

WORK SESSION: HB 2047, HB 2048

TAPES 59, 60 A/B, 61 A

HOUSE REVENUE COMMITTEE

FEBRUARY 25, 1997 8:30 AM HEARING ROOM B 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: Charles Stern, Yamhill County

Carol Samuels, League of Oregon Cities

Dexter Johnson, Deputy Legislative Council

STAFF PRESENT: James Scherzinger, Legislative Revenue Officer

Brian Reeder, Legislative Revenue Officer

Barbara Guardino, Committee Assistant

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005 Chair Brian Called meeting to order at 8:46 a.m.
011 Jim Reviewed new Measure 47 Progress Summary (EXHIBIT A), with major addition
Scherzinger being Attorney General opinion on bonding.

ELECTIONS

016 Scherzinger Reviewed Proposed Amendments to House Bill 2047 (HB 2047-3) (EXHIBIT B) .
Contrasted amendments with bill (HB 2047) beginning on page 7 of bill.
HB 2047-3 Section 20: Adds wording into ballot title. Amendments consolidate
044 Scherzinger word requirements for ballot titles into election statutes.

Section 21: Broadens administrative rule authority.

078 Scherzinger Requirements for elections, providing direction on calculating 50 % turnout,
interpreting the words "cast a ballot."
Refer to (EXHIBIT C), "Possible Alternatives to Language in -3 Amendments, p.
091 Charles Stern 5." Discussed ballots that are counted and ballots that are not.

134 Scherzinger HB 2047-3, Section 22: Begins to depart from existing bills. Deals with notice on
ballot that the measure requires a 50 % turnout.

Statement would be included in summary of ballot title.

156 Scherzinger Section 23: Increases size of summary to 175 words.

168 Stern Explained reason for 175 word requirement.

Section 24: Amends ballot title requirements for bond levies.

209 Scherzinger Responds to M47 requirement that there be a detailed description as to use of
proceeds.

Section 24, lines 26-31: These words will be included in the 175-word count.

252 Stern Explained elements to consider in writing a ballot title.

Intent is to convey to the voters how their bond money will be used.

338 Rep. Strobeck Did not believe this section would effectively convey the intended information to
the voters.

368 Vice Chair Beyer **MOVED TO DELETE LINE 24 OF HB 2047-3 BEGINNING WITH "INCLUDING THE FOLLOWING" THROUGH THE END OF LINE 31.**

410 Chair Brian **ASKED FOR ANY OBJECTIONS FROM MEMBERS. THERE BEING NO OBJECTIONS, CHAIR SO ORDERED.**

422 Scherzinger HB 2047-3 Section 26 (1) and (2): Levies allowed inside and outside M 47 cut and cap.

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035 Scherzinger Section 26 (2): Explained Line 9, "A serial levy under ORS 280.060;"
Section 26 (3), (4): Put a statement within the question on any elections whether levy is inside or outside cap.

Refer to Exhibit C for alternative language:

060 Scherzinger "This measure will permit property taxes to grow more than three percent from the prior tax year" (Outside the cap);

"This Measure will not allow property taxes to grow more than the three percent limit in the Oregon Constitution" (Inside the cap).

Concerning the use of the term "three percent," he tried to come up with language to convey to voter what M47 is about.

084 Stern

The preferred options in Exhibit C are marked with bullets:

* "This measure will allow property taxes to grow more than the limits in the Oregon Constitution."

103 Carol Samuels * "Property taxes under this measure can grow more than the constitutional limits."

Expressed concern that some taxes will increase by more than 3 %, some by less. Preferred not mentioning 3 %.

134 Rep. Rasmussen Recommended using language that makes it clear that 3 % cap applies to M47 only, not other tax formulas.

Questions and discussion concerning language amendments.

143 All

Concern with being precise.

Discussion on bulleted sentences in Exhibit C, changing "will" to "may"; and "grow to "increase".

295 Chair Brian

Include "measure may cause property taxes to increase more than the prior tax year."

342 Rep. Rasmussen Suggested sentence: "The property taxes authorized by this measure would/should not cause the total tax bill to grow more than the 3 % limit."

Clerks are looking for a way to indicate that a 50 % participation is required.

390 Stern

420 Rep. Lewis This language is not necessary for levies within M47.

TAPE 059 SIDE B

026 Chair Brian HB 2047-3 Section 26, Page 5, Substitute lines 19-20: **"THIS MEASURE MAY CAUSE PROPERTY TAXES TO INCREASE MORE THAN THE THREE PERCENT FROM THE PRIOR TAX YEAR."**

045 Chair Brian **ASKED FOR ANY OBJECTIONS FROM MEMBERS CONCERNING INSERTION OF THE ABOVE SENTENCE. THERE BEING NO OBJECTION, CHAIR SO ORDERED.**

054 Chair Brian **ASKED FOR ANY OBJECTIONS FROM MEMBERS TO DELETING LINES 23 TO 29 FROM SECTION 26 OF HB 2047-3. THERE BEING NO OBJECTION, CHAIR SO ORDERED.**

059 Samuels Backtracked to page 5, with regard to tax bases or serial levies approved at November 1996 elections. Expressed concern about a situation in Wheeler County. Suggested allowing for tax bases for jurisdictions like Wheeler County that had a tax base approved in November 1996 and would not have that option under currently drafted Section 26.

