

**WORK SESSION, INVITED TESTIMONY - HB 2048**

**(MEASURE 50 IMPLEMENTATION)**

**TAPES 096 A, 097 A**

**HOUSE REVENUE COMMITTEE**

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**APRIL 2, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING**

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**MEMBERS PRESENT:** Rep. Tom Brian, Chair (Arrived 9:15 a.m.)

Rep. Lee Beyer, Vice-Chair (Arrived 9:04 a.m.)

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Leslie Lewis (Arrived 9:00 a.m.)

Rep. Anitra Rasmussen (Arrived 9:05 a.m.)

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

**WITNESSES PRESENT:** Ron Swanson, Dept. of Revenue

Jerry Hanson, Washington County

Linda Burtlehaus, Dept. of Revenue

**STAFF PRESENT:** James Scherzinger, Legislative Revenue Officer

Barbara Guardino, Committee Assistant

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**TAPE 096 SIDE A**

- 007 Rep. Strobeck Called meeting to order at 8:59 a.m.  
Referred to April 1 outline (Measure 50 Implementing Draft Exhibit A) Bottom of page 1:
- Timelines/January 1 assessment date**
- 015 Jim Scherzinger M47 permitted change definition of "real market value" to permit moving assessment date back to Jan. 1. This will give more time to process and determine property that is taxable and its value This will create more efficiency for assessors.  
Change of date has ramifications throughout entire property tax system. Much of draft will be to change dates. Dept. of Revenue will review date changes and how they change the process. Noted dates would not be changed until 1998-99 tax year.
- 038 Ron Swanson Directed members' attention to handouts, "Current A&T Time Line" (EXHIBIT A); and "Proposed A&T Time Line" (EXHIBIT B).  
In proposed time line, assessment date moves to Jan. 1 with lien date remaining at July 1. Roll frozen date would move to Sept. 15; tax due date would be Nov. 15.
- 061 Swanson With proposed timeline, move ratio year so it overlaps assessment date. Assessors would then have data past the assessment date. Currently they have to project trends from historic data.  
On proposed timeline, concept of valuation changes has been added. Assessor would have authority to reduce values or taxes under M50. This concept is a result of M47 and concern for tax calculation errors. Proposing to give assessor authority to make changes until Board of Property Tax Appeals (BOPTA) meets.  
Discussed current time line concerning Returns: Industrial, Real, Personal - Hopes new time line will clear up confusion.
- 121 Swanson
- 154 Swanson Proposed time line Returns: March 3 filing date, two months after assessment date.  
Current: Utility - Only major change is second review by Dept. of Revenue.
- 198 Swanson Tax Collection: Time line does not change.  
Believes assessors agree that these changes are good. They correct problems created by M5. New time line would result in fewer tax errors.
- 210 Jerry Hanson
- 275 Scherzinger Questions and discussion concerning proposed time line changes.  
Discussion is what permanent system will look like. Referred to April 1 outline concerning whether to move tax statement deadline.

- 312 Rep. Strobeck Assuming M50 passes, will value appeals be limited to new construction?
- 319 Swanson Expects appeal load to be significantly lower than present.
- 354 Scherzinger Existing provisions in law deal with disputes/value appeals. Directed members' attention to "1/4 of 1% Appeals" (EXHIBIT C). Appeals of value will not affect as much, the taxes of other taxpayers. Question is, whether that affects provisions in law now to withhold value from the rolls.  
Reviewed Exhibit C:
- 396 Linda Burglehaus \* Concerning \_ of 1 % Appeals: (Activated by utilities) If a disputed value exceeds \_ of 1 % of total value within a county, it is left off the roll. Second, 1/10 of 1 %, applies to primarily large industrial or commercial accounts.  
  
\* Concerning 1/10 of 1 % Appeals: (Activated by large industrial or commercial accounts) Appeals filed after the roll is turned and tax statements mailed.

### **TAPE 097 SIDE A**

Continued discussion on Exhibit C.

- 020 Burglehaus \* Reserve Account for Refunds: Allows county treasurer to establish a reserve fund. Occurs when appeal is not settled during current tax year.  
Questions and discussion concerning Burglehaus testimony.  
Typically in utility appeals (1/4 of 1 %), property in lots of counties. Appeal may trigger in some counties and not in others.
- 117 Scherzinger In addition, under current law, additional taxes paid are offset against levy. There is no longer a levy system, so issue is what to do with extra money.
- 133 Rep. Shetterly Asked if it is possible to move this implementing legislation into M47.
- 138 Scherzinger No. It goes into M50, primarily driven by Jan. 1 date.
- 148 Rep. Edwards Concluded, if M50 fails May 20, current system would remain intact.  
  
Committee may begin double sessions, either to expedite HB 2048 or to catch up on backlog of bills. Last day to hear house bills is April 25.
- 169 Chair Brian
- 208 Scherzinger Agreed with daily doubles, recommended keeping three week time line for HB 2048.
- 234 Chair Brian Adjourned meeting at 9:40 a.m.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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**EXHIBIT SUMMARY:**

A. HB 2048, Swanson, Current A&T Time Line (Before M47 or M50), 1 p.

B. HB 2048, Swanson, Proposed A & T Time Line (For Jan. 1 Assessment Date), 1 p.

C. HB 2048, Burtlehaus, \_ of 1 % Appeals, 1 p.