

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 SB 686 A, 208 A
Public Hearing SB 687A
Tapes 219 & 220 A

House Committee on
State and School Finance
May 8, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

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

Members Present: Rep. John Schoon, Chair
Rep. Lee Beyer (8:50 a.m. late arrival)
Rep. Tony Federici, Vice Chair
Rep. Tim Josi
Rep. Jane Lokan
Rep. Anitra Rasmussen
Rep. Ken Strobeck (8:50 a.m. late arrival)
Rep. John Watt (excused at 9:00 a.m.)
Rep. Jim Welsh

Witnesses Present: Gil Riddell, Associated Oregon Counties
Tom Linhares, Columbia County Assessor
Michael Scott, Power Rents
Bonne Swett, Oregon Equipment Rental Association
Richard Stanton, Milwaukee
Alan Willis, Port of Portland

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

TAPE 219 SIDE A

004 Chair Schoon -calls the meeting to order at 8:30 am and conducts administrative business
005 -OPENS PUBLIC HEARING ON SB 687 A
SB 687 A
006 Steve Meyer -explains bill expands definition of inventory exempt from property taxes to include tangible personal property rented by a taxpayer in the business of renting to the general public
016 Michael Scott -refers to Exhibit D, Written Testimony, supports SB 687 A definition
-definition of "inventory" in bill did not include uniform commercial code
-informs Rental Association worked with Legislative Counsel to rework definition to include rental equipment inventory
-applies to tax code, not a request for special treatment, but rather equal treatment
050 Bonne Swett -notes bill is clarification of oversight in language to include rental inventory
060 Scott -explains if equipment is rented it is considered exempt
-bill applies to commercial and consumer goods available to general public
-titled vehicles are now exempt, even if in rental
083 Rep Watt-asks if intent of legislature was to exempt inventory, not personal property
094 Meyer -responds inventory traditionally connotes something available for sale, since rental business did not qualify, they were not included
106 Scott -informs income taxed on sale of rental equipment no longer usable for rental equipment
133 Jim Scherzinger -notes use of property dictates whether it is taxable or not
149 Richard Stanton -supports SB 687 A
-clarifies personal property licensed items are already taxed (trucks, autos)
-large back hoes and air compressors are subject to personal property tax and licensing tax, and would no longer be taxed under this bill
194 Gill Riddell -refers to Exhibit E, Written Testimony, opposing SB 687 A, due to revenue impact of \$75 million from property tax rolls

-notes no hardship need for exemption, no requirement for job creation
 233 Tom Linhares -opposes SB 687 A
 -informs use of contractor and rental equipment company is same, allowed to depreciate it for income tax purposes
 -rental equipment is not inventory on that basis
 -granting of exemptions should be taken seriously from public policy benefit, service would not be lost if this exemption was not granted
 -asserts property taxes are inordinately high in Oregon due to numerous exemptions
 319 Chair Schoon -CLOSES PUBLIC HEARING ON SB 687 A
 -OPENS WORK SESSION ON SB 686 A
 SB 686 A
 324 Meyer -explains bill exempts publicly owned shipyard property leased for ship repair, layup, conversion or construction
 -refers to Exhibit G, -13 Proposed Amendments, which places sunset of 2010 and clarifies language
 360 Chair Schoon -MOVES ADOPTION OF SB 686 -A 13 AMENDMENTS
 -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
 403 Meyer -notes amendment replaces bill
 TAPE 220 SIDE A
 004 Meyer -informs amendment adds language that if property is sub-leased, it then would be tax exempt
 022 Alan Willis -speaks in support of SB 686 -13 amendments
 026 Vice Chair Federici -MOVES ADOPTION OF SB 686 A AS AMENDED BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION
 -ROLL CALL VOTE: MOTION PASSES 8-0, MEMBERS VOTING AYE: BEYER, JOSI, LOKAN, RASMUSSEN, STROBECK, FEDERICI, SCHOON. EXCUSED: WATT.
 032 Chair Schoon -asks Rep Strobeck to carry bill in floor debate
 038 Chair Schoon -OPENS WORK SESSION ON SB 208 A
 SB 208 A
 040 Meyer -explains bill creates a late filing period with payment of penalty for exemption of property leased by certain nonprofit organizations and local governments
 -classifies that mobile homes classed as personal property cannot be exempt as personal property valued under \$3,000
 -retroactively grants enterprise zone exemption for 1990 if claim was filed prior to May 1, 1990, but after the April 1, 1990 deadline
 -refers to Exhibit H, -A 4 Proposed Amendments
 -informs amendment corrects language to make consistent with pre-certification process
 068 Chair Schoon -MOVES ADOPTION OF SB 208-A-4 AMENDMENTS
 THERE BEING NO OBJECTION THE CHAIR SO ORDERS
 071 Vice Chair Federici -MOVES SB 208 A AS AMENDED BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION
 -ROLL CALL VOTE: MOTION PASSES 8-0. MEMBERS VOTING AYE: BEYER, JOSI, LOKAN, RASMUSSEN, STROBECK, FEDERICI, SCHOON. EXCUSED: WATT.
 075 Chair Schoon -asks Rep. Welsh to carry bill in floor debate
 084 -conducts administrative business
 -adjourns meeting at 9:10 a.m.

Rhonda Wehler, Committee Assistant Kimberly Taylor James, Office Manager

Exhibit Summary

- A. SB 687 A, Meyer, Staff Measure Summary, 3/16/95
- B. SB 687 A, Meyer, Fiscal Impact, 4/19/95
- C. SB 687 A, Meyer, Revenue Impact, 4/17/95
- D. SB 687 A, Scott, Written Testimony, 5/8/95
- E. SB 686 A, Meyer, -A 12 Proposed Amendments, 5/4/95
- F. SB 686 A, Meyer, -A 13 Proposed Amendments, 5/8/95
- G. SB 208 A, Meyer, - A 4 Proposed Amendments, 5/4/95