089 Samuels Asked to reserve the opportunity to come back to this topic.

119 Vice Chair Beyer Suggested Section 26 following line 10 have wording to deal with taxes for jurisdictions approved between July 1, 1996 and December 5, 1996.

130 Scherzinger Referred to Progress Summary, top of page 4. This item is still to be considered. Attorney General stated these are valid levies, but must be imposed inside the cut and cap.

165 Stern Is gathering information on which jurisdictions held levy elections where levies were approved during this time period.

181 Stern Must look at each jurisdiction individually to find which had a 50 % voter turnout.

202 Chair Brian Committee has not discussed this issue yet.

223 Samuels Asked committee to explore whether there are ways to retroactively validate those elections so there would be no need to amend Section 26.

233 All Questions and discussion.

284 Rep. Rasmussen Suggested developing a mechanism to allow property tax based organizations (like Wheeler County) to declare themselves in immediate danger of nonexistence.

305 Rep. Simmons Objected to holding jurisdictions accountable to laws retroactively.

344 Stern Will get back to the committee with information concerning turnout for district versus turnout countywide.

409 Stern Advised committee to stay aware of issues currently happening. Critical issues are currently on the ballots. Baker, Clackamas County, West Linn, Dever-Connor.

TAPE 060 SIDE B

- 048 Stern Committee faces the question: What is going to be the standing of these levies, assuming voters pass them and have a participation level that validates them? How do jurisdictions frame a question relating to fees? Time is running short.
- 060 Samuels Questioned whether an emergency clause is possible.
HB 2047-3 Page 6, Section 26, subsections (6) and (7): Requests are either wholly inside or outside cap. A combined measure is not possible.
- 098 Scherzinger Subsection (8): This section does not apply to bonds.
Section 27: Levy for new district can form a tax base, limits annual rate to 3 %.
- 114 Scherzinger Section 28: Deals with re-authorizing serial levies.
Section 28 (2): A serial levy that is approved cannot exceed 3 % more than the last year of the prior levy.
- 139 Samuels Expressed concern with this provision, said it is not necessary. Some jurisdictions may not have enough authority to get their fixed share.
- 152 All Questions and discussion concerning Section 28 (2).
Section 28 (1) (a): Puts a limit on the tax imposed. Issue is shall there be a separate limit imposed on the levy, different from the limit from the tax to be imposed.
- 189 Scherzinger
- 206 Rep. Strobeck Would like to allow flexibility for changes in allocation within total cap.
- 226 Chair Brian **ASKED FOR OBJECTIONS TO DELETING SECTION 28 (2) (LINES 25-28) FROM HB 2047-3. THERE BEING NO OBJECTION, CHAIR SO ORDERED.**
- 234 Scherzinger Section 29 (1) (a): Ballot title on shift restrictions. Statement does not count against the word limit.
- 262 Chair Brian Questioned whether to require the declaration that fees are a shift, or just ask for an increase in fees.
- 265 All Questions and discussion on whether to require such a disclosure.
- 309 Scherzinger Conforming amendments: HB 2047-3, Section 34, line 18 (page 11): Changes do not apply to ballot titles prior to effective date of the act. Statement of permanent policy.
- 334 Scherzinger Page 12: Sections (37) and (39) Were removed from general tax law and placed into metro service and road districts sections in HB 2047.
- 371 Rep. Shetterly Question concerning Section 26.

EMERGENCY CLAUSE

- 382 Dexter Johnson Refer to Prohibition on Emergency Clause in Tax Legislation, paraphrased (EXHIBIT D): Constitution prohibits inclusion of an emergency clause in any bill regulating taxation or exemption. Protects referendum power that is preserved for the people.
Prohibition interpreted broadly, applies to any measure that regulates taxation or exemption.

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030 Johnson A bill with emergency clause is not void, but the emergency clause is void.
HB 2047-3 amendments are not eligible for emergency clause handling.

065 Samuels In regard to upcoming elections this spring, even if these provisions can be applied retroactively, it is questionable whether tax could be collected for 1997-98 year. If emergency clause is not an option, levies may not valid approval until after October 15. Asked for extension of deadlines.

080 All Questions and discussion concerning emergency clause, unintended consequences.

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

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

- A. HB 2047, Scherzinger, Measure 47 Progress Summary, 8 pp.
- B. HB 2047, Scherzinger, HB 2047-3 amendments, 15 pp.
- C. HB 2047, Stern, Possible alternatives to language in -3 amendments, 1 p.
- D. HB 2047, Johnson, Prohibition on Emergency Clause in Tax Legislation, 1 p.