

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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Work Session HB 2173, 2179, 2567
Public Hearing HB 2796, 2797

House Committee on
State and School Finance
March 28, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MARCH 28, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair
Rep. Tim Josi
Rep. Jane Lokan
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Witnesses Present: Tom Linhares, Oregon State Association of County
Assessors

Jim Manary, Department of Revenue
Ward Armstrong, Oregon Forest Industries Council
Don Schellenberg, Oregon Farm Bureau
Rob Douglas, Oregon Society of Certified Public Accountants
Steve Jacky, State Department of Forestry

Staff: James Scherzinger, Legislative Revenue Officer
Steve Meyer, Legislative Revenue Office
Dick Yates, Legislative Revenue Office
Rhonda Wehler, Committee Assistant

TAPE 132 SIDE A

004 Chair Schoon -calls the meeting to order at 8:30 am and conducts
administrative business
-OPENS WORK SESSION ON HB 2173

HB 2173
050 Vice Chair Federici -MOVES RECONSIDERATION OF HB 2173
-HEARING NO OBJECTION THE CHAIR SO ORDERS

023 Chair Schoon -OPENS WORK SESSION ON HB 2567

HB 2567
021 Steve Meyer -explains HB 2567 allows CPA Certified Public Accountants
(CPA) to represent property taxpayer before a Board of Equalization (BOE)
to seek a reduction in property value

030 Vice Chair Federici -introduces conceptual amendment to accept no one but

a certified appraiser for property owner evaluation

041 Jim Manary -explains business property appraisal method
-comparable sales
-appraisers cost approach, looks at physical deterioration or
inefficiencies comparing with new property
-potential income approach with normal rate of return
-fixed equipment is real property
-affirms CPAs often deal with assessment side on equipment, schedule

depreciation
122 Meyer -reminds intent of amendment only licensed appraiser or CPA would
represent taxpayer before Board of Equalization

150 Rob Douglas -clarifies language-public accountants represents CPAs and
registered licensed accountants

165 Rep Strobeck -supports bill as drafted

183 Vice Chair Federici -agrees amendment could say CPAs can't render opinion

of value, but can represent taxpayer

197 Manary -clarifies rendering opinion of value
-allows CPA to come to BOE to organize case, helping present evidence for

value estimate, may testify as expert
322 Manary -compares with attorney, who could rarely testify as expert since
main role is organizing
-CPAs can qualify as expert and a representative
340 Rep Strobeck -expresses dissatisfaction with articulating power of CPA
368 Rep. Adams -MOVES HB 2567 IN ORIGINAL FORM BE SENT TO FLOOR WITH DO PASS
RECOMMENDATION
TAPE 133 SIDE A
009 All -questions and discussion
059 Rep Beyer -restates intent to allow public accountants to render opinion,

