

Public Hearing & Work Session: HJR 7
Work Session: HB 2416 HB 2423 HB 2456 HB 3026
Tapes 98-99 A/B

HOUSE COMMITTEE ON
HOUSE REVENUE AND SCHOOL FINANCE
PROPERTY TAX SUBCOMMITTEE

MAY 11, 1993 9:00 AM HEARING ROOM A STATE CAPITOL BUILDING

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

Member Excused: Representative Margaret Carter

Witnesses Present: Paul Meyerhoff, Manager, Transportation
Development, Oregon Department of
Transportation
Terry Smith, League of Oregon Cities
Randy MacDonald, Director, Legislative and
Community Relations, University of Oregon

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

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009 CHAIR BRIAN called the meeting to order at 9:51 and conducted administrative business.

021 CHAIR BRIAN opened the Public Hearing on HJR 7 and introduced students in the audience.

034 PAUL MEYERHOFF asked that the Work Session on HB 2416 be opened, so he could talk about HB 2416 and HJR 7 together.

041 CHAIR BRIAN opened the Work Session on HB 2416.

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

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046 PAUL MEYERHOFF mentioned the coalition working on HB 2416 and HJR 7 to modify them significantly, and he talked about the results of these discussions. HB 2416-2 was one result of the work of the coalition, and he believed many state organizations and industries supported these amendments. The amendments would add a \$20 vehicle registration fee that could be used to fund transit in Oregon if the constitutional amendment in HJR 7 was passed by the voters. He delineated how the fee might be used "to

meet the goals of the Oregon Transportation Plan," which he discussed. He also suggested changes in the constitutional amendment, HJR 7-5, and other changes to HB 2416, which he described, and which were contained in amendments HB 24162. His testimony was based on a handout given to the members. Exhibit 1-3

135 TERRY SMITH enumerated the items he wanted to discuss. The first was the amendments HJR 7-5 and the policy concepts the revised sections would implement. Exhibit 3

Questions and discussion

196 TERRY SMITH discussed language in HJR 7 related to providing transit to be "used by elderly or disabled persons."

229 TERRY SMITH showed overheads to the members about how the proposed \$20 fee in HB 2416-2 would be spent. This fee will not accomplish all the problems that currently exist with transit systems in the state. Exhibit 4

284 TERRY SMITH described how the proposed fee would work, by using a "decision tree." He correlated relevant sections of HB 2416 with items on his chart. Exhibit 5

342 TERRY SMITH explained the issue of "local option." This is a concept he philosophically approved of but on which his board had not yet taken a position.

357 TERRY SMITH talked about "cost responsibility; n specifically, he related that the gas tax in HB 2415, the ethanol fuel issue in HB 2423, and the registration fee in HB 2416 will impact the "weight-mile" tables that will be adopted by the Legislature. He discussed possible options and resolutions as to how the weightmile system could be addressed.

Questions and discussion

407 TERRY SMITH explained the intent of the amendments to the

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constitutional amendment, HJR 7. Exhibit 3

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002 Questions and discussion continued with TERRY SMITH concerning HJR 7.

045 TERRY SMITH discussed what the passage of the constitutional amendment would mean. Exhibit 3

Discussion

094 CHAIR BRIAN closed the Public hearing on HJR 7.

095 CHAIR BRIAN opened the Work Session on HJR 7.

099 MOTION REP. WHITTY moved to adopt the amendments HJR 7-5 to HJR 7.

NO DISCUSSION

101 ORDER There being no objection, CHAIR BRIAN so ordered.

102 MOTION REP. WHITTY moved HJR 7 as amended to the full Committee with a do-pass recommendation.

NO DISCUSSION

107 VOTE The motion passed 3-1. Ayes:
REPS. BURTON, WHITTY, and CHAIR
BRIAN. Nays: REP. GIROD.
Excused: REP. CARTER.

NO DISCUSSION

124 MOTION REP. WHITTY moved the amendments
HB 2416-2 to HB 2416.

NO DISCUSSION

127 ORDER There being no objection, CHAIR
BRIAN so ordered.

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129 MOTION REP. WHITTY moved HB 2416 as
amended to the full Committee
with a do-pass recommendation.

