

WORK SESSION: HB 2047  
TAPES 48, 49 AtB  
HOUSE REVENUE COMMITTEE  
FEBRUARY 18, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair  
Rep. Lee Beyer, Vice-Chair  
Rep. Tony Corcoran  
Rep. Randall Edwards  
Rep. Leslie Lewis (arrived 9:08 a.m.)  
Rep. Anita Rasmussen  
Rep. Lane Shetterly  
Rep. Mark Simmons  
Rep. Ken Strobeck  
STAFF PRESENT: James Scherzinger, Legislative Revenue Officer  
Brian Reeder, Legislative Revenue Officer  
Barbara Guardino, Committee Assistant  
TAPE 048 SIDE A

006 Vice Chair Beyer Called meeting to order at 8:40 a.m.  
010 Jim Scherzinger Measure 47 Progress Summary (EXHIBIT A)  
Reviewed major changes (Levies outside the cap):  
Decision that the bill will not prohibit levies outside cut and cap;  
Committee will seek the advice of the attorney general on assisting  
levy  
approvals;  
On limits outside the cap, governments may only seek serial levies  
permitted under current law;  
Will consider allowing bond levies for items not permitted in levies  
exempt from M5;  
Election dates will be the same dates as current law except perhaps  
June  
1997;  
A new district can ask for a permanent levy without the 3 % growth  
per  
year.  
051 Scherzinger Information and estimates on ballot: Secretary of state and clerks  
will  
meet today and make recommendations.  
Committee will allow levies inside cap based on current law.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on Revenue  
February 18, 1997  
Page 2

064 Scherzinger Major decision left to make: Formula for schools and non-schools.

095 Vice Chair Beyer Asked will of the committee concerning upcoming elections (March, May), whether to allow combinations inside and outside base. Committee will delay making this decision.

107 Brian Reeder Effect of Measure 47 on Taxing District Revenue (EXHIBIT B): Summary by type of taxing district.

\_ Actual taxes imposed, 1996-97 subject to M5 limits  
\_ Estimates that the Revenue Office made in September prior to current available data

\_ M5 numbers 1997-98 September estimate

164 Reeder 1997-98 Bonds out of the base columns  
Information and estimates on ballot

\_ .M5 estimates

\_ M47 estimates

180 All Questions and discussion of bonds out of the base figures.

216 Reeder Referred to notes at bottom of page: Assumptions.

1) Utility and industrial properties won't get as much relief under M47 as commercial and residential.

2) Assumes taxes outside M5 cap are also outside M47 cap.

254 Rep. Edwards Asked what types of bonds Reeder used to arrive at these figures.

276 Scherzinger Explained the types of bonds taken into account. (General obligation, urban renewal, Portland's PERS bond)

299 Reeder Continued discussion of bonds out of the base, 1997-98 percent change columns.

310 All Questions and discussion, proportional allocation.

380 Reeder Assumptions

3) Figures didn't incorporate prioritization of public safety and public education

392 Reeder Discussion on 1997-98 bonds in the base.

428 Reeder Effect of Measure 47 on Operating Taxes by Taxing District (EXHIBIT

C): There is much more variation among taxing districts than the aggregate numbers indicate.

## **TAPE 049 SIDE A**

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on  
Revenue

- February 18,  
1997

Page

3

041 Reeder Continued discussion on Exhibit C.

050 All Questions and discussion on Exhibit C, effects of M5, M47.

Unintended

consequence of M5 was where a district had bonds, it really didn't

get

much benefit.

069 Reeder Example of comparison of effects: Referred to p. 24, City of Eugene.

Bonds out of the base scenario, city loses a reduction of almost 20

%; less

than 3 % with bonds in the base.

080 All Questions and discussion of comparison of two methods of figuring.

More uniformity exists with bonds out of the base than with bonds

in the

base.

190 Scherzinger Explained that in the case of bonds in the base, maximum tax is raised.

213 Rep. Simmons Asked about a previous statement that bonds included in a base

could

actually increase taxes.

223 Reeder Clarified, increases relative to 1995-96 taxes, not relative to what

they

would pay under M5.

239 Reeder Refer to Hood River County, p. 4, an example where taxes with

bonds in

the base did increase. Taxing district had bonds which resulted in

raised

taxes.

255 Reeder General rule, if bonds are more than the 10 % cut specified in the

measure, plus a bit more for growth, putting bonds in base can

bring a

district back above the level before 1996-97.

270 All Questions and discussion.

327 Scherzinger Works on property by property basis, each individual in a code

area is

treated differently.

Bonds in the base on an individual basis is equivalent to double

counting.

Homeowners won't necessarily get tax relief.

376 Rep. Shetterly Bottom line is, what is the attorney general going to tell the

committee

(concerning use of bonds in/outside the base). Is it the committee's

call?

421 Vice Chair Beyer Deferred decisions on these questions pending opinions by the

attorney

general.

435 Scherzinger Committee has been assuming that the "firewall" appropriation, the school/non-school split, would be proportional. Reeder's numbers reflect

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's

1

exact words. For complete context of proceedings, please refer to the tape recording.

1

House Committee on Revenue  
February 18, 1997  
Page 4

this proportional allocation.

**TAPE 048 SIDE B**

043 Rep. Corcoran Asked Rep. Lewis about an earlier statement that she calculated her own property taxes and found a 15 % reduction in the base 3 % reduction out of the base.

053 Rep. Lewis She concluded, if all the bonds are included in the base, people in her district would be upset to find there was no tax reduction.

083 Vice Chair Beyer Adjourned meeting at 9:38 a.m.

**Submitted by, Reviewed by,**

Barbara Guardino Kim James  
Committee Assistant Revenue Office Manager

**EXHIBIT SUMMARY:**

A. HB 2047, Scherzinger, Measure 47 Progress Summary, 7 pp. B. HB 2047, Reeder, Effect of Measure 47 on Taxing District Revenue, 1 p. C. HB 2047, Reeder, Effect of Measure 47 on Operating Taxes, 34 pp.

| These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's I exact words. For complete context of proceedings, please refer to the tape recording.

,