

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 SB 801 A, 250 A, 251, 252
Public Hearing and Work Session HB 2140 A, 376 A, 1024 A, 717 A
Tapes 207 -210 A & B

House Committee on
State and School Finance
May 4, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MAY 4, 1995 8:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair (8:30 a.m. late arrival)
Rep. Tim Josi
Rep. Jane Lokan (8:35 a.m. late arrival)
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Members Excused: Chair Schoon (at 8:30 a.m.)
Rep Beyer (at 8:30 a.m.)
Rep. John Watt (late arrival)

Witnesses Present: Sen. Greg Walden, District 28
Rep. Lynn Lundquist, District 59
Sen. Randy Leonard, District 9
Randy Powell, Superintendent of Condon Public Schools
William Selby, Portland Attorney, representing Board of Trustees of

Firefighters Gary Bartholomew, Oregon Association of County Tax Collectors
Diane Belt, Washington County
Carolyn Wall, Oregon Association of County Tax Collectors
Paul Romain, Capital Asset
Gil Riddell, Associated Oregon Counties (AOC)
Gerald Bieberle, Association of Oregon Development Organizations
Tom Berry, Northwest Natural Gas
Lana Butterfield, Northwest Propane Gas Association
Brian Amsworthy, Propane Dealer
Wendy Robertson, Attorney General's Office
Arthur Fish, Oregon Economic Development Corporation
Dolores Devine, Tax Collector
Gary Van Horn, Division of State Lands
Tom Linhares, Columbia County Assessor

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

TAPE 207 SIDE A

005 Chair Schoon -calls the meeting to order at 8:00 am and conducts
administrative business
-OPENS PUBLIC HEARING ON SB 1024 A

SB 1024 A

015 Terry Drake -explains bill removes additional taxes paid to schools paid
from large appeals under the one quarter of one percent provisions from
consideration in the State School Fund formula
-under current law, if a district receives taxes not collected in prior
years, school formula counts these dollars as resources
-bill says if payment given to district, and filed prior to Nov. 6, 1990,
it doesn't get counted in school formula, since taxpayers in that district
paid higher taxes when property was under appeal
-retroactive to 1993-94

058 Sen. Greg Walden-testifies in favor of SB 1024 A as fairness and equity
issue for taxpayers
-notes bill sunsets July 1, 2000

