

Tapes 52-53 A/B

Public Hearing SB 299

Work Session SB 57

SB 58

SB 59

SB 277

SENATE COMMITTEE ON
REVENUE AND SCHOOL FINANCE

FEBRUARY23, 1993 1:00 PM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Senator Shirley Gold, Chair

Senator Brady Adams

Senator Ron Cease

Senator Rod Johnson

Senator Peg Jolin (arrival 1:45)

Senator Paul Phillips

Senator Tricia Smith (arrival 1:35)

Witnesses Present: Ray Erland, Clackamas County Assessor

Gil Riddell, Association of Oregon Counties

Gary Carlson, Associated Industries of Oregon

Jim Manary, Legislative Liaison for the

Department of Revenue

Kevin Smith, Governor's Office

Tom Linhears, Columbia County Assessor

Susan Schneider, City of Portland

Kevin Hanway, Special Districts Association

B.J. Smith, League of Oregon Cities

Staff: Steve Meyer, Legislative Revenue Office

Jennifer Belkle, Committee Assistant

TAPE 52 SIDE A

017 CHAIR GOLD called the meeting to order at 1:27 p.m.

035 CHAIR GOLD began work session on SB 57. Exhibits 1 & 2.

040 CHAIR GOLD drew members' attention to excerpts from the Governor's task force report. Exhibit 3.

050 RAY ERLAND gave testimony regarding SB 57. Exhibit 4. He stated that his organization is interested in streamlining the cost of processing low value returns. He submitted various suggestions on how to achieve this goal.

Questions and discussion.

095 GIL RIDDELL testified regarding SB 57. He stated the Association of Oregon Counties has taken no position on the

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.

Senate Committee on

Revenue and School

Finance

February 23, 1993 Page

2

concept. He relayed their concern about the concept standing alone rather

than being a part of a government refinancing package.

Questions and discussion.

160 GARY CARLSON testified regarding SB 57. He stated that the key provision in this bill is the small total value of personal property accounts from individual taxpayers. He stated that this bill is an efficiency issue.

190 GARY CARLSON raised an objection to increase the delinquency charges.

193 SEN SMITH inquired if Mr. Carlson's objection is with the level of delinquency charges rather than with the fact that the time schedule for processing property taxes is too close to the filing deadline.

200 GARY CARLSON stated that his organization is not currently pursuing legislation to change the filing deadline, but objects strongly to the raising of delinquency charges due to the tight time frame.

225 SEN SMITH inquired about business viewing the delinquency charge as a cost of operating business and taking the penalty instead of filing on time.

Questions and discussion

310 CHAIR GOLD reminded the Committee that these bills are part of a package with a subsequent referral to Trade and Economic Development.

330 SEN CEASE commented that changing the amount in question from \$2000 dollars to \$5000 dollars made sense. However, he said that the issue of increased penalties should only be considered if there is significant proof that an increased penalty would deter late filing taxpayers.

342 CHAIR GOLD opened the Public Hearing on SB 299.

365 SEN DWYER testified regarding SB 299. He stated that this bill is part of a program conceptualized to help lower income families to apply the tax credit to the down payment on a home.

TAPE 53 SIDE A

001 SEN. DWYER requested to borrow SB 299 for the Senate Committee on Housing and Consumer Affairs in order to have public hearings.

These minutes paraphrase end/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. Senate Committee on

Revenue and School Finance February 23, 1993 Page 3

037 MOTION: CHAIR GOLD moved for the courtesy introduction of LC 3427 at the request of the Oregon School Boards Association. Exhibit 5.

047 ORDER: Hearing no objections, CHAIR GOLD so ordered.

048 CHAIR GOLD opened the Work Session on SB 58. Exhibit 6.

057 STEVE MEYER reminded the Committee of the purpose of SB 58.

Questions and discussion.

070 STEVE MEYER discussed the section regarding issuing warrants and sending those warrants by certified mail to the taxpayer.

080 SEN PHILLIPS suggested drafting amendments to delete section 5.

100 JIM MANARY testified regarding SB 58. He stated that he did not know if this bill would create any problems for the Department of Revenue. He believed that the department would have to adopt a more liberal stance on allowing petitions.

Questions and discussion.

132 KEVIN SMITH stated that this is a process worth trying. He suggested requiring assessors to keep a paper record of the mailing of these proceedings.

145 TOM LINHEARS explained that the orders are actually handled by the county clerks who keep extremely accurate records of correspondence with

the taxpayer.

