

Informational Meeting: Property Tax Exemptions
Tapes 3 A/B
4 A

HOUSE COMMITTEE ON
HOUSE REVENUE AND SCHOOL
FINANCE
PROPERTY TAX SUBCOMMITTEE

JANUARY 27, 1993 8:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Representative Tom Brian, Chair Representative Mike Burton
Representative Margaret Carter Representative Fred Girod Representative
Delna Jones Representative Jim Whitty

Staff: James Scherzinger, Legislative Revenue Officer
Steve Meyer, Legislative Revenue Office
Paula McBride, Committee Assistant

TAPE 3 SIDE A

008 CHAIR BRIAN called the meeting to order at 8:09.

013 STEVE MEYER reviewed his handout, "Property Tax Exemption Summary,"
which listed exemptions by categories. He also explained additional
information contained in the table. Exhibit 1

Questions and discussion interspersed

090 JIM SCHERZINGER related that in most cases statutes simply say that
certain kinds of property are exempt, and these words have been interpreted
by the courts over many years. In effect, this means there is a lot of
discretion on the part of the assessors on how to interpret the statutes,
although they are subject to Department of Revenue (DOR) rules.

Discussion

122 STEVE MEYER cited the Oregon Revised Statutes (ORS) concerning
exemption of property taxes.

Questions and discussion

These minutes paraphrase and/or summarize statements made during this
meeting. Text enclosed in quotation marks reports the speaker 'sexact
words. for complex" context of proceedings, please refer to the tape
recording.

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144 STEVE MEYER reiterated that administrative rules within the Department
of Revenue related to property tax exemptions incorporate the decisions of
court cases on this issue. Therefore, it is the courts that have determined
what "charitable" means.

Questions and discussion

160 JIM SCHERZINGER explained the procedure of obtaining exemptions through
local county assessors, but that counties vary in how and/or when they
grant exemptions. Local decisions can be appealed in court.

176 STEVE MEYER read other statutes on property tax exemption, specifically
related to "charitable" organizations.

Questions and discussion interspersed

230 JIM SCHERZINGER referred to another table on exemptions, which
delineates values attached to the exemptions (data is from 1979). Exhibit 2

237 STEVE MEYER reviewed a form used by the DOR and counties, entitled
"Summary of Specially Assessed and Tax Exempt Properties." These are used
to determine the amount of property exempt in each county. Exhibit 3

Questions and discussion

288 STEVE MEYER discussed the problems related to getting incomplete information from counties on property tax exemptions. Exhibit 2
Questions and discussion interspersed

TAPE 4 SIDE A

002 Questions and discussion continued concerning exempt property in various counties.

014 STEVE MEYER discussed "road right-away" property that is exempt.
Questions and discussion

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027 STEVE MEYER further explained his table that summarizes types of exemptions for property tax. Exhibit 1
Questions and discussion interspersed

095 STEVE MEYER read the statute that applies to "down zoned property," (ORS 308.341). Exhibit 1, page 3
Questions and discussion

185 STEVE MEYER reviewed the issue of "intangible personal property." Last session the House Committee dealt with intangibles for industrial property. During the interim, a task force between business interests and the DOR met to discuss intangibles, but no consensus was reached as to whether or not the DOR was still taxing intangibles.

210 JIM SCHERZINGER related that intangibles were clearly exempt and that business property is generally taxable. He said a bill had been introduced on the Senate side about intangible which specific certain intangibles that should not be included in property value.

244 STEVE MEYER discussed the "In Lieu" column, as relates to property tax exemptions, on his table. Exhibit 1

Questions and discussion concerning various categories of property tax exemptions.

338 CHAIR BRIAN asked the members to think about a process to review the various property tax exemptions.

Discussion

359 STEVE MEYER examined the ORS related to the property tax exemption for "Academies, Day Care, Student Housing." Exhibit 1.

Discussion

380 JIM SCHERZINGER mentioned some bills coming to the subcommittee on exemptions.

Questions and discussion continued about types of property tax exemptions.

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TAPE 3 SIDE B

002 Questions and discussion continued on the subject of property tax exemptions.

056 JIM SCHERZINGER mentioned timber legislation that would be heard by the subcommittee, and he gave an historical analysis of the issues related to that legislation.

103 Questions and discussion of the exemption category of "open space land." Exhibit 1

144 Questions and discussion concerning the category of "licensed" properties that are exempt. Exhibit 1

162 Questions and discussion about "historical preservation" property tax exemptions. Exhibit 1

199 Questions and discussion of "industry apprenticeship/training trust" exempted property. Exhibit 1

235 Questions and discussion of the "charitable, literary, scientific" category of exemptions. Exhibit 1

344 JIM SCHERZINGER asked members to decide what kind of formal process, if any, to review exemptions and generate information on a regular basis. This would probably be done during the Interim because of the time it would take. The Legislative Revenue Office will provide the members with options for the process.

416 CHAIR BRIAN adjourned the meeting at 9:31.

Paula K. McBride, Committee
Assistant
Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Property Tax Exemption Summary: Index by Category (Preliminary), Steve Meyer, Legislative Revenue Office, 1/26/93.

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EXHIBIT SUMMARY (continued)

2. Estimated Values of Exempt Property (in millions of dollars), Steve Meyer, Legislative Revenue Office.

3. Table 3 -- summary of specially assessed and Tax Exempt Properties (from the DOR), Steve Meyer, Legislative Revenue Office.

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