072 Rep. Lundquist -speaks in favor of SB 1024 A
080 Randy Powell -speaks in favor of bill
088 Chair Schoon -CLOSES PUBLIC HEARING ON SB 1024 A
-OPENS WORK SESSION ON SB 1024 A
126 -MOVES SB 1024 A BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION
ROLL CALL VOTE: MOTION PASSES 6-0, MEMBERS VOTING AYE: REPS.: BEYER, JOSI,
RASMUSSEN, STROBECK, SCHOON, WELSH. ABSENT: LOKAN, WATT, FEDERICI.
Chair Schoon -asks Rep. Lundquist to carry bill in floor debate
-CLOSES WORK SESSION ON SB 1024 A
135 -OPENS PUBLIC HEARING ON SB 801
SB 801
145 Sen. Randy Leonard -explains bill exempts serial levies for police and
firefighter disability and retirement funds from restrictions on:
-number of years authorized
-stating on the ballot title a dollar amount to be raised each year
179 William Selby -refers to Exhibit G, Written Testimony, expressing support
of SB 801 A
193 Sen. Leonard -informs City of Portland supports SB 801 A
199 Selby -explains continuing millage levies which were adopted in 1948,
method used to fund this program
Selby -informs changing city charter so the levy can be used to build up a
reserve pension fund requires a vote
-vote could be interpreted as new levy having to meet requirements of
current law which prohibits permanent serial levies
244 Acting Chair Strobeck -CLOSES PUBLIC HEARING ON SB 801
249 -OPENS PUBLIC HEARING ON SB 250
SB 250
255 Steve Meyer -explains bill delays notice of expiration of the redemption
period after property tax foreclosure
-adopts "Tax Lien Sale Law," which allows counties to sell tax liens on
real property other than tax deferred property
317 Gary Bartholomew-expresses opposition to Sections 4-39 of SB 250
-expresses support of Sections 1-3
-explains Section 1 is housekeeping change
-Section 2 provides for variable fee \$50 or actual fee incurred by county
to redeem foreclosed property
-Section 3 deals with reducing one year notification to six months
-expresses opposition to reducing penalty for uncollected taxes
TAPE 208 SIDE A
006 -defines annual write-off for foreclosures
-explains most delinquencies are from Senior Deferral Program
044 -notes large administration burden due to program changes, if
implemented
077 -explains amendments (Sections 4-39) were added without agreement of
county tax collectors
093 Rep Josi-summarizes concerns of collectors that interest \$ would go out
of state and administration would be difficult
133 Diane Belt -informs unanimous opposition of state tax collectors to
selling property tax liens
183 Carolyn Wall -reiterates concern for selling tax liens
-affirms motive for tax liens is profit, tax collecting not set up for
profit
-liens can be imposed on property without property owners consent
-notes taxes continue, even if delinquent
240 All -questions and discussion
TAPE 207 SIDE B
011 Paul Romain -refers to Exhibit K, Proposed Amendment
-refers to Exhibit L, Written Testimony, supporting SB 250 A
-notes tax lien sales are optional
072 -explains amendment changes compound interest to simple interest, based
on original amount, not on accrued interest
081 -state courts believe Section 37 of bill is unnecessary and should be
deleted
-summarizes tax lien sales is new financing tool for counties, so they can
sell property as soon as taxes are delinquent
202 Romain -taxpayer has three year provision by law to reimburse county and
keep property
236 Gil Riddell -notes amended version won't be studied by AOC until 5/8/95
245 Acting Chair Strobeck -CLOSES PUBLIC HEARING ON SB 250 A
251 -OPENS PUBLIC HEARING ON SB 376 A
SB 376 A
311 Dick Yates -bill lowers use fuel tax on compressed natural gas and
propane by:
-changing one gallon equivalent for compressed natural gas from 100 cubic
feet to 120 cubic feet
-changing one gallon equivalent of propane to 1.3 gallons
258 Tom Berry -supports SB 376 A, which taxes natural gas propane at same
standard as gasoline, making this an equity bill
378 Lana Butterfield-refers to Exhibit Q, Written Testimony, supporting SB
376 A
TAPE 208 SIDE B
001 Brian Amsworthy -notes school buses are largest users of propane
045 Acting Chair Strobeck -CLOSES PUBLIC HEARING ON SB 376 A
-OPENS WORK SESSION ON SB 376 A
050 Rep Welsh -MOVES SB 376 A BE SENT TO HOUSE FLOOR WITH A DO PASS
RECOMMENDATION
ROLL CALL VOTE: MOTION PASSES 5-0, MEMBERS VOTING AYE: REPS.: LOKAN,
RASMUSSEN, STROBECK FEDERICI, WELSH. ABSENT: BEYER, JOSI, WATT, SCHOON.
058 Acting Chair Strobeck -asks Rep. Federici to carry bill in floor debate
-CLOSES WORK SESSION ON SB 376 A
-OPENS PUBLIC HEARING ON HB 2140 A
HB 2140 A
087 Arthur Fish -refers to Exhibit R, supporting HB 2140 A
-refers to Exhibit S, Making The Enterprise Zone System More Efficient
-explains corrections and additions to original bill
-explains residency requirement to extend discretion to all urban zones
-ensures qualified property can be sold to any firm maintaining law
304 -continues explaining housekeeping changes included in A engrossed bill
370 Vice Chair Federici -explains original opposition to bill due to