but not make appraisal
092 ROLL CALL VOTE: MOTION PASSED 9,0, MEMBERS VOTING AYE: REPS.: ADAMS,
BEYER, JOSI, LOKAN, RASMUSSEN, STROBECK, WELSH, VICE CHAIR FEDERICI, CHAIR
SCHOON
098 Chair Schoon -asks Rep Beyer to carry HB 2567 to floor
-CLOSES WORK SESSION ON HB 2567
095 -OPENS WORK SESSION ON HB 2179
HB 2279
101 Rep Beyer -suggests rewriting language to clarify amounts and intent
126 -recommends Chair Schoon confer with Chair of Ways and Means to
determine needs, then allocate amounts to bill
169 Yates -refers to Exhibit B, -1 Amendments, combining HB 2173 and 2179
255 All -questions and discussion
277 Steve Jacky -clarifies Section A funds Governor's budget
Jacky -Section C sent to Governor, restored portion cut from base budget,
and increased to include new riparian stream rules (part of Forest
Practices Act)
-Explains riparian rules require significant monitoring and funding
369 Yates -further explains Section 5, additional temporary tax to fund
research
-refers to Exhibit C, Forest Products Harvest Taxes
TAPE 132 SIDE B
027 Jacky -notes Accumulative Effects Study, passed in 1991, envisioned to be
short-term until Oregon State University (OSU) noted lack of data
-1993 legislature approved 2 more years of study
-expects at least one more biennium to gather necessary data
-clarifies direction of 1991 Natural Resource Committee in Senate to gather
information
073 -clarifies \$ are parceled to independent researchers as well as OSU
086 All -questions and discussion
152 Ward Armstrong -defines Oregon Forest Industries Council position - state
should share in cost of program to resolve environmental issues
169 Rep Welsh -expresses opposition to increasing funding
169 Chair Schoon MOVES -1 AMENDMENTS
173 Armstrong -message to Ways and Means would be to combine Section C with
Section A
184 Rep Welsh -MOVES TO AMEND -1 PAGE 3, LINE 31, CHANGE 7 CENTS TO 4 CENTS
(WHICH IS CURRENT AMOUNT)
198 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
202 -MOVES TO AMEND -1 BY MERGING SECTION C INTO SECTION A, CHANGING .5 TO
.2, RESTORING THE 40/60 SPLIT
223 Rep. Adams -asks logic for funding Forest Practices Act with General Fund
\$
244 Armstrong -clarifies original agreement was 40/60 split
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS
273 Vice Chair Federici MOVES -1 AMENDMENTS AS AMENDED
286 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
288 -proposes adding repealer to bill to change date to 1997
290 Rep. Adams -replies date reflects calendar years, rather than fiscal
years
303 Chair Schoon -withdraws proposal
306 All -questions and discussion
334 Chair Schoon -reports committee will not move bill until amendments
drafted
-CLOSES WORK SESSION ON HB 2179
358 -OPENS PUBLIC HEARING ON HB 2797
HB 2797
369 Meyer -explains bill allows previously disqualified non-exclusive farm
use zone if provisions are met
-owner can be re-qualified for same year as disqualified for not reapplying
for farm use
395 Tom Linhares -explains bill conceived through discussion from appeals
section of Department of Revenue
-through administrative act, income questionnaire, change can be made,
rather than another appeal process with increasing interest rate
-process would be cheaper for counties
TAPE 133 SIDE B
049 Linhares-says many taxpayers don't respond to third/final letter, which
is certified
093 Don Schellenberg-compliments clear presentation of bill, supports
passage
099 Chair Schoon -CLOSES PUBLIC HEARING HB 2797
-OPENS WORK SESSION HB 2797
HB 2797
110 Vice Chair Federici -MOVES HB 2797 BE SENT TO THE FLOOR WITH A DO PASS
RECOMMENDATION (WHEN MEASURE SUMMARY IS AVAILABLE)
115 All -general discussion
147 Chair Schoon -ROLL CALL VOTE, MOTION PASSED 8-0, MEMBERS VOTING AYE:
ADAMS, JOSI, LOKAN, RASMUSSEN, STROBECK, WELSH, VICE CHAIR FEDERICI, CHAIR
SCHOON, ABSENT: BEYER
156 -asks Rep Lokan to carry bill to House floor
HB 2796
153 Chair Schoon -OPENS PUBLIC HEARING HB 2796
HB 2796

Steve Meyer -explains HB 2796
-permits property owner to request imposition of additional tax on certain
property disqualified from special assessment as farmland
171 Linhares-bill states buyer can pay back-taxes after property
disqualified to re-qualify
200 All -general discussion
333 Chair Schoon -discussion regarding removal of sunset
362 Schellenberg -supports motion to remove sunset and supports HB 2796
382 Chair Schoon -CLOSES PUBLIC HEARING ON HB 2796
-OPENS WORK SESSION ON HB 2796
-MOVES TO DELETE SUNSET IN SECTION 1 AND SECTION 2
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS
405 Vice Chair Federici -MOVES HB 2796 AS AMENDED BE SENT TO THE FLOOR WITH A
DO PASS RECOMMENDATION
-ROLL CALL VOTE: MOTION PASSED 8-0, MEMBERS VOTING AYE: ADAMS, JOSI, LOKAN,
RASMUSSEN, STROBECK, WELSH, VICE CHAIR FEDERICI, CHAIR SCHOON, ABSENT:
BEYER
415 Chair Schoon -asks Rep Josi to carry bill to House floor
TAPE 134 SIDE A
020 Chair Schoon -serves notice to committee of possible reconsideration of
HB 2275 due to problem with Mapleton School District
034 -adjourns meeting at 11:05 am

Rhonda Wehler, Committee Assistant Kimberly Taylor James, Office Manager

Exhibit Summary
A. HB 2567, Meyer, Staff Measure Summary
B. HB 2179, Yates, Proposed Amendments, 3/27/95
C. HB 2179, Yates, Forest Products Harvest Taxes
D. HB 2179, Yates, Revenue Impact, 3/27/95
E. HB 2179, Yates, Staff Measure Summary