

Informational: Property Tax Exemptions Work Session: HB 2435
Tapes 5-6 A/B

HOUSE COMMITTEE ON
HOUSE REVENUE AND SCHOOL FINANCE
PROPERTY TAX SUBCOMMITTEE

JANUARY 28, 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
Witnesses Present: Rick Main, Department of Revenue
Staff: James Schersinger, Legislative Revenue Officer Steve Meyer,
Legislative Revenue Office
Paula McBride, Committee Assistant

TAPE 5 SIDE A

001 CHAIR BRIAN called the meeting to order at 8:12, and he conducted
administrative business.

013 RICK MAIN discussed how the property tax exemption program is
administered in both the counties and within the Department of Revenue
(DOR). He mentioned there were about 85 different statutes in the Oregon
Revised Statutes (ORS) that apply to approximately 75 different exemptions.
The DOR evaluates the counties by determining if there is a consistent and
efficient program in place. Uniformity within the program is a primary
concern, as is compliance with all relevant statutes.

Questions and discussion

174 RICK MAIN discussed the difficulties involved in appraising exempt
property.

Questions and discussion interspersed

209 REP. BURTON expressed his dissatisfaction with the property tax
exemption program, believing it was little more than a cumbersome
bureaucracy.

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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Discussion

275 STEVE MEYER went through his handout entitled, "\$10 Million Additional
Value Example," which shows hypothetical examples of how exemptions might
effect a county (both before and after Measure 5). Exhibit 1

Questions and discussion

387 JIM SCHERZINGER spoke about "compression" in Oregon counties.

Questions and discussion

TAPE 6 SIDE A

002 Questions and discussion continued on the subject of "compression."

026 STEVE MEYER explained "Property B" on his handout. Exhibit 1

Questions and discussion interspersed

048 JIM SCHERZINGER said there was actually two different kinds of taxing

rates in counties: the district rate and the effective rate. These do not actually add up to what the citizens pay in taxes (the effective rate). If a county is under compression, the district rate is lower than the effective rate.

Questions and discussion

088 STEVE MEYER reviewed the numbers at the bottom of his handout, which show "District Revenue." Exhibit 1

Questions and discussion

150 STEVE MEYER introduced another handout, which gives an historical perspective on the "Special Assessment of Historic Property." Exhibit 2

Questions and discussion

179 STEVE MEYER explained the definition of "historic property." Exhibit 1, page 1

Questions and discussion

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229 STEVE MEYER mentioned additional criteria for a property to be classified "historical." Exhibit 2

Questions and discussion interspersed

253 STEVE MEYER gave a explanation of what is required for a property to get on the "National Register." Exhibit 2

Questions and discussion

319 STEVE MEYER reviewed the procedure of applying for an "historical" exemption. There is a fee for this application. He also discussed the steps taken by counties if the application is successful. Exhibit 2

Questions and discussion interspersed

375 STEVE MEYER said an Attorney General opinion had been issued which stated that only one fifteen-year exemption can be given to a property for the "historical" category, although the statute doesn't specifically state this. He explained exceptions to this limit.

Discussion

TAPE 5 SIDE B

002 Discussion continued about the procedure of a property qualifying for the "historic" exemption.

067 JIM SCHERZINGER illuminated the purpose of the fifteenyear exemption, which attempts to encourage people to invest in property.

Questions and discussion

104 STEVE MEYER delineated how "historic" properties can be disqualified for the property tax exemption.

Questions and discussion interspersed

156 STEVE MEYER discussed the ramifications of disqualification of an exempt property.

Questions and discussion

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225 STEVE MEYER related exceptions to disqualification related to new construction on "historic" property, and he talked about other new construction that can be disqualified for the special tax,
Questions and discussion
interspersed

303 STEVE MEYER explained the data on page 3 of his handout, entitled "Frozen Value of Property Receiving Special Assessment in Oregon By Type & By County, December 1991." Exhibit 2, page 3
Questions and
discussion

353 STEVE MEYER spoke about figures on page 4, related to values of "historic" property from 1976 to July 1992. Exhibit 2, page 4
Questions and discussion
interspersed

TAPE 6 SIDE B

002 Questions and discussion continued about values of "historic" property.

036 STEVE MEYER discussed page 5 of his handout, which shows one example of an "historic" property valuation from 1985 through 2000, including the impact of Measure 5 beginning in 1991. Exhibit 2, page 5
Questions and
discussion

093 STEVE MEYER went over the last two pages of his handout, "A Comparison Between the Existing Special Assessment Program, the Recommendations of the Special Assessment Task Force, and the Parks And Recreation Department's Position on the Re-Authorization of ORS 358.475." Exhibit 2, pages 6-7
Questions and discussion
interspersed

168 STEVE MEYER continued his review of pages 5 and 6, specifically related to the issue of new ownership. Exhibit 2
Questions and
discussion

199 STEVE MEYER spoke about the issues of re-application of benefit, voluntary removal, and monitoring in the "historic" property tax exemption program. Exhibit 2, page 6

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Questions and discussion

226 STEVE MEYER revealed the impact of HB 2550 from last session, relating to the tax exemption on historic property. Exhibit 2
Questions and discussion

278 STEVE MEYER verified that HB 2550 allowed properties to have multiple exemptions. Exhibit 2, page 6
Questions and discussion interspersed

295 CHAIR BRIAN conducted Subcommittee administrative business.

332 CHAIR BRIAN recessed the meeting at 10:01 and reconvened at 10:18.

341 CHAIR BRIAN adjourned the meeting at 10:18.

Paula K. McBride, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. \$40 Million Additional Value Example, Steve Meyer, Legislative Revenue Office.
2. Fact Sheet: Special Assessment of Historic Property, Steve Meyer, Legislative Revenue Office.

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