misunderstanding, now supports most of bill
TAPE 209 SIDE A
006 Fish -continues explanation of bill, deletions and clarifying language
106 -Sections 8 and 9 refer to amendment added by subcommittee over objection of chairman
-exemptions of hotels, motels and destination resorts are eliminated in enterprise zones, but grandfather clause allows zones already certified to continue receiving exemptions
171 All -discussion regarding needed flexibility for various enterprise zone businesses
183 Fish -explains Section 605 provides for hiring requirements
239 -continues explanation of bill
261 Wendy Robertson -notes HB 2140 A is constitutional
279 Rep Strobeck -CLOSES PUBLIC HEARING ON HB 2140 A
-OPENS WORK SESSION ON HB 2140 A
HB 2140
282 Vice Chair Federici -MOVES LINE 8, SECTION 8, DELETE WORDS "SHALL NOT" AND ADD "MAY"
-PAGE 9 SECTION 9, DELETE LINES 9-16 AND RENUMBER
292 Steve Meyer -notes deleting entire Section 8 would accomplish desired purpose
297 Fish -refers to amendments restoring statute to what it was previously in regard to hotel, motels, and destination resorts (Exhibits T and U)
309 Vice Chair Federici -CHANGES MOTION TO DELETING SECTION 8 AND SECTION 9
325 All -discussion
370 Vice Chair Federici -WITHDRAWS MOTION UNTIL PERUSAL OF EXHIBITS T AND U
380 Acting Chair Strobeck -CLOSES PUBLIC HEARING ON HB 2140
-recesses meeting at 10:25 a.m.
381 Chair Schoon -reconvenes meeting at 3:30 p.m.
386 -OPENS PUBLIC HEARING ON HB 717 A
SB 717 A
403 Gary Van Horn -speaks in support of bill
TAPE 210 SIDE A
009 Steve Bender -explains income tax refunds now remain in the General Fund until the refund checks are cashed
-after two years the check becomes void, but the taxpayer pays to obtain the refund by filing a claim with the Division of State Lands
-the refund would then be paid out of the Common School Fund, then be reimbursed by the General Fund
-bill transfers refunds out of General Fund to the Common school Fund if the check is not cashed in two years, distributing interest on funds to schools, and allowing for any claims to be debited from Common School Fund
041 Chair Schoon -CLOSES PUBLIC HEARING ON HB 717 A
076 -OPENS PUBLIC HEARING ON SB 251
SB 251
079 Dolores Devine -explains bill requires payment of all certified property taxes, not just delinquent taxes, prior to a consolidation of property accounts
-informs state doesn't allow segregated parcels
-bill does not create hardship for homeowners
096 Chair Schoon -CLOSES PUBLIC HEARING ON SB 251
099 Chair Schoon -OPENS PUBLIC HEARING ON SB 252 A
SB 252 A
101 Meyer -explains bill increases minimum property tax refund from \$5-\$10
-increases minimum delinquent tax on real property requiring assessor to notify taxpayer from \$1 to \$5 of tax, interest and penalty
134 Tom Linhares -asserts property under \$3,000 is not taxed due to administrative work load with small accounts
-cost of \$18 to issue property tax statement
178 Meyer -refers to Proposed Amendment A-2, Exhibit LL
222 Acting Chair Rasmussen -CLOSES PUBLIC HEARING ON SB 252 A
-calls for stand at ease
251 -OPENS WORK SESSION ON HB 2140
HB 2140
254 Rep Beyer -asserts companies want assurance that if they invest in enterprise zones, they will be able to complete projects
-proposes conceptual amendments to Page 5, Line 5, adding "in the event of termination under this section: 2 becomes a, insert new paragraph b, reading a qualified business firm that continues property tax exemption under this section shall be allowed to pre-certify and apply for subsequent exemptions for expansions as existing business under ORS 285.570 through 285.617 as in effect at the time of the termination of the enterprise zone"
341 Fish -notes amendment allows existing exemption to continue, terminated zone businesses can continue to apply for expansions
TAPE 209 SIDE B
008 Rep Beyer -clarifies zones have maximum tax exemption of five years
031 Fish -notes firm in exemption period could roll-over indefinitely, but unlikely to have more than 2-3 phases
047 Rep Beyer -adds current zones might not re-qualify, if community chose not to reapply for enterprise zones
063 Chair Schoon -asks Rep Beyer to draft amendment with Legislative Counsel
083 Fish -clarifies amendment would create a residual potential for exemptions in previously terminated zones
111 Chair Schoon -CLOSES WORK SESSION ON HB 2140
-recesses meeting at 4:15 p.m.
115 -reconvenes meeting at 7:15 a.m.
149 -OPENS WORK SESSION ON HB 717 A
HB 717 A
-MOVES HB 717 A BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION
ROLL CALL VOTE: MOTION PASSES 8-0, MEMBERS VOTING AYE: REPS.: BEYER, JOSI, LOKAN, RASMUSSEN, STROBECK FEDERICI, SCHOON, WELSH ABSENT: WATT
160 Chair Schoon -asks Rep Rasmussen to carry bill in floor debate
177 -OPENS WORK SESSION ON SB 252
SB 252
192 Meyer -introduces HB 2663, Exhibit MM, as amendments to SB 252
190 Chair Schoon -MOVES TO AMEND EXHIBIT AMENDMENTS BY DELETING WORDS "REAL AND" BEFORE PERSONAL PROPERTY, LINE 20

