receives a refund?

294 Chair Brian Committee will not decide this issue today.

305 Vice Chair Beyer What is important is for committee to provide a process for  
someone to

file a claim. It's not important to provide how the claim is resolved.

Suggested leave it to tax court to decide who can file a claim.

345 Scherzinger Chart - Example Allocation of M47 Reductions (EXHIBIT D):

Assumptions about four different taxing districts in a particular  
county.

Assumes only allocation is among non-school districts.

District-wide Data

415 Scherzinger Code Area One (value \$1 billion). The recommended allocation  
would

allocate losses from M47.

## **TAPE 045 SIDE B**

040 Scherzinger Code Area One example continued: Looking at historically collected taxes, under M47 a government can collect \$6.4 million. Revenue reduction is \$1.6 million. Who will absorb that reduction?

060 Scherzinger Proposal is to allocate revenue reduction back to districts, 95% proportional to all property taxes imposed, and 5% to non-public safety taxes.

Explained proportional allocation code area on example chart.

122 Scherzinger Total M47 taxes imposed equals \$6.4 million for 1997-98.

136 Scherzinger Change from Proportionality: If move to fixed share amount in future, county would get 31.32% of whatever taxes are collected. Based on using levy system first year.

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House Committee on Revenue

February 14, 1997

Page 5

165 All Questions and discussion concerning example allocation chart.

## **BILL INTRODUCTION: LC 2830**

340 Chair Brian Committee bill LC 2830. Deferred action until Monday, Feb. 17.

360 Chair Brian Adjourned meeting at 10:22 a.m.

Submitted by, Reviewed by,

~j - G~ ~1~1~)

Barbara Guardino Kim J~es

Committee Assistant Revenue Off~ce Manager

## **EXHIBIT SUMMARY:**

A. HB 2047, Boswell, In the matter of implementing Ballot Measure 47 and creating new provisions, 4 pp.

B. HB 2047, Scherzinger, Measure 47 Progress Summary, 5 pp.

C. HB 2047, Totten, Ballot Measure 47 and Community College Funding, 3 pp.

D. HB 2047, Scherzinger, Example Allocation of measure 47 Reductions, 1 p.

E. LC 2830, Brian, LC 2830, Relating to personal income taxes, 2 pp.

F. HB 2047, Scherzinger, Constitution of Oregon 1 p.

G. HB 2047, Scherzinger, Levy of Tax; Tax Reduction Programs, 1 p.

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