

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

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Public Hearing on Proposals To Limit or Reduce Property Value

Public Hearing on HJR 16, 26, 22

Tapes 60 -62 A & B, 63 A

House Committee on
State and School Finance
February 14, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

FEBRUARY 14, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer (8:40 late arrival, left at 9:20 am, returns at 9:47 am))
Rep. Tim Josi (8:34 am late arrival)
Rep. Tony Federici, Vice Chair
Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Witnesses Present: Rep. Markam, District
John Danielson, Oregon Education Association
Brenda Purdum, Concerned citizen
Ruth Bendl, Enough Is Enough In Oregon (EIEIO)
Don McIntire, Citizens Against Legal Abuse
Vernon White, Oregon Tax Research
Bill Sizemore, Oregon Taxpayers United
Sen. Mae Yih, District 19

Staff: James Scherzinger, Legislative Revenue Officer
Terry Drake, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Rhonda Wehler, Committee Assistant

TAPE 60 SIDE A

007 Chair Schoon -calls the meeting to order at 8:30 am and conducts
administrative business
OPENS PUBLIC HEARING ON PROPOSALS TO REDUCE OR LIMIT PROPERTY VALUES
010 Rep. Markham -explains history of HJR 16, resolution sponsored by he and
Liz Van Leeuwen, way to provide tax relief is to control extraordinary
market value increases
087 Sen Yih -presents Exhibit A, (get from Jim) constituent's cap of 6%
tax limit too high, compared to inflation rate, limit should be no more
than 3%, HJR 26 provides for assessment, introducing legislation to reduce
property values to 2% effective Jan. 1, 1995

149 Markham -adds willingness to be flexible with tax rate cap
166 Rep. Adams -asks if he believes General Fund should backfill for any
shortfall for school funding
170 Sen Yih -answers keep growth to keep up with inflation and not rise
faster than inflation ??????
182 Rep Markham -General Fund will always have to pick up the slack for
schools
194 Ernest Van Rheen-explains value of land raised from \$18,000-\$51,000 for 5

acres, force is not way, history of warfare camps to make drastic changes,
LCDC walking on homeowners, legislature not listening to common folk
287 John Danielson -opposition to HJR 16 and HJR 26, differentiates between
proposals, HJR 26 unfair because many people live in duplexes, triplexes,
evaluate on basis of adequacy and fairness,
-explains effect of Ballot Measure 5 still in state of implementation,
\$10/thousand limit on homes, instant impact was during 1991-92 fiscal year,
compression-taxed to limit of their ability, must make reductions to get

inside of limit, Orego substituted a base limit, prior to 91 if there was a tax base, it would be allowed to increase 6% without consideration of voters, 5 implements over 5 year period, if valuations of property increases by more than 13 1/3%, property tax for schools is decreasing, most taxpa more than 13 1/3%, property tax for schools is decreasing, most taxpayers will not have to pay more next year for school taxes, not appropriate to make decreases before relief from Ballot Measure 5

TAPE 61 SIDE A

018 Danielson -\$5/thousand for schools is finally being reached, can levy the

amount they levied the prior year, for a couple years will maintain, comparisons with other states, we are not over-taxed, data lacks two years,

now have appeal rights if valuation is too high based on what neighB or's property is worth, responsibility of Constitution to fund the programs of the state, but also not decrease taxes to scrimp on necessary programs

120 Rep Welsh -requests data for fiscal activities of last several years

131 Danielson -explains his willingness to get figures and maintains he

opposes all HJR

147 Chair Schoon -initiative or legislature will be used

-explains assessments were going up dramatically, and opposed, without help

initiative will pass, why he proposed HJR

18 Rep Josi-explains problem of legislators, those who buy property and can't stay there because of tax assessments

178 Danielson -most affected would be young people who must move,

203 Rep Lokan -reaffirms consideration of ;young people as well as seniors, must be considered first at legislature so initiative isn't necessary

213 Rep. Adams -questions and discussion

220 John Danielson -an increase can be levied by 6%, providng rate is not increased

250 Rep Rasmussen -asks what has happened to commercial property value

260 Danielson -not significant

267 Rep Strobeck -asks if any school districts are not at \$5/thousand rate

303 Jim Scherzinger -explains rate limitations with Measure 5 is more limiting with schools than levy, for cities and counties, whichever is most controlling is what is used for value on property

357 -safety net for schools explained, Measure 5 doesn't do anything to

levying authority, levies continued without a vote, districts have been

relying on

TAPE 60 SIDE B

012 Jim Scherzinger -explains proration

074 -when district reaches full amount of safety net, they must get approval

to levy higher tax, reminds Genral Fund is backfilling school amounts, tax equity problem

088 Terry Drake -no incentive for local voter's to approve tax authority for school distircts with equity Ask Terry what this means

109 Rep Welsh -questions and discussion, how OEA can help overtaxed property owner

116 Danielson -expand base levying tax from, many properties not on rolls,

consider if tax is levied to ???????????????

156 Ruth Bendl -refers to Exhibit B, testimony opposing taking away from true

value of homes, stay with assessed values and lower tax rates, who decides

w hat is properly funded for schools, not enough property is on the tax rolls, start holding counties responsible for properties not on tax roll, not just churches and fraternal causing problems, school districts private

unused property, cemeteries, city property, Tri-Met has 3,000 parcels of real estate, enlist support of realtors to find unlisted property

326 -explains map of Clackamas county

-2-4% of total evaluations is idle land and buildings

-churches are being taxed for everything but place of worship, get

inventory of school districts, \$1 billion of property owned by state alone

TAPE 61 SIDE B

009 Don McIntire -idea of assessments caps is not new, modeled after CA

proposition 13,

-unequal assessments on individual taxpayers, form, once we disconnect market value, (accepted measures of determining value) introduce subjective

value of what properties are worth, don't put caps in Constitution as they will have to be adjusted, OR is above average in state and local taxation,

decrease amount on property taxes through gradual implementation, lower rate to \$8/thousand over a few years, another approach do nothing and Measure 5 will control property taxes, \$15/thousand is higher than other states, cap assessed values, or obvious answer limit levies, how much government takes in and spends

121 Don McInitre -Measure 5 has made a healthier economy, taxpayers would be guaranteed that government. won't take windfalls, everyone's proportionate burden, most predicatable

171 All -questions and discussion

230 Rep Rasmussen -reiterates position of Morrow County of lacking local control

257 McIntire-agrees that local control is a myth, increasing property taxes is no way to regain local control, shouldn't make schools over-dependent on

property taxes

290 Rep Rasmussen -further questions

299 McIntire-Measure 5 is Constitutions protection, since many voters are not property owners

316 Vice Chair Federici -summarizes position that income tax is way to fund, not property tax

340 McIntire-give school boards money and let them spend it the way they decide

TAPE 62 SIDE A

011 Rep. Adams -has he considered couplng levy to income

033 McIntire-expresses opposition to deferral, because government becomes

owner
061 Vice Chair Federici -means assessment is difficult to establish, option
of homestead exemption
074 McIntire-limitation on levies rather than caps on property taxes
090 Rep Strobeck -aks
126 Vice Chair Federici -comments rural counties can not have the same CPI as
urban
141 Bill Sizemore -from Oregon Taxpayers United - comments assessment CAPS
are not the solution to problem; it seems to be artificial. Suggests to
limit or reduce the property tax. Proposes to use a cap that limits the
assessed valuation at 3% and does not allow property to return to RMV at
time of sale; which allows for maximum increase of tax of only 3% per year.
390 Rep Beyer -shift of tax from local to state, how much service should
government supply,
TAPE 63 SIDE A
Sizemore-no logical correlation between property tax and local services.
Believes we should tie fire and police services to property.
060 Ozzie Rose -believes should not cap assess values
-refers to Exhibit C, Taxes and Taxing Thoughts Abouts Taxes, page 3
-impact of Measure 5 has been more strident than for other forms of govt.
that rely on income tax
-funding schools will be more difficult with caps
145 All -questions and discussion
236 Rose -complaint is coming from residential, not non-residential
247 Chair Schoon -CLOSES PUBLIC HEARING ON PROPOSALS TO LIMIT OR REDUCE
PROPERTY TAXES
287 Chair Schoon -appoints sub-committee, Welsh, Chair, Rep Rasmussen Vice
Chair Rep Strobeck, Rep Lokan to make recommendations for School Finance
to meet 9:00 am, Friday, February 18, 1995
OPENS PUBLIC HEARING ON HJR 16