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WORK SESSIONS SB 209-251-376
TAPES 048-049 (SIDES A ONLY)

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

MARCH 02, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair (arrives 1:40 pm)
Sen. Tom Hartung
Sen. Cliff Trow (arrives 1:45 pm)
Sen. Greg Walden
Sen. Eugene Timms (arrives 2:12 pm)

Witnesses: Jim Manary, Oregon Department of Revenue
Gary Bartholomew, Oregon Association of County Tax Assessors

Staff: James Scherzinger, Legislative Revenue Officer
Richard Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Janice DeVito, Committee Assistant

TAPE 048 SIDE A

005 Chair Phillips -calls the meeting to order at 1:32 pm as a subcommittee
SB 209 WORK SESSION

010 Steve Meyer -presents staff comment on SB 209 which provides that water
companies be assessed in the same manner as other locally assessed property
rather than centrally assessed by the Department of Revenue

018 Jim Manary -Department of Revenue
-explains Revenue Department's historical responsibilities for
administration and states that measure would achieve more efficiency
-discussion about whether measure passes an unfunded mandate to local
government, and who will pay cost of assessment

042 Meyer -continues explanation of measure at page two, Sections 2-6

060 -states that the Proposed (-1) Amendment (Exhibit 1) represents
agreement of Dept. of Revenue, Tax Collectors, and Tax Assessors

064 Manary -explains the purpose of the (-1) Amendment which will simplify
interest calculations when making changes to the roll
(pause in proceedings as Chair briefly leaves the room - tape running)
(quorum established at 1:40 pm)

104 Manary -continues comment about treatment of appeals as described in the
Proposed (-1) Amendments

121 -explains clarifying provision at Section 10 regarding Chapter 544
Corporations
-questions and discussion about whether there is an issue which requires

notification of affected parties (such as irrigation districts), and restatement of rationale for the measure

193 Manary -states that assessment "is more efficient in the tax system for the counties to do" rather than the state, explains the situation in assessment of modular units, and says that it is in everyone's interest to have a simpler standard

241 Sen. Gold -MOVES ADOPTION OF (-1) AMENDMENTS TO SB 209
Chair Phillips -HEARING NO OBJECTION, THE CHAIR SO ORDERS
Sen. Gold -MOVES SB 209 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION

258 Chair Phillips -declares a possible conflict of interest as member of a water district

260 Chair Phillips -ROLL CALL VOTE: MOTION PASSES 5-0
-SENATORS VOTING AYE: HARTUNG, TROW, WALDEN, GOLD & PHILLIPS EXCUSED:

TIMMS

268 Senator Trow -will carry measure on the Senate floor

SB 251 WORK SESSION

274 Steve Meyer -presents staff overview of SB 251 which requires that all tax

liens be paid before assessors process property consolidation

282 -in response to a question by Chair Phillips, explains problems encountered by tax assessors in cases of consolidation if there are outstanding taxes on one parcel but not the other

298 Gary Bartholomew -Oregon Association of County Tax Collectors
-provides summary of earlier testimony including history of measure from previous legislative session and describes problems in computations that SB 251 would resolve

355 Sen. Hartung -MOVES SB 251 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION

-discussion regarding types of tax liens covered by this measure, whether any opposition is known, and whether the Homebuilders Association may have concerns

345 Chair Phillips -ROLL CALL VOTE: MOTION PASSES 5-0
-SENATORS VOTING AYE: HARTUNG, TROW, WALDEN, GOLD & PHILLIPS EXCUSED:

TIMMS

363 Sen. Gold -will carry measure on the Senate floor

SB 376 WORK SESSION

365 Chair Phillips -reviews previous committee work on this bill which disclosed fiscal impact needing further examination

377 Dick Yates -presents staff overview of SB 376 which establishes an equivalent tax rate for compressed natural gas used as fuel for motor vehicles

-explains Revenue Impact Statement (Exhibit B) which shows a \$270,000 impact on the State Highway Fund if the measure passes

412 Yates -refers to Proposed (-1) Amendments to SB 376 presented to the committee on February 22, 1995 as Exhibit C

432 -questions and discussion about expectations for growth in fuel use, and

whether there is a possible need for future tax adjustment for ethanol additive

TAPE 049 SIDE A

041 Chair Phillips -summarizes issue for the committee to decide whether "we are willing to accept for the sake of (fuel tax) consistency... a \$270,000 impact on the State Highway Fund"

045 Lana Butterfield NW Propane Gas Association
-explains research about school districts "using a huge percentage of propane" and cites example of Portland Public Schools

054 Chair Phillips -comments that Triple A has not taken a specific position on this bill

-discussion about position of Oregon Department of Transportation on this bill and whether school districts would benefit from this measure

068 Brian Amspoker -Suburban Propane, Portland, OR

-explains that school buses are taxed like other fuel at the time of delivery - they pay state tax but not federal tax

080 Chair Phillips -places Proposed (-1) Amendments up for inclusion into SB 376 and asks if there are objections

-Senators Trow and Gold object as follows

095 Sen. Gold -states reason for her objection to the Proposed (-1) Amendment

is a matter of timing rather than anything else

103 Sen. Walden -states that support of this bill is based on purpose to achieve tax equity

111 Chair Phillips -states perspective for support of measure for reason of fairness and encouraging development of alternative fuel use as an environmental issue

124 Sen. Trow -agrees with Sen. Gold and suggests that at some point the fuel tax equity issue be reexamined

"I don't think anybody ever argued that the tax on any of these people is really onerous"

-believes the considerations are fiscal impact, whether the tax is onerous,

and to what extent future transportation dollars will be available to Oregon from the federal level

142 Sen. Hartung -states support for the Proposed (-1) Amendment and the bill

148 COMMITTEE RECESS 2:10-2:12 PM TO AWAIT ARRIVAL OF SENATOR TIMMS

162 Chair Phillips -apprises Senator Timms of committee work and summarizes member positions on SB 376 and Proposed (-1) Amendments

205 Chair Phillips -MOVES (-1) AMENDMENT TO SB 376

-ROLL CALL VOTE: MOTION PASSES 4-2

-SENATORS VOTING AYE: HARTUNG, TIMMS, WALDEN & PHILLIPS

NAY: TROW & GOLD

220 Chair Phillips -MOVES SB 376 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS

RECOMMENDATION

-ROLL CALL VOTE: MOTION PASSES 6-0

SENATORS VOTING AYE: HARTUNG, TIMMS, TROW, WALDEN, GOLD & PHILLIPS

Sen. Walden -will carry bill on the Senate floor

Chair Phillips adjourns meeting at 2:17 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

A. SB 209, Meyer, Proposed (-1) Amendments to SB 209, 3/1/95 (BPS/lg)

B. SB 376, Yates, Revenue Impact of Proposed Legislation, 3/2/95

C. SB 376, Downey, AAA Oregon memorandum, 3/2/95