

PUBLIC HEARING AND WORK
SESSION ON SB 529,
SB 624, AND SB 625 TAPES 116 A

SENATE REVENUE COMMITTEE

APRIL 17, 1997 - 9:00 A.M. - HEARING ROOM B - STATE CAPITOL BUILDING

Members Present: Sen. Ken Baker, Chair

Sen. Neil Bryant, Vice Chair

Sen. Joan Dukes (arrived at 9:20 a.m.)

Sen. Verne Duncan

Sen. Tom Hartung

Sen. Randy Leonard

Witnesses: Brad Higbee, Metro

Charles Ciecko, Director, Metro Regional Parks and Greenspaces

Program

Sen. Bill Fisher, District 23, Roseburg

Staff: Brian Reeder, Economist

Carol Phillips, Committee Assistant

TAPE 116, SIDE A

005 Chair Baker Opened meeting at 9:12 a.m.

OPENED PUBLIC HEARING ON SB 624 AND SB 625

014 Brad Higbee Exhibit A - Written testimony. These bills affect the farm and forest deferral program. What Metro is looking for is a modest change in statute to allow Metro the same authority that cities and counties currently enjoy to purchase property for parks and recreational purposes without the obligation of paying the deferred county and city property taxes under both the farm and forest deferral programs.

030 Higbee Under current law Metro could condemn these properties. However, since the citizens of the metropolitan region approved a \$135.6 million ballot measure to enable purchase of park and greenspaces, would prefer to negotiate between willing sellers and willing buyer. Questions and discussion interspersed.

037 Sen. Bryant Asked if Metro already had the right to do that anyway, because normally there is negotiations which take place before a condemnation.

038 Higbee Stated that is correct; however, sometimes the seller does not get the certainty that he or she might otherwise deserve and enjoy. Condemnation proceedings are sometimes not as friendly as they otherwise might be. Would prefer to engage in "straight ahead" negotiations for sales.

043 Sen. Bryant Reiterated that Metro would still have the right to condemn if Metro wanted a property bad enough.

044 Higbee Stated that was correct.

047 Sen. Duncan Asked Higbee if before Metro starts a negotiation, do they start condemnation first and then negotiate; or do they start negotiating and then take the property if it does not work out?

052 Sen. Bryant Stated that before a public entity can make any offer to buy a piece of property, an appraisal must be obtained first. The entity must offer the property owner just compensation, but they do not disclose the appraisal, but Sen. Bryant said they will try to change that. The entity can offer just compensation, then the property owner has an opportunity to respond. Negotiations ensue; and if the parties disagree, then money which the entity feels is a fair price is tendered in the court, the property owner can take it, then a jury determines what just compensation is. But it does not slow down the process of a park being built, or whatever the public improvement might be. The property would be conveyed via the condemnation, then the parties argue over what the price should be.

Metro has closed 50 deals for over 2,000 acres, and the subject of eminent domain has not

- 079 Charles Ciecko come up yet. It is the intent of Metro Council to avoid condemnation if at all possible. SB 624 and SB 625 removes any ambiguity that may exist at this time and adds Metro to the existing list of public entities and non-profit organizations which benefit from provisions of existing statutes.
- 090 Chair Baker Asked if there was a reason for drafting two similar bills; one addressing farm land and one addressing forest land.
- 090 Higbee Answered that it was the decision of Legislative Counsel to draft them in that way.
- 096 Sen. Bryant Asked if Metro had contacted school districts, counties, and cities to see if they were okay with giving up deferred tax in these situations?
- 102 Higbee Generally, schools districts, counties, and cities are not thrilled with the idea of looking at exemptions to programs. However, the cities have told Metro they have no particular concern with this legislation. The counties have a principle that they generally do not like things like this, but want to preserve as much local revenue as possible.
- 112 Chair Baker Asked if Higbee was referring primarily to Multnomah, Washington, and Clackamas counties. The property Metro has taken is minuscule amount of their total tax base.
- 115 Ciecko Metro did an analysis prior to bond measure election in 1995 and determined that if entire 6,000 acre goal was removed from the property tax base, the impact would be less than 1/10th of 1 percent, which would probably be absorbed within less than a year by increasing land values.
- 120 Sen. Hartung Asked how Metro handles exclusive farm land use taxes which have been deferred and the pick-up portion when the land is converted to another use. Do schools participate in the collection of those deferred taxes on agricultural land?
- 127 Higbee Does not know answer to that question. Assumes school districts do, but the amount if relatively small.
- 140 Ciecko Metro has been consulting with Oregon Parks Association primarily made up of county park providers. As of 4/16/97 they have decided to endorse SB 624 and SB 625. Also consulted with Oregon Recreation Parks Association which is composed primarily of city park providers, and they also support these bills.