NO DISCUSSION

131 VOTE The motion passed 3-1. Ayes:
REP. WHITTY, BURTON, and
CHAIR BRIAN. Nays: REP.
GIROD. Excused: REP. CARTER.

141 CHAIR BRIAN closed the Work Session on HB 2416 and HJR 7.

151 CHAIR BRIAN opened the Work Session on HB 2456.

147 TERRY DRAKE explained how HB 2456 was a potential vehicle to deal with the ethanol fuel issue and to provide an incentive for ethanol production.

He discussed how the amendments HB 2456-1 would place a property tax exemption on new ethanol production facilities located in Oregon after July 1, 1994. This exemption would be phased out over a number of years. He explained how the exemption would work. Exhibit

Questions and discussion

175 TERRY DRAKE said the amendments HB 2456-1 did not incorporate the accelerated sunset of the partial exemption for ethanol-blended fuels (HB 242 3). Exhibit 8

Questions and discussion

225 CHAIR BRIAN asked members to discuss the phase-out concept in HB 2456-1 (page 2, lines 2-15). Exhibit

Questions and discussion

274 CHAIR BRIAN talked about the particular sunset suggested in HB 2423 for the repeal of the incentive on ethanol-blended fuels. He believed the date should be moved up at least until November 1st, and he even asked members to consider July 1.

Questions and discussion

305 TERRY DRAKE related that there used to be a property tax exemption related to ethanol fuels, and he cited the parts of the Oregon Revised Statutes (ORS) that continued to improperly contain

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this language.

325 Members continued their discussion of possible conceptual amendments to HB 2456-1. Exhibit 8

395 CHAIR BRIAN was inclined to make the exemption stronger than what was currently in HB 2456-1. Exhibit 8

Discussion

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006 CHAIR BRIAN described conceptual amendments to HB 2456, as follows:

Lines 2-15 of HB 2456 should have language to indicate a flat 100% exemption for 10 years (sunset of the year 2004).

Discussion

021 CONCEPTUAL MOTION CHAIR BRIAN moved a conceptual amendment to 2456-2, as follows:
On Lines 2-15, page 2, That the property tax credit be 100% for ten years, beginning with the first qualification of exemption.

NO DISCUSSION

028 ORDER There being no objection, CHAIR BRIAN so ordered.

029 CONCEPTUAL MOTION CHAIR BRIAN moved a conceptual amendment to HB 2456-2, as follows: Line 12, page 1, the date should be changed to July 1, 1993.

NO DISCUSSION

035 ORDER There being no objection, CHAIR BRIAN so ordered.

037 CHAIR BRIAN believed HB 2423 could be moved into HB 2456, but he asked members to consider what date they wanted to make the sunset in HB 2423.

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Discussion

050 CHAIR BRIAN recessed the meeting at 10:50 and reconvened at 11:13.

053 CHAIR BRIAN asked members to consider what date for the acceleration of the sunset date in HB 2423. His suggestion was: On Line 8, change the sunset date to "October 1, 1993."

068 CHAIR BRIAN opened a concurrent Work Session on HB 2423.

069 MOTION CHAIR BRIAN moved to amend HB 2423, as follows: On Line 8, change December 31, 1993 to October 1, 1993.

NO DISCUSSION

071 ORDER There being no objection, CHAIR BRIAN so ordered.

072 MOTION CHAIR BRIAN moved to further
amend HB 2456 by inserting the
amended HB 2423 into it, and
reordering the sections.

NO DISCUSSION

075 ORDER There being no objection, CHAIR
BRIAN so ordered.

077 CHAIR BRIAN closed the Work Session on HB 2423. He asked staff to
prepare amendments to HB 2456, as stipulated above, before a decision was
made on the bill.

