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WORK SESSIONS: SB S 1132 & 337
TAPES 092A/B, 093A

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

APRIL 20, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair
Sen. Tom Hartung
Sen. Cliff Trow
Sen. Greg Walden

Excused: Sen. Eugene Timms

Witnesses: Greg Sweek, Morrow County Assessor
Tom Linhares, Oregon Association of County Tax Assessors
Janice Druian, Multnomah County Assessment and Taxation
Jim Gleason, PacifiCorp
Gary Gustafson, Division of State Lands

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

TAPE 092 SIDE A
005 Chair Phillips -calls the meeting to order at 1: 26 pm
SB 337 WORK SESSION
017 Greg Sweek -Morrow County Assessor
-presents and comments on written testimony expressing concern about
intangibles issue in proposed amendments (Exhibit A)
045 -questions and discussion about amendment concept of first year "freeze"
followed by phase-out
064 Tom Linhares -Oregon Association of County Tax Assessors and Columbia
County Assessor
-states three points in opposition to SB 337 which pertain to the issue of
whether intangibles should be valued as part of utility property and if
that treatment constitutes inequity
114 -explains that according to 1994-95 state tax rolls, values of

industrial property and utility property are almost identical (both just under \$8 billion)

- 128 -states that under Measure 5, utility taxation has been reduced by 29%
- 128 -summarizes that "crux of this bill is the inequity"
- 131 Janice Druian -Multnomah County, Director of Assessment and Taxation
 - states opposition to the measure and estimates that revenue impact on Multnomah County would be a loss of \$1.25 million, Portland Public School District would lose \$706,000, and total school district losses would be \$1.3 million
- 147 -summarizes that there would be significant impact from this measure
- 147 -submits financial data from Multnomah County Taxing District (Exhibit D)
- 150 Jim Gleason -PacifiCorp, Tax Policy Manager
 - addresses issues from Dr. Barden's testimony of the previous day as summarized in Exhibit C
- 179 -explains Equity point of written testimony (Exhibit C)
- 225 -questions and discussion about testimony presented the previous day by Drew S. Barden (Exhibit B on 4/19/95)
- 248 Chair Phillips -asks Mr. Gleason to meet with Department of Revenue before the next week's committee work session on this measure
 - questions and discussion continue

SB 1132 WORK SESSION

- 291 Dick Yates -distributes memorandum and "hand-engrossed" proposed (-2) amendments as submitted by Director of the Division of State Lands (Exhibit

B)

- 324 Gary Gustafson -Division of State Lands, Director
 - presents explanation of Exhibit B memorandum
- 358 -questions and discussion interspersed
- TAPE 093 SIDE A
- 007 Gustafson -continues comment on Section 77 and 79 of Exhibit B memorandum
- 020 Chair Phillips -clarifies eight policy issues for directions to staff in preparation of amendments
- 060 -asks for committee input
- 065 Sen Trow -states preference to leave DSL intact without transfer of functions
- 072 Sen Gold -states that she is not ready to transfer DSL responsibilities to other agencies
- 077 Chair Phillips -makes suggestions to staff for amendment preparation regarding: sand and gravel leasing and fill/removal staying with DSL, transfer of rangeland management to Department of Agriculture, transfer of mineral leasing and state mineral registry to DOGAMI, and Dept. of Forestry

responsibility defined by "shall"

-clarifies intent for DSL to remain responsible for coordination of financial management matters concerning submerged or submergible land leasing, agricultural land leasing, oil and gas leasing, real property management and trust property

- 130 Chair Phillips -directs staff to draft language on Section 79 suggested by Mr. Gustafson (Exhibit B) to include: "no later than 7/1/96, DSL Board or Land Board shall complete an independent management study and determine whether it would be more efficient or cost effective for other state agencies or other entities ..."

- 150 Gustafson -explains that date of implementation would depend on funding

- 161 Chair Phillips -asks Mr. Gustafson to supply information about costs for independent studies if completed in January, March, or July
 - discussion about completion date for Asset Management Plan
 - directs staff concerning drafting amendment language which focuses on contracting services out with interrelationship to Asset Management Plan and independent analysis

- 185 -discussion of how Asset Management Plan should identify isolated tracts

that are most salable as well as logical to sell

- 200 Chair Phillips -asks for specific recommendation and a schedule of options for disposition of properties

-explains that regional aspect should be considered rather than just county

lines

-suggests repeal of the current language regarding disposal of property so

that DSL properties are "different and apart" from that language
-concur with Mr. Gustafson that "commercial" as used in criteria should be

replaced by language that states "activities related to or have similar
uses of adjacent properties within the region"

244 -points out need to clarify conflict of wording on the revolving fund

-discussion about transfer of functions and FTEs to Department of
Agriculture, clarification of funding with Ways and Means committee,
responsibility and policies of State Lands Board, operation of contractual
agreements, possibility of additional public hearings on upcoming
amendments, and review of Mr. Gustafson's "hand-engrossed" (-2) amendments

372 Sen Gold -suggests that if feasible, staff amendment preparation process
should separate different subjects as separate amendments

-discussion of intent of the committee in revision of amendments

TAPE 092 SIDE B

019 Chair Phillips -clarifies intent to just deal with properties under
control of Division of State Lands which impact the Common School Fund

-states that another issue will be presented as a separate amendment to
address length of contracts, and requests staff to coordinate this with

HB 3239

033 Gustafson -reviews purpose of HB 3239 recently introduced by
Representative Jones

060 Sen Gold -inquires about SB 1132's impact on those who now lease grazing
lands if those state lands are sold

-discussion about policy issues and possible ramifications

101 Gustafson -presents additional clarification of Division handling of
twenty-year lease terms

-discussion of Mendiota case currently in litigation and BLM lands which
were transferred to the State of Oregon

149 Chair Phillips -explains that SB 1132 will not be in committee work
session again until Monday, April 24

158 -adjourns meeting for the day

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 337, Sweek, testimony from Morrow County, 4/19/95
- B. SB 1132-2, Gustafson, testimony from Division of State Lands
- C. SB 337, Gleason, testimony from PacifiCorp
- D. SB 337, Druian, testimony from Multnomah County Taxing District