

WORK SESSION ON SB 1215 TAPES 222 - 223 A/B

**SENATE REVENUE COMMITTEE**

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**JUNE 26, 1997 - 8:00 A.M. - HEARING ROOM B - STATE CAPITOL BUILDING**

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Members Present: Sen. Neil Bryant, Vice Chair

Sen. Joan Dukes (arrived 9:25 a.m.)

Sen. Verne Duncan

Sen. Randy Leonard

Members Excused: Sen. Ken Baker, Chair

Sen. Tom Hartung

Invited Testimony: Bob Cantine, Association of Oregon Counties

Dexter Johnson, Legislative Counsel

Carol Samuels, League of Oregon Cities

Dexter Johnson, Legislative Counsel

Staff: Jim Scherzinger, Legislative Revenue Officer

Carol Phillips, Committee Assistant

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**TAPE 222, SIDE A**

005 Vice Chair Bryant Called meeting to order at 8:30 a.m.

#### OPENED WORK SESSION ON SB 1215

017 Scherzinger Recapped Amendments to date: (-13) special assessments. (-14) definition of hospitals. (-15) school local option (which will be in another bill). (-16) utility new construction which needs interim study. (-17) technical amendments covering a range of subjects. (-18) is consolidation and merger provision changes. (-19) Urban Renewal changes. (-20) bonding. (-21) conflict amendment. (-22) is 50% appeal amendment superseded by (-23). (-23) adopted with one change regarding contesting 50% voter turnout. (-24) redo of calculation of first year and property-by-property limits. (-25) Gresham amendment where loss is held to the districts in the local codes. (-26) Hillsboro. Questions and discussion.

099 Scherzinger Discussed (-12) regarding close elections and recounts. Questions and discussion interspersed.

112 Scherzinger Continued discussion of (-13) Amendments from 6/25/97. Addresses subject of farm use assessment. Under current law the assessor with committee input assigns values to different types of soil. Ultimate outcome is a table of values for each area of county and soil class which indicates what value per acre any particular kind of farm land would carry. Under Measure 50 would go to 1995-96 table less 10% plus 3% per year. Would then take lower of those two values. The wording of the (-13) Amendments did not convey this, so it is being redrafted.

176 Scherzinger Discussed farm home sites, which are treated the same as forest home sites. Open space lands are assessed under current law at a value that is typical of other open space land in the county and does not take into account use other than open space use. For example, a golf course in a city would be valued same as a golf course in the country. Maximum assessed value on open space would be 1995-96 value less 10% plus 3% per year, the same as other property. New open space would be valued at the average ratio of all open space land in the county. If there is no other or not enough open space property in the county, then the statewide ratio would be used. Questions and discussion interspersed.

245 Scherzinger Discussed forest land, which has same wording problem as farm land assessment; and Amendments will be redrafted to simply set values per acre that are 1995-96 less 10% plus 3% per year. Takes the lower of either that value or the statutory calculation of value to determine value. Historic property wording needs more work and will be redrafted as well.

286 Scherzinger Exhibit A - (-18) Amendments. Deal with consolidations and mergers. Adds new section regarding mergers. Adds language regarding proposed merger of River Grove with Lake Oswego specifically, and applies to others in general. Wording is not quite right and has to be redrafted before final form. Questions and discussion interspersed.

**TAPE 223, SIDE A**

010 Scherzinger Continuation of consolidations and mergers. Questions and discussion interspersed.

035 Scherzinger Exhibit B - (-19) Amendments regarding Urban Renewal. Provides more detail on Options One, Two, and Three available. Scherzinger described the three options in detail. Includes several technical corrections. This amendment needs redrafting before it can be adopted. Questions and discussion.

156 Scherzinger Exhibit C - (-20) Amendments regarding what is considered capital construction or capital improvements for purposes of bonding outside the limits of Measure 5. Street and highway construction overlay and reconstruction are not maintenance, are capital improvements, and could be bonded outside the limits of Measure 5. Addresses Corvallis situation and ability of school district to go out for local option election for their technology bonds which were approved but not issued. Allows them to be re-approved subject to Measure 5. Clarifies wording who can do this. Addresses refunding of bonds and adds a phrase left out of original draft. New section regarding the Beaverton amendments addressing same glitch as Corvallis regarding bonds authorized but not issued.

228 Scherzinger Exhibit D - (-21) Amendments. Conflict amendments, which will be discussed at a later date.

235 Scherzinger Exhibit E - (-25) Amendments. Addresses Gresham situation and localizes effect within the districts also taxing the same codes as Gresham. Goes back to Measure 47 calculation and takes serial levy from 1995-96, reserves those to Gresham, takes all other taxes in 1995-96 and apportions those among all the districts. Illustrated Gresham situation with chart on board. Questions and discussion interspersed.

381 Scherzinger Exhibit F - (-26) Amendments. Addresses Hillsboro situation. If new construction in the district exceeds 10% over two-year period from 1995-96 to 1997-98 and have not approved new tax base or other tax levy in intervening period, can increase Measure 47 authority by 1% point for each percentage point that new construction exceeded 10%. Drew chart on board to illustrate points.