-THERE BEING NO OBJECTION THE CHAIR SO ORDERS
198 Meyer -refers to Exhibit NN, Revenue Impact
219 Rep Josi-notes property taxes will be increased by this amendment
243 Rep Strobeck -proposes striking line 12, on line 8 replacing "primarily"
with "exclusively"
270 Rep Beyer -agrees that "solely" is tighter than exclusively
297 Meyer -definition of logging machinery is real property
320 Rep Strobeck -MOVES ON LINE 8 TO ELIMINATE "PRIMARILY" AND INSERT
"SOLELY," DELETE LINES 17- 24
333 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
335 -MOVES ADOPTION OF SB 252 CONCEPTUAL AMENDMENTS
356 Rep Beyer -MOVES TO AMEND MOTION THAT LIMITS TAX EXEMPTION TO COMPANIES
SOLELY INVOLVED IN LOGGING OPERATIONS
390 Rep Josi-objects due to constitutional concerns
TAPE 210 SIDE B
007 Rep Strobeck -reaffirms that both large and small logging companies
testified for this bill
012 Vice Chair Federici -summarizes logging equipment used for only few
months, which justifies narrowing language to "solely"
027 Chair Schoon -(referring to motion to adopt SB 252 amendments): THERE
BEING NO OBJECTION THE CHAIR SO ORDERS
043 Rep Rasmussen -MOVES TO INSERT CONCEPTUAL AMENDMENT OF SUNSET OF JUNE 30,
2002
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS
066 Rep Josi -refers to A-2 amendments, Exhibit LL
-MOVES ADOPTION OF SB 252 A-2 AMENDMENTS
103 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
105 -MOVES SB 252 AS AMENDED BE SENT TO THE FLOOR WITH A DO PASS
RECOMMENDATION
-ROLL CALL VOTE: MOTION PASSES 8-0, MEMBERS VOTING AYE: REPS.: BEYER, JOSI,
LOKAN, RASMUSSEN, STROBECK FEDERICI, SCHOON, WELSH. ABSENT: WATT
120 Chair Schoon -asks Rep. Mannix to carry bill in floor debate
124 -OPENS WORK SESSION ON HB 2140 A
HB 2140 A
127 Rep Beyer -refers to Exhibit OO, HB 2140 A-12 Proposed Amendments
-MOVES ADOPTION OF HB 2140 A-12 AMENDMENTS
Rep Beyer -explains amendments assure businesses that are pre-certified
before enterprise zone is terminated a future tax exemption
154 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
161 Vice Chair Federici -refers to HB 2140 A-11 amendment, Exhibit PP, which
restores tax exemption to hotels, motels and destination resorts
-refers to HB 2140 A 10 amendments, Exhibit QQ
176 Fish -notes either amendment is satisfactory
211 Vice Chair Federici -MOVES ADOPTION OF HB 2140 A-10 AMENDMENTS, which
restores option of hotel, motel designation to any enterprise zone since
1989
235 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
236 Rep Beyer -MOVES HB 2140 A AS AMENDED BE SENT TO THE FLOOR WITH A DO PASS
RECOMMENDATION
-ROLL CALL VOTE: MOTION PASSES 8-0, MEMBERS VOTING AYE: REPS.: BEYER,
JOSI, LOKAN, RASMUSSEN, STROBECK FEDERICI, SCHOON, WELSH. ABSENT: WATT.
243 Chair Schoon -asks Rep Rasmussen to carry bill in floor debate
250 -adjourns meeting at 8:00 p.m.