CLOSED PUBLIC HEARING ON SB 624 AND SB 625

OPENED WORK SESSION ON SB 624 AND SB 625

MOVES SB 624 TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

153 Chair
Baker ROLL CALL VOTE: MOTION PASSES: 5-0
SENATORS VOTING AYE: DUKES, DUNCAN, HARTUNG, BRYANT, BAKER.
Sen. Duncan will carry the bill on the Senate Floor.
MOVES SB 625 TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

165 Chair
Baker ROLL CALL VOTE: MOTION PASSES: 5 - 0
SENATORS VOTING AYE: DUKES, DUNCAN, HARTUNG, BRYANT, BAKER.
Sen. Duncan will carry the bill on the Senate Floor.

184 Brian
Reeder Exhibit G - Revenue Impact Statement. The Roseburg Urban Sanitary Authority leased a truck through a local bank, and as an exempt entity leasing from a taxable entity, they should be exempt. But they failed to get their application in on time for two tax years (1992 and 1993). Truck has a value of approximately \$200,000. Taxes owed for those two years are just under \$6,500. Roseburg Urban Sanitary Authority is asking for an exemption from those taxes.

206 Sen.
Hartung Asked if Roseburg Urban Sanitary Authority would have been automatically exempt if they had purchased the truck instead of leased it.

208 Reeder Answered they would be been exempt under that circumstance.

237 Sen. Bill
Fisher This gets into some rather interesting personality traits of some of the elected officials in greater Roseburg area. As near as he can understand situation, Roseburg Urban Sanitary Authority leased an Aquatec truck. The truck flushes sediment out of sewer lines.

352 Sen.
Fisher In leasing truck from bank, Roseburg Urban Sanitary Authority did not fill out proper papers or forward them to County Assessor. The Assessor taxed the truck, which would not have happened if papers had been filled out. Attempted to correct this situation in 1995, but what was done did not alleviate problem. County Assessor adamant she will not let up unless legislature releases her from her duty to collect this money from Roseburg Urban Sanitary Authority, and Roseburg Urban Sanitary Authority just as adamant that they will not pay it.

270 Sen.
Fisher Exhibit H - (-1) Amendments to SB 529. This Amendment would satisfy every question regarding the current situation. Questions and discussion interspersed.

CLOSED PUBLIC HEARING ON SB 529

OPENED WORK SESSION ON SB 529

331 Chair
Baker MOVES (-1) AMENDMENTS TO SB 529 BE ADOPTED.

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

MOVES SB 529 AS AMENDED BY (-1) AMENDMENTS TO SENATE FLOOR
WITH DO PASS RECOMMENDATION.

333 Chair
Baker ROLL CALL VOTE: MOTION PASSES: 5 - 0

SENATORS VOTING AYE: DUKES, DUNCAN, HARTUNG, LEONARD, BAKER.

Sen. Fisher will carry the bill on the Senate Floor.

Chair
Baker Adjourned meeting at 9:35 a.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

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Exhibit Summary:

A. SB 624, Higbee, Written testimony dated 4/17/97, 1 page

- B. SB 625, Higbee, Written testimony dated 4/17/97, 1 page
- C. SB 624, Reeder, Revenue Impact Statement, 1 page
- D. SB 624, Reeder, Fiscal Impact Statement, 1 page
- E. SB 625, Reeder, Revenue Impact Statement, 1 page
- F. SB 625, Reeder, Fiscal Impact Statement, 1 page
- G. SB 529, Reeder, Revenue Impact Statement, 1 page
- H. SB 529, Fisher, (-1) Amendments, (DJ/ps) 3/20/97, 1 page