085 CHAIR BRIAN closed the Work Session on HB 2456.

093 CHAIR BRIAN opened the Work Session on HB 3026.

097 STEVE MEYER explained the original HB 3026. He also described the
members' requested amendments to the bill, HB 3026-4, which would narrow
the language of the bill specifically to "senior centers" that meet certain
qualifications. Another set of amendments, HB 3026-3, related to a state
law that prohibited property tax exempt "charitable" organizations from
charging for parking on their property, and the amendments would change the

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statute to allow organizations to do this. Exhibit 10 and 11

145 RANDY MACDONALD explained the issue associated with the amendments HB
302 6-3, specifically as related to "charitable" organizations with property
near the University of Oregon in Eugene. Exhibit 12

Questions and
discussion

193 JIM MANARY gave an historical prospective on organizations that receive
the "charitable" exemption and how the issue of parking lots does not fit
into the definition of "charitable." He did not know whether or not the
proposed language in HB 3026-3, "negligible, incidental or infrequent
charge" was contained elsewhere in the Department of Revenue (DOR)
Administrative Rules, and that it would have to be included into the Rules
if HB 3026-3 were adopted to HB 3026.

Discussion

225 RANDY MACDONALD gave statistics on parking at a particular facility.

Questions and
discussion

265 JIM MANARY talked about events where "charitable" institutions might
charge for parking near the University of Oregon.

287 CHAIR BRIAN asked members to reach a conclusion to how many days they
would allow a "charitable" organization to rent parking space and still be
entitled to its exemption.

Questions and
discussion

337 MOTION CHAIR BRIAN moved a
conceptual amendment to HB
3026-3, as
follows: Add the language
"no less than 351 days
during the tax year" on
Lines 3 and 4, Page 1, on

Lines 21 and 22; and delete
the words "other than
negligible, incidental, or
infrequent charge on Lines
12 13 on Page 2.

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NO DISCUSSION

345 ORDER There being no objection, CHAIR
BRIAN so ordered.

347 MOTION REP. GIROD moved to adopt the
amendments HB 3026-3 to HB 3026.

NO DISCUSSION

349 ORDER There being no objection, CHAIR
BRIAN so ordered.

353 Questions and discussion continued among members about the amendments
HB 3026-4.

361 JIM MANARY explained reasons behind the DOR amendments HB 30264. He
talked about the qualifications required for a center to be qualified for
the "charitable" exemption as a "senior center."
Questions and discussion

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002 Questions and discussion continued with JIM MANARY about the amendments
HB 3026-4.

021 MOTION REP. GIROD moved to adopt the
amendments HB 3026-4 to HB

302 6.

NO DISCUSSION

023 ORDER There being no objection,
CHAIR BRIAN so ordered.

NO DISCUSSION

026 MOTION REP. GIROD moved HB 3026 as
amended to the full Committee
with a do-pass recommendation.

028 ORDER There being no objection,

CHAIR

BRIAN so ordered.

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031 CHAIR BRIAN closed the Work Session on HB 3026.

032 CHAIR BRIAN noted for the record that REP. CARTER was excused.

034 CHAIR BRIAN adjourned the meeting at 11:40.

Paula K. McBride, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. HB 2416-2, Paul Meyerhoff, Department of Transportation.
2. Testimony of Paul Meyerhoff, Department of Transportation.
3. HJR 7-5, Paul Meyerhoff, Department of Transportation.
4. Six-Year Unfunded Transit Needs, Terry Smith, League of Oregon Cities.
5. \$20 Registration Fee, Terry Smith, League of Oregon Cities.
6. Ballot Title Summary, HJR 7, Dick Feeney, Tri-Met.
7. Testimony of Dick Feeney (submitted, not given), Tri-Met.
8. HB 2456-1, Terry Drake, Legislative Revenue Office.
9. HB 3026-4, Steve Meyer, Legislative Revenue Office.
10. HB 3026-3, Steve Meyer, Legislative Revenue Office.
11. Testimony of Randy MacDonald, University of Oregon.

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