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

A. SB 1024 A, Drake, Staff Measure Summary, 4/13/95
B. SB 1024 A, Drake, Revenue Impact, 4/20/95
C. SB 1024 A, Drake, Fiscal Impact, 4/24/95
D. SB 801, Meyer, Staff Measure Summary, 5/4/95
E. SB 801, Meyer, Revenue Impact, 4/3/95
F. SB 801, Meyer, Fiscal Impact, 4/4/95
G. SB 801, Selby, Written Testimony, 5/4/95
H. SB 250 A, Meyer, Staff Measure Summary, 4/11/95
I. SB 250 A, Meyer, Revenue Impact, 4/14/95
J. SB 250 A, Meyer, Fiscal Impact, 4/21/95
L. SB 250 A, Romain, Proposed Amendments, 5/4/95
M. SB 250 A, Romain, Tax Lien Sales Bill Analysis
N. SB 376 A, Yates, Staff Measure Summary, 2/22/95
O. SB 376 A, Yates, Revenue Impact, 3/2/95
P. SB 376 A, Yates, Fiscal Impact, 3/7/95
Q. SB 376 A, Butterfield, Written Testimony, 5/4/95
R. HB 2140 A, Fish, Written Testimony, 5/4/95
S. HB 2140 A, Fish, Making The Enterprise Zone System More Efficient
T. HB 2140 A, Fish, Proposed Amendments
U. HB 2140 A, Fish, Proposed Amendments
V. HB 2140 A, Meyer, Revenue Impact, 3/13/95
W. HB 2140 A, Meyer, Fiscal Impact, 3/14/95
X. HB 2140 A, Meyer, Staff Measure Summary, 2/9/95
Y. SB 717 A, Bender, Staff Measure Summary, 3/23/95
Z. SB 717 A, Bender, Revenue Impact, 3/27/95
AA. SB 717 A, Bender, Fiscal Impact, 3/28/95
BB. SB 717 A, Bender, Two Year Void Checks, 3/22/95
CC. SB 717 A, Gustafson, Written Testimony, 5/3/95
DD. SB 717 A, Division of State Lands, Common School Fund Principal,
12/12/94
EE. SB 717 A, Division of State Lands, Unclaimed Property, 3/8/95
FF. SB 251, Staff Measure Summary, 2/9/95
GG. SB 251, Revenue Impact, 2/1/95
HH. SB 251, Fiscal Impact, 1/20/95
II. SB 252 A, Staff Measure Summary, 2/9/95
JJ. SB 252 A, Revenue Impact, 3/1/95
KK. SB 252 A, Fiscal Impact, 3/2/95

LL. SB 252 A, Meyer, Proposed Amendments, 5/4/95
MM. SB 252, Meyer, HB 2663
NN. HB 2663, Meyer, Revenue Impact of HB 2663, 4/10/94
OO. HB 2140 A, Beyer, -12 Proposed Amendments, 5/4/95
PP. HB 2140 A, Federici, -11 Proposed Amendments, 5/4/95
QQ. HB 2140 A, Federici, -10 Proposed Amendments, 5/4/95