

Work Session SB 277

SB 14

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SENATE COMMITTEE ON

REVENUE AND SCHOOL FINANCE

FEBRUARY 16, 1993 1:00 PH HEARING ROOM A STATE CAPITOL

WILDING

Members Present: Senator Shirley Gold, Chair

Senator Brady Adams

Senator Ron Cease (Depareure 2:10)

Senator Rod Johnson

Senator Peg Jolin

Senator Paul Phillips

Members Excused: Senator Tricia Smith

Witnesses Present: Jim Manary, Legislative

Liaison for the

Department of Revenue

Gary Carlson, Associated Oregon Industries

Gil Riddell, Association of Oregon Counties

Staff: Steve Meyer, Legislative Revenue Office

Steve Bender, Legislative Revenue Office

- Jennifer Belkle, Committee Assistant

TAPE 44 SIDE A

012 CHAIR GOLD called the meeting to order at 1:17 p.m.

017 CHAIR GOLD opens work session on SB 277.

027 JIM MANARY reviewed the language of SB 277. He reiterated the two basic issues that this bill covers; intangibles and third party subpoenas.

Questions and discussion.

072 JIM MANARY stated that the issue still in dispute is the issue of the influence of intangibles on property value.

Questions and discussion.

080 STEVE MEYER clarified that this bill excludes intangibles for utility property appraised by the Department of Revenue.

090 JIM MANARY stated that there are separate provisions in the

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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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law which allow for the taxation of intangibles in centrally assessed properties.

Questions and discussion.

100 JIM MANARY continued his testimony on SB 277 regarding conditions on issuance of third party subpoenas.

Questions and discussion.

160 JIM MANARY outlined the situation that led to the Department of Revenue's issuance of a third party subpoena.

Questions and discussion.

197 GARY CARLSON gave the industries' perspective regarding the issue of third party subpoena. He stressed the competitive position of the third party subpoenaed and the possible damage to that company.

Questions and discussion.

330 CHAIR GOLD outlines three options regarding this issue of the Department of Revenue's power of subpoena. These options before the committee are: 1) ignore this issue; 2) delete the language from this bill; or 3) amend this bill.

367 JIM MANARY resumed his discussion of SB 277.

TAPE 45 SIDE A

001 JIM MANARY continued his testimony regarding SB 277 and the provisions in this bill to protect the third party being subpoenaed.

080 CHAIR GOLD requested that Elizabeth Harchenko, from the Attorney General's office, testify regarding SB 277. She expressed the concern over the precedents the committee would be setting in dealing with this third party subpoena issue.

100 CHAIR GOLD opened the work session on SB 14.

109 STEVE MEYER explained the SB 14-6 amendments. Exhibit 1.

150 GIL RIDDELL testified regarding SB 14. He described the plight that Coos Bay now finds itself in, and how the implementation of SB 14 will further impact this community.

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179 MOTION: CHAIR GOLD moved for the adoption of amendments 14-6 in place of the previous adoption of 14-3 amendments.

185 ORDER: Hearing no objection, CHAIR GOLD so ordered.

193 MOTION: CHAIR GOLD moved the amended SB 14 to the Senate Floor with a Do Pass recommendation.

200 ROLL CALL VOTE The motion passed by a vote of 6-0. Senators voting Aye: Jolin, Adams, Cease, Johnson, Phillips, and Gold. Senator excused: Smith.

225 STEVE BENDER resumed testimony regarding Tax Principles and Tax Goals. He referred to exhibits 6-8 from 2-11-93. He discussed the major goals of the tax system.

357 STEVE BENDER emphasized the fact that the issue of school finance cannot be separated from the tax system.

TAPE 44 SIDE B

001 STEVE BENDER continued his testimony regarding the major goals of the tax system.

045 SEN JOHNSON inquired regarding the taxes most susceptible to recessionary downturns.

052 STEVE BENDER commented that consumption taxes are less stable during these times. He also commented that before Measure 5 the property tax was

the most stable tax. He asserted that the property taxes are going to be far less stable than in the past.

095 STEVE BENDER indicated the entire real value on the property roll is no more today than it was in 1982.

Questions and discussion.

275 STEVE BENDER discussed the issue of what Oregonians are receiving from the Federal Government vs. what is given to the Federal Government. He explained that the discrepancy is far less than it has been in the recent past. He went through the some of the reasons for the partial closure of this gap.

Questions and discussion.

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TAPE 45 SIDE B

001 STEVE BENDER continued his testimony regarding goals and principles of the tax system.

Questions and discussion.

130 CHAIR GOLD adjourned the meeting at 2:52 p.m.

Jennifer Belkle, Committee Assistant

Kimberly Ta or, ice Manager

Exhibit Summary

1. Meyer, Proposed SB 14-6 Amendments, 2-16-93

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