160 CHAIR GOLD opened the Work Session on SB 59.

165 SUSAN SCHNEIDER testified regarding proposed amendments to SB 59. Exhibit 7.

Questions and discussion.

229 SEN GOLD drew members' attention to the excerpts from the Governor's task force report relating to water and fire services. Exhibit 8.

230 STEVE MEYER commented that most of the property taxes levied in the tri-county area in 53 water and sanitary districts were for bond purposes. He stated that the majority of these districts are not yet under compression of Measure 5.

\ - ~ ~ ~

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. Senate Committee

on

Revenue and School Finance February 23, 1993 Page 4

258 KEVIN HANWAY stated that this provision is important because it allows for some carryover members to the new boards. He believed that this provision would alleviate distress of the impact of consolidation.

Questions and discussion.

305 CHAIR GOLD clarified again that these bills are being heard and need to pass with some sort of recommendation from this committee to T&E.

322 SEN SMITH stated that she felt that the bill could be killed here in this committee. She asserted that the task force bills do not exist under the same protection that state agency reorganization bills enjoy.

340 KEVIN SMITH testified that the only portions of this bill that he felt were important were the portion that encourages mergers and consolidations for special districts and the portion dealing with their boards.

380 B.J. SMITH testified regarding SB 59. Exhibit 9.

TAPE 52 SIDE B

001 BJS continued testimony regarding SB 59 and tax coordination.

022 BJS explained that tax coordination is not a black letter law issue. She stated it was, rather, a negotiated process and a communication tool. Questions and discussion.

33 BJS emphasized that these bills address real life issues that face citizens. She stressed that though they are administrative bills, they are important to some people.

088 CHAIR GOLD ordered amendments drafted for SB 59.

110 KEVIN SMITH testified regarding excerpts from the Governor's task force report on taxation and assessment.

127 CHAIR GOLD opened the Work Session on SB 277.

135 JIM MANARY testified regarding SB 277. He addressed Elizabeth Harchenko's testimony from Monday regarding third party subpoenas.

165 JIM MANARY clarified the issue of the number of third party subpoenas issued by the Department of Revenue.

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. Senate Committee on

Revenue and School Finance February 23, 1993 Page 5

185 STEVE MEYER pointed out the drafted amendments to SB 277. Exhibits 10 & 11.

204 MOTION: SEN SMITH moved for the adoption of SB 277-2 amendments.

210 ORDER: Hearing no objections, CHAIR GOLD so ordered.

212 STEVE MEYER explained that the 277-1 amendments have technical changes in 277-2 and eliminates the sections that deal with third party appeals. Questions and discussion.

246 MOTION: SEN PHILLIPS moved for the adoption of the SB 277-1 amendments.

278 ROLL CALL VOTE: The motion for the adoption of the proposed SB 277-1 amendments failed to receive the requisite number of votes for passage. Senators voting Aye: Adams, Johnson, and Phillips. Senators voting Nay: Cease, Jolin, Smith, and Gold.

287 MOTION: SEN PHILLIPS moved the amended SB 277 to the Senate Floor.

280 ROLL CALL VOTE: The motion passed 6-1. Senators voting Aye: Cease, Jolin, Smith, Adams, Phillips, and Gold. Senator voting Nay: Johnson.

297 ORDER: Having received the requisite number of votes, CHAIR GOLD ordered the bill to the Senate Floor with a Do Pass recommendation.

305 CHAIR GOLD selected Senator Cease to carry SB 277 on the Senate Floor.

325 CHAIR GOLD adjourned the meeting at 2:45 p.m.

J\njifer Be , Committee Assistant
~7~70< ~
Kimberly ayl or y O f f ice Manager
~ .4!

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. Senate Committee on Revenue and School Finance

February 23, 1993 Page 6

Exhibit Summary

1. Meyer, Fiscal Impact Statement, 2-19-93
2. Meyer, Revenue Impact Statement, 2-21-93
3. Meyer, Assessment and Taxation
4. Erland, Testimony on SB 57, 2-23-93
5. Gold, LC 3427, 2-19-93
6. Meyer, Fiscal Impact Statement, 2-19-93
7. Schneider, Hand Engrossed SB 59
8. Meyer, Water and Fire Services
9. Smith, Conceptual Amendments to SB 59, 2-23-93
10. Meyer, Proposed Amendments SB 277-1, 2-23-93
11. Meyer, Proposed Amendments SB 277-2, 2-23-93

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.