

OREGON TAX SYSTEM
Tapes 56-57 A/B & 58 A

SENATE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
FEBRUARY 25, 1993 1:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Senator Shirley Gold, Chair
Senator Brady Adams
Senator Ron Cease (1:15 arrival and 2:50 departure)
Senator Rod Johnson (absent 1:30-1:45 departure 2:55)
Senator Peg Jolin (1:45 arrival)
Senator Paul Phillips (2:50 departure)
Senator Tricia Smith (1:20 arrival, absent 1:30-2:30))
Witnesses Present: Richard Munn, Director, Department of Revenue
Stephanie Smythe, Salem City Attorney
Keith Martin, Harrang, Long, Arnold, & Laird
B.J. Smith, League of Oregon Cities
Ed Weeks, University of Oregon
Robert Mason, Oregon State University
Robert Sahr, Oregon State University

Staff: Steve Bender, Legislative Revenue Office
Jennifer Belkle, Committee Assistant
TAPE 56 SIDE A

001 CHAIR GOLD called the meeting to order at 1:15 p.m.

015 RICHARD MUNN testified regarding assessment limits in the State of Oregon. Exhibit 1.

032 RICHARD MUNN briefly discussed Proposition 13.

Questions and discussion.

050 RICHARD MUNN urged the Committee to consider the shift of the tax burden between classes.

075 RICHARD MUNN stated that the benefits of the California system are 1) lower administration costs and 2) a predictable system.

085 RICHARD MUNN stated that another option is a frozen base system.

100 RICHARD MUNN continued his testimony on the property tax assessment limits.

180 RICHARD MUNN emphasized that anything that is done in assessed value limits will limit local governments' ability under Measure 5

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to generate revenue. He also stated that anything that is done to limit

assessed values will impact urban renewal districts and their ability to deal with their charge.

Questions and discussion.

250 STEPHANIE SMYTHE testified regarding limits on local revenue that can be raised by cities. She also discussed methods available to cities to generate revenue. Exhibit 2.

330 STEPHANIE SMYTHE stated that some of the legislative statutes actually override the authority granted by the charters of many cities.

340 STEPHANIE SMYTHE continued her discussion of methods and limits on revenue collection.

TAPE 57 SIDE A

001 STEPHANIE SMYTHE continued.

Questions and discussion.

015 KEITH MARTIN testified regarding the impact of limits on cities' ability to generate revenue. He stressed that it is important to maintain the partnership between local governments and the Legislature and to leave the options of local revenue generation open.

205 B.J. SMITH answered questions regarding cities and the limits on their ability to generate local revenue.

Questions and discussion.

375 ED WEEKS presented information on the public's opinion about new taxes. Exhibit 4.

TAPE 56 SIDE B

001 ED WEEKS continued his presentation and expanded on the nature of public opinion.

Questions and discussion.

220 ED WEEKS concluded his testimony with discussion of the process of moving towards a consensus.

Questions and discussion.

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340 ED WEEKS discussed the necessity of presenting to the people the decision of choosing between taxes and services. Exhibit 5.

Questions and discussion.

400 ROBERT MASON gave specific details of the design and the participants of the studies.

Questions and discussion.

TAPE 57 SIDE B

001 ED WEEKS continued discussion on the details of the surveys.

Questions and discussion.

211 ED WEEKS stated that when people are forced to face the reality of balancing a budget that is in a deficit, they raise taxes, even those who originally took a "no new taxes" stance.

Questions and discussion.

312 SEN. SMITH inquired about the negative prospect of a negotiation by ballot process that she believed to be emerging in Oregon.

340 ED WEEKS agreed that there seems to be an emerging trend of ballot negotiating which devalues government and breeds mistrust.

Questions and discussion.

387 ROBERT SAHR commented that the Legislature rarely gets credits for the budget cutting that it does.

TAPE 58 SIDE A

001 ROBERT SAHR continued his testimony.
Questions and discussion.

045 CHAIR GOLD adjourned the meeting at 3:10 p.m.

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J ~ ifer Be e, Committee
Assistant
Kimberly Taylor, Office Manager
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Exhibit Summary

1. Munn, Property Tax Assessment Limit, 2-93
2. Smythe, Revenue Sources or Oregon Cities: Authority and Limitations
3. Martin, Testimony Before the Senate Revenue Committee, 2-25-93
4. Weeks, Public Opinion About New Taxes, 2-25-93
5. Weeks, Take a Look Inside to Help Decide Our City's Future

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