

Tapes 73-74 A/B
Public Hearing SB 466 Work Session SB 59 SB 273

SENATE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
MARCH 9, 1993 1: 00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Senator Shirley Gold, Chair
Senator Paul Phillips, Vice-Chair (absent ~ 35 - ~ 50) Senator Brady Adams
Senator Ron Cease
Senator Rod Johnson (' 20 arrival, absent ~ 25 - ~ 50) ' Senator Tricia
Smith (120 arrival)

Witnesses Present: Patricia Shea, Bandon Chamber of Commerce
Jacque Potter, Lower Umpqua Chamber of Commerce Nancy Littell, Canon Beach
Chamber of Commerce Jerry Hanson, Oregon State Association of
County Assessors
Gil Riddell, Association of Oregon Counties Jim Manary, Legislative Liaison
for the
Department of Revenue
Tom Linhears, Columbia County Assessor B.J. Smith, League of Oregon Cities
Susan Schneider, Government Relations Office, City of Portland

Staff: Steve Meyer, Legislative Revenue Office
Jennifer Belkle, Committee Assistant

TAPE 73 SIDE A

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

020 STEVE MEYER gave a brief introduction and explanation of SB 466.

030 PATRICIA SHEA testified on behalf of the Bandon Chamber of Commerce in
favor of SB 466. Exhibits 1 & 2. She explained the importance of allowing
smaller chambers of commerce to operate under the benefit of the property tax
exemption.

Questions and discussion.

100 PATRICIA SHEA clarified that in order to be granted this exemption, the
chamber of commerce would have to apply for the exemption, and prove that
their activities are those of a tourist or visitor information center for
the benefit of their community.

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meeting. Text enclosed in quotation marks reports the speakers exact words.
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115 PATRICIA SHEA informed the committee that larger chambers of commerce
declined to be a part of this bill because they view their position to work
primarily in support of businesses in their community.

125 CHAIR GOLD drew members' attention to other cities that submitted
letters of support for this bill.

150 JACQUE POTTER gave testimony in support of SB 466 on behalf of the
Lower Umpqua Chamber of Commerce. Exhibit 3.

190 NANCY LITTELL testified on behalf of the Canon Beach Chamber of

Commerce in support of SB 466. Exhibit 4.

250 JERRY HANSON testified regarding SB 466. He gave an overview of the general policy underlying the granting of exemptions. Questions and discussion.

360 GIL RIDDELL supported the comments made by Jerry Hanson regarding SB 466 . He suggested that there might be some other means by which to benefit these operations. He asserted that the property tax system is already overwhelmed with exemptions.

Questions and discussion.

TAPE 74 SIDE A

001 SEN. ADAMS continued discussion on the revenue impact of SB 466

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013 JIM MANARY stated that under the advisement of the Attorney General's office, these types of property would not qualify for an exemption because their purpose under the law is not charitable, but rather for the benefit of the organization, its members, and/or the community in general. He informed the Committee that to date this type of property has not been exempted.

Questions and discussion.

052 JIM MANARY explained the two tests used to determine exemption.

Questions and discussion.

080 PATRICIA SHEA resumed her testimony regarding SB 466. She stated that although the businesses belonging to en~e chamber benefit from the chamber's activity other businesses that do not belong benefit as well.

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095 STEVE MEYER questioned whether or not this bill includes leased or donated property.

Questions and discussion.

120 JERRY HANSON stated that if this bill is to refer to leased property it should be stated clearly in the language of the bill.

Questions and discussion.

180 JIM MANARY echoed the suggestion that if the provision of this exemption is to be extended to leased property, it should be specifically stated within the language of the bill.

Questions and discussion.

195 JERRY HANSON testified regarding provisions of Oregon laws in respect to the inclusion of leased property in the exemption.

Questions and discussion.

230 TOM LINHEARS testified regarding the three situations that apply to charitable exemptions.

265 TOM LINHEARS raised the concern that the language in the bill contradicts itself.

Questions and discussion.

287 CHAIR GOLD opened the work session on SB 273.

290 STEVE MEYER directed members' attention to the proposed SB 273-3 amendments. Exhibit 5.

325 JERRY HANSON testified in regards to SB 273.

Exhibit 6

He went over the mechanics of the proposal and compared it to the current laws in use for utility property.

TAPE 73 SIDE B

001 JERRY HANSON continued testimony regarding SB 273.,

025 TOM LINHEARS gave testimony regarding a recent large refund issued in

Columbia County. Exhibit 7.

Questions and discussion.

085 STEVE MEYER explained that by keeping the lower value of the property on the roll during the appeal process, it may cause the

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tax rate in that district to increase. He stated that this bill does not have a provision to offset this tax increase.

Questions and discussion.

116 JERRY HANSON gave examples of properties that are affected by this particular situation.

Questions and discussion.

180 JERRY HANSON stated that the problem with SB 273 is that most people do not understand many of the terms and processes discussed and affected by this bill.

200 JERRY HANSON proposed and explained a new concept for dealing with the issues in SB 273.

248 TOM LINHEARS discussed the issue revolving around large refunds and the new concept for dealing with this issue introduced by Jerry Hanson.

300 CHAIR GOLD suggested that this proposed concept be drafted by Legislative Counsel.

315 CHAIR GOLD opened the work session on SB 59.

317 STEVE MEYER summarized SB 59. He drew members' attention to the 59-1, 59-3, and 59-4 proposed amendments. Exhibits 8-10.

337 STEVE MEYER explained the effects of the proposed amendments on the bill.

430 B.J. SMITH discussed the 59-4 proposed amendments.

TAPE 74 SIDE B

001 B.J. SMITH continued her testimony regarding her proposed amendments to SB 59 and the impact of these changes on the bill.

Questions and discussion.

110 SUSAN SCHNEIDER clarified that the 59-1 and the 59-4 are meant to be complimentary, not competitive.

120 SEN. CEASE explained his 59-3 amendments.

Questions and discussion.

155 CHAIR GOLD requested a mock engrossed draft of SB 59 for the Committee's consideration of the proposed amendments.

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175 SUSAN SCHNEIDER stated that the draft amendments were proposed by the city of Portland in response to the discussions held region wide on this issue.

Questions and discussion.

285 SEN. PHILLIPS brings up the question of other committee's interests in this bill and the changes being made. He suggested speaking with other affected committees' chairs to keep them informed of changes being made by this Committee.

Questions and discussion.

360 CHAIR GOLD adjourned the meeting at 3:03 p.m.

Je~ifer Bel~ e, Committee

Assistant

Kimberly Taylor, Office Manager

Exhibit Summary

1. Shea, City of Bandon support packet for SB 466, 3-9-93
2. Shea, Letter in support of SB 466 from the City of Florence, 3-9-93
3. Potter, Lower Umpqua Chamber of Commerce packet in support of SB 466, 3-9-93
4. Littell, Letter from Canon Beach Chamber of Commerce
5. Proposed amendments SB 273-3 dated 3-4-93
6. Hanson, Large Value Appeal - After Tax Roll Certified
7. Linhears, Large Value Appeal Process
8. Fiscal Impact Statement for SB 59, 3-1-93
9. Proposed amendments SB 59-4 dated 3-9-93

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