**TAPE 222, SIDE B**

025 Scherzinger Continued discussion of (-26) Amendments which address Hillsboro situation but can be applied to similar situations in other areas. Questions and discussion interspersed.

097 Bob Cantine Made comments regarding chart on board. Would not support remedy if it taxes people statewide for a problem which affects only one area. Not sure how much of Hillsboro's problem is attributable to a growth factor as opposed to a levy factor. Questions and discussion interspersed.

237 Vice Chair Recessed meeting at 9:40 a.m. and reconvened at 4:40 p.m.

Bryant

- 244 Scherzinger Exhibit G - (-27) Amendments. These Amendments replace the (-23)s and deals with the contesting a 50% turnout.
- 247 Scherzinger Exhibit H - (-28) Amendments. These Amendments supersede the (-17)s and are mostly technical corrections.
- 251 Scherzinger Exhibit I - (-29) Amendments. These Amendments relate to Urban Renewal and replace the (-19)s.
- 253 Scherzinger Exhibit J - (-30) Amendments. These Amendments relate to consolidations and mergers and replace the (-18)s.
- 283 Scherzinger Discussed the Exhibit G -(-27) Amendments. Deals with contesting 50% election turnout. Only change is removal of word "reasonable".
- 307 Sen. Duncan MOVES (-27) AMENDMENTS TO SB 1215 BE ADOPTED. HEARING NO OBJECTION, THE VICE CHAIR SO ORDERED.
- 310 Scherzinger Discussed Exhibit H - (-28) Amendments. Largely technical corrections.
- 334 Vice Chair  
Bryant MOVES (-28) AMENDMENTS TO SB 1215 BE ADOPTED. HEARING NO OBJECTION, VICE CHAIR SO ORDERED.38
- 338 Scherzinger Discussed Exhibit I - (-29) Amendments relating to Urban Renewal.
- 363 Vice Chair  
Bryant MOVES (-29) AMENDMENTS TO SB 1215 BE ADOPTED. HEARING NO OJBECTION, THE VICE CHAIR SO ORDERED.
- 367 Scherzinger Discussed Exhibit J - (-30) Amendments. Consolidation Amendments that replace the (-18) and address the Lake Oswego/River Grove situation. Questions and discussion interspersed.

**TAPE 223, SIDE B**

015 All Continuation of questions and discussion.

084 Scherzinger Exhibit K - Gresham dollar effects on tax rate and revenue. Gresham table shows Measure 50 tax rates and revenue of effected districts without the amendment (the base bill). Net of about \$200,000 of additional revenue authority. Rate increase of about 18 cents per thousand inside City of Gresham, but goes down outside. Detailed discussion of different taxing districts, their rates, and revenue generated. Questions and discussion interspersed.

155 Dexter  
Johnson

Answered question brought up in earlier discussion of (-30) Amendments. Said that "the rate limit approved shall serve as the district's Permanent Rate limit." If the voters approve what the ballot title says is a permanent rate limit, then that is the permanent rate limit whether or not the overall election to consolidate or merge does not come about because of what other districts do. Questions and discussion interspersed.

205 Scherzinger

Continued discussion of Exhibit K - Gresham figures. Discussed rates without amendment, with amendment, and the difference between them. Talked with Tax Supervising personnel who feel comfortable with figures. Further questions and discussion.

284 Scherzinger

Exhibit L - Hillsboro dollar effects on tax rate and revenue. Rapid growth in the area created this situation. Proposed remedy adds taxing authority to any non-school district if the new construction which occurred over the two-year period from 1995-96 to 1997-98 exceeds 10%. For every percentage point over 10%, it reduces Measure 47 loss by same percentage. Can apply to other areas besides Hillsboro. Discussed rates without amendment, with amendment, and the difference between them. These effects are spread statewide. Questions and discussion interspersed.

397 Sen. Bryant Adjourned meeting at 5:18 p.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

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Exhibit Summary:

A. SB 1215, Scherzinger, (-18) Amendments, (DJ/ps) 6/23/97, 5 pages

- B. SB 1215, Scherzinger, (-19) Amendments, (DJ/ps) 6/23/97, 2 pages
- C. SB 1215, Scherzinger, (-20) Amendments, (DJ/ps) 6/24/97, 1 page
- D. SB 1215, Scherzinger, (-21) Amendments, (DJ/ps) 6/24/97, 19 pages
- E. SB 1215, Scherzinger, (-25) Amendments, (DJ/ps) 6/25/97, 1 page
- F. SB 1215, Scherzinger, (-26) Amendments, (DJ/ps) 6/25/97, 1 page
- G. SB 1215, Scherzinger, (-27) Amendments, (TR/ps) 6/26/97, 4 pages
- H. SB 1215, Scherzinger, (-28) Amendments, (DJ/ps) 6/26/97, 6 pages
- I. SB 1215, Scherzinger, (-29) Amendments, (DJ/ps) 6/26/97, 2 pages
- J. SB 1215, Scherzinger, (-30) Amendments, (DJ/ps) 6/26/97, 5 pages
- K. SB 1215, Scherzinger, Gresham figures, 1 page
- L. SB 1215, Scherzinger, Hillsboro figures, 1 page