

Public Hearing: SB 273 Tapes 7273 A/B

HOUSE COMMITTEE ON
REVENUE AND SCHOOL
FINANCE

APRIL 26, 1993 9:00 AM HEARING ROOM A STATE CAPITOL
BUILDING

Members Present: Representative Delna Jones, Chair

Representative John Schoon, Vice Chair

Representative Ron Adams

Representative Tom Brian

Representative Mike Burton

Representative Margaret Carter

Representative Tony Federici

Representative Fred Girod

Representative Gail Shibley

Representative Greg Walden

Representative Jim Whitty

Members Excused: Representative Jim

Whitty

Representative Gail Shibley

Witnesses Present: Jerry Hanson, Oregon State Association of County
Assessors

Tom Linhares, Oregon State Association of County Assessors

Mike Schofield, Douglas Education Service District

Jim Manary, Department of Revenue (DOR)

Gary Carlson, Associated Oregon Industries (AOI)

Staff: Steve Meyer, Legislative Revenue Office

Mary Gottlieb, Committee Assistant

TAPE 072 SIDE A

006 CHAIR JONES called the meeting to order at 9:43.

027 CHAIR JONES opened the public hearing on SB 273.

036 STEVE MEYER provided an overview on SB 273, which provides procedures
for determining the value of properties to be placed on assessment and tax
rolls when value is in dispute. He explained the appeal process associated
with this bill.

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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Discussion and questions.

101 JERRY HANSON (with TOM LINHARES) stated that the purpose of the bill is
that under the new system, the appeals are dealt with after the assessments
and bills are distributed. Levies are not going to collect the revenues
expected after the appeal process. Assessors cannot use the rule of 1/4 of
one percent, because the assessors do not know the amount of the appeals.
After an appeal is filed, the county does not lower the rate because the
rates are already certified for that specific year. DOR could discover any
appeals where the disputed value is in the sum of 1/10 of one percent. This
bill would add additional security to the districts, because the additional

property values will bring in more revenue. In the past, this money was used to offset the levies. This bill would put the additional taxes into the refund reserve account and that money would be used to pay refunds only. In the school funding formula, it is assumed that the whole levy will be collected. This is not true.

235 TOM LINHARES testified that the smaller counties rely on several big property owners to bring in needed revenues. In Columbia County, Trojan's property taxes will be missed. When an appeal is still in process, the same value goes on the rolls and when the appeal is decided, any reduction will cost the counties. The counties cannot use the reduced value until the appeal is settled.

Discussion and questions.

386 JERRY HANSON stated that the DOR should decide if the value in the subsequent year could be lowered based on the Board of Equalization action. DOR must decide the value and whether the tax rolls can be turned back.

Discussion and questions.

TAPE 073 SIDE A

001 Discussion continues with JERRY HANSON and TOM LINHARES.

055 JERRY HANSON responded to a question by REP. ADAMS by stating that the automatic appeal is built in because they have to compute the tax rates by the first of October, and taxpayers have until the end of December to appeal. County planners cannot assume that appeals will not continue after property values have been set. The

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automatic appeal raises numerous problems.

Discussion and questions.

130 MIKE SCHOFIELD testified that he supports SB 273 with adjustments. It is understood that the "alleged" value would be a tentative value that could later be changed by the taxpayer under the appeal process. He proposed September 1 as the last day to file a petition against the DOR's valuation and require the taxpayer to provide an "alleged" value.

Discussion and questions.

338 JERRY HANSON added that the date for property values for purposes of assessment is September 25, which is barely enough time to compute the rates.

Discussion and questions.

TAPE 072 SIDE B

001 Discussion continued with regard to the filing date with JIM MANARY and JERRY HANSON.

024 GARY CARLSON added his support for SB 273 because there is often a big difference of opinion as to value. Companies are made to feel that they are letting down the communities when they appeal property values. For a very large complex, the information on property and equipment values is not available until late in July. With an August 1 deadline, that value has to be defended in court and the value for the taxpayer would be difficult to assess.

Discussion and questions.

170 CHAIR JONES conducted administrative business.

210 JIM MANARY stated that the law requires that DOR certify taxes imposed

and these taxes are based on the property values listed on the county tax rolls. Until that appeal is resolved, taxes are imposed on the set values, and an appeal can take three to four years to resolve.
Discussion and questions.

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373 CHAIR JONES clarified the information needed before hearing SB 273 again.

TAPE 073 SIDE

B

001 Discussion continued with regard to SB 273.

029 CHAIR JONES closed the public hearing on SB 273.

030 CHAIR JONES conducted administrative business.

087 CHAIR JONES adjourned the meeting at 11:10.

Mary Gottlieb, Committee Assistant
Kimberly Taylor James, Office Manager

EXHIBIT SUMMARY

1. Revenue Analysis of Proposed Legislation, SB 273A, Steve Meyer, Legislative Revenue Office.
2. Fiscal Analysis of Proposed Legislation, Legislative Fiscal Office.
3. Letter from Judge Carl N. Byers, SB 273A, Chair Jones.
4. Proposed Changes in Filing Dates - SB 273A, Mike A. Schofield, Douglas Education Service District.
5. SB 273, Dollars Lost From Large Value Appeals, Mike A. Schofield, Douglas Education Service District.

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