

PUBLIC HEARING ON SB 171,

SB 298 and SB 311

TAPES 043 - 044 A/B

**SENATE REVENUE COMMITTEE**

---

**FEBRUARY 13, 1997 - 9:00 A.M. - HEARING ROOM B - STATE CAPITOL BUILDING**

---

Members Present: Sen. Ken Baker, Chair

Sen. Neil Bryant, Vice Chair (arrived 9:15 a.m.)

Sen. Joan Dukes

Sen. Tom Hartung

Sen. Randy Leonard

Witnesses: Jim Manary, Department of Revenue

Shirley Leiper, Program Manager Citizens' Deferral Program, Department of Revenue

Chris Kuhner, Sen. Hamby's office

Bill Aldrich, Department of Revenue

Staff: Brian Reeder, Economist

Carol Phillips, Committee Assistant

-

**TAPE 043, SIDE A**

010 Chair Baker Called meeting to order at 9:09 a.m.

OPENED PUBLIC HEARING ON SB 311

014 Jim Manary Exhibit C - Senate Bill 311 Summary. SB 311 is necessary because of a situation which arose in the last year or so. In the operation of the program some senior citizens overlooked filing or responding to correspondence in a timely manner. Because of their failure to provide a timely response, many senior citizens have been disqualified from the program under the current law. When papers were finally put in order, it was not possible to reinstate them because of the current law. SB 311 would provide the Department of Revenue some discretion to reinstate senior citizens under certain circumstances.

029 Shirley Leiper Discussed Senior Citizen Property Tax Deferral History. The property tax deferral has been in existence over thirty years and was originally under the Secretary of State's office until 1978 when it was turned over to the Department of Revenue. (Referred to page 3 of Exhibit C for further details.) Discussed differences between property tax deferral and homestead exemption. The homestead exemption reduces the amount of tax. This program is the full tax, but the state will pay all of it. Not a large volume in this program until the 1980's when the recession caused volume increase. Discussed special assessments available to seniors. Multnomah County and Gresham area are heavy users of the Senior Citizen Deferral Program. Questions and discussion interspersed.

185 Manary SB 311 itself addresses the property tax deferral program and a special assessment deferral. In a specific instance the Department of Revenue stopped all action on a collection for non-payment of property tax because it knew a bill would be introduced this session to address the problem. Thus, the home-owner is still in their home, and nothing more has been done pending the outcome of SB 311.

209 Leiper A request has been made for an amendment SB 311. Currently when all counties are paid they receive the 3% discounted amount for each taxpayer. Department of Revenue would like to amend SB 311 so that the senior citizens also get the 3% discounted amount. The bill would allow the Director of the Department of Revenue to override the disqualification of a property owner. In one instance, a senior was not checking her mail, several notices were unopened and not responded to, so she were disqualified from the record. This bill would override that disqualification.

255 Sen. Bryant Noted that financial impact is estimated at \$10,000. Should there be statute of limitations on this so someone could not go back ten years? It was determined 1995 would go back far enough.

288 Chris Kuhner Read letter (Exhibit D) regarding the situation of the 93 year old woman whose non-opening of mail started the need for SB 311. Questions and discussion.

372 Leiper Discussed how mobile home sale would differ if person owns land mobile home sits on or if in mobile home park.

**TAPE 044, SIDE A**

002 Chair     A draft (-1) amendment to SB 311 will be requested from Legislative Counsel, and the  
Baker     Senate Revenue Committee will take this up in a few days.

**CLOSED PUBLIC HEARING ON SB 311**

-

**OPENED PUBLIC HEARING ON SB 171**

Exhibit F - Senate Bill 171 - Summary:

009 Manary     Section 1 - Simplify leased property exemption process

Section 2 - Simplify distribution of small railcar taxes

Sections 4 - 6 - Streamline local budget law

214 Bill     Spoke in depth on Sections 4 - 6 - Streamline Local Budget Law. Current law requires all  
Aldrich     1,600 Oregon taxing districts subject to Local Budget Law to file two copies of their  
              budgets with the county assessor; the county assessor forwards one of those copies to the  
              Department of Revenue. SB 171 eliminates the requirement that the budget detail  
              document be filed with the assessor and the Department of Revenue. This is an attempt to  
              cut down on the amount of unnecessary paper piling up at the Department of Revenue,  
              who has no need to receive or review these budgets. Questions and discussion  
              interspersed.

353 Manary     Section 7 - 11: Electronic filings for petitions and applications.

**TAPE 043, SIDE B**

Sections 12 - 22 - Streamline Senior Citizens' Special Assessment Deferral

001 Manary     Sections 23 - 51 Rural telephone exchange gross earnings tax election

Questions and discussion interspersed.

075 Chair     Stated the Senate Revenue Committee needed to come back to Section 1 - Simplify  
Baker     Leased Property Exemption Process because the members are still unclear on the  
              concept.

**CLOSED PUBLIC HEARING ON SB 171**

**OPENED PUBLIC HEARING ON SB 298**

Gil           Started presentation but was stopped by Chair Baker. The Chair stated he prefers to hear

083 Riddell proponents of bill speak first, and the proponent of SB 298 was not present. Chair's prerogative was to close public hearing for reschedule.

099 Chair  
Baker Adjourned meeting at 10:10 a.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

-

Exhibit Summary:

A. SB 311, Reeder, Revenue Impact Statement, 1 page

B. SB 311, Reeder, Fiscal Impact Statement, 1 page

C. SB 311, Manary, Senate Bill 311 Summary, 7 pages

D. SB 311, Kuhner, Written testimony from constituent, 1 page

E. SB 171, Reeder, Revenue Impact Statement, 1 page

F. SB 171, Manary, Senate Bill 171 Summary, 17 pages

G. SB 298, Reeder, Revenue Impact Statement, 1 page

H. SB 298, Reeder, Fiscal Impact Statement, 1 page