

(March 22, 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 Paul Phillips
Senator Tricia Smith
Members Excused: Senator Joyce Cohen
Witnesses Present: Gregg Mindt, Oregon Lodging Association
Bob Meinen, State Parks and Recreation
Bill Penhollow, Associated Oregon Cities
B.J. Smith, League of Oregon Cities
Jerry Hansen, Association of Oregon Counties
Jim Manary, Department of Revenue
Gary Carlson, Associated Oregon Industries
Susan Schneider, City of Portland
Burton Wiese, Special Districts Association
Staff: James Scherzinger, Legislative Revenue Officer
Bryan Boehringer, Committee Clerk
TAPE 088. SIDE A

002 CHAIR GOLD: Opens the meeting at 1:18 p.m.

PUBLIC HEARING ON SB 546

009 GREGG MINDT, OREGON LODGING ASSOCIATION: Submits and reviews testimony.
(Exhibits A, B, C, D)

056 SEN. PHILLIPS: Discusses mandate for collecting tax. Asks about the research conducted.

060 MINDT: There has been no legal research.

065 SEN. CEASE: Discusses the state parks collection of a local tax. Asks for other examples of collection of this type of tax.

076 MINDT: Not aware of other examples

082 CHAIR GOLD: Discusses LC 3822. ~,!

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Senate Committee on
Revenue and School Finance
March 22, 1993 Page 2

087 MINDT: Discusses the issue of local room taxes. Would like to freeze room taxes at their

current level.

101 SEN. CEASE: Asks about the amount of these facilities owned by local government.

102 MINDT: There are quite a few of these facilities. Discusses facility occupancy.

117 SEN. CEASE: What would the normal average tax run, percentage wise?

119 MINDT: The tax ranges between 5% and 9% throughout the state. 7% is about average.

127 BOB MEINEN, STATE PARKS & RECREATION: (Exhibit E) Submits and reviews testimony on SB 546.

164 SEN. CEASE: Discusses services provided by local governments from around the state.

166 MEINEN: Explains some of the services that are used by the parks.

175 SEN. CEASE: Asks if the parks are collecting enough fees to pay for their maintenance costs.
186 MEINEN: We are at a maintaining level. Discusses the importance in long term investment.
Suggests an amendment dealing with retainment of part of the tax for infrastructure maintenance.
220 SEN. PHILLIPS: Requests an Attorney General's opinion.
240 MEINEN: Discusses spending and appropriations of revenue.
271 SEN. PHILLIPS: Asks about keeping a portion of the tax to cover collection expenses.
276 JIM SCHERZINGER, REVENUE OFFICER: Not sure, differs by local areas.
283 SEN. PHILLIPS: Discusses a win/win situation, with the parks and counties benefiting.
289 SEN. CEASE: Discusses the type of tax and who administers the tax.
294 MEINEN: The taxes vary from area to area. There are some county taxes, but most of the taxes fall under the cities jurisdiction.
314 SEN. CEASE: How many facilities are we talking about.
317 MEINEN: We will submit a list.
333 BILL PENHOLLOW, ASSOCIATION OF OREGON COUNTIES: Testifies on the bill, AOI has not yet taken a position at this time.
388 SEN. PHILLIPS: Discusses a compromise.

398 PENHOLLOW: Discusses other lodging taxes currently in the legislature.

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Senate Committee on
Revenue and School Finance
March 22, 1993 Page 3

429 B.J. SMITH, LEAGUE OF OREGON CITIES: League of Oregon Cities has no position on the bill, but they are concerned with the issue of city owned parks.

TAPE 89, SIDE A

008 SMITH: Continues with testimony.
021 SEN. CEASE: Discusses keeping part of the tax for a capital improvements fund.
030 SMITH: Has concerns with the issue of administration.

INTRODUCTION OF LC 3858

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042 CHAIR GOLD: Explains LC 3858. :~/
054 MOTION: SEN. CEASE: Moves the committee introduce LC 3858.

060 JIM SCHERZINGER, REVENUE OFFICER: Discusses the issue that the LC draft deals with.

VOTE: CHAIR GOLD: Hearing no objection the motion CARRIES. Sen. Cohen is excused.

WORK SESSION ON SB 273

077 JERRY HANSEN, ASSOCIATION OF OREGON COUNTIES: Reviews the bill. Discusses the current system of assessing value. This bill provides a compromise in the appeal process.

146 SEN. CEASE: Discusses state administrative costs.

154 HANSEN: The costs were in the original bill. The bill has been amended and those initial costs are gone.

160 JIM MANARY, DEPARTMENT OF REVENUE: There is a new fiscal impact.

174 SEN. JOHNSON: Discusses some types of appeals that may impede process. Discusses potential problems in the first year of the appeals process.

203 HANSEN: Explains the value problem and the appeals timeline.

292 MANARY: Discusses the problems with assessing value on short timelines.

317 GARY CARLSON, ASSOCIATED OREGON INDUSTRIES: Discusses the problem with assessment dates.

375 SEN. JOHNSON: Discusses refunds and potential problems for school tax bases.

414 CARLSON: Explains the problem. Discusses the compression of the assessment timeline. Discusses the need for an earlier assessment date.

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Senate Committee on
Revenue and School Elnance
March 22, 1993 Page 4
TAPE 88, SIDE B

016 CHAIR GOLD: This is not ideal, but this is an improvement.

025 MANARY: Discusses collection of taxes.

040 SEN. SMITH: Do they typically pay it or defer it.

041 HANSEN: Guesses that they would typically not pay it.

048 JIM SCHERZINGER, REVENUE OFFICER: Discusses the incentives to pay.

074 MANARY: Explains the calculations for refunds. Explains the refund reserve process.

134 SEN. JOHNSON: Voices concerns with the school districts loss.

161 CARLSON: The Department of Revenue will attempt to avoid these situations.

184 CHAIR GOLD: Discusses delaying a committee vote until Sen. Johnson's people can meet with the Revenue staff.

206 SEN. PHILLIPS: Suggests rescheduling the bill for next week.

WORK SESSION ON SB 59

235 CHAIR GOLD: Discusses the -6 amendments. (Exhibit F)

252 JIM SCHERZINGER, REVENUE OFFICER: Explains the amendments. The -6 are the engrossed set of all amendments.

266 CHAIR GOLD: Explains the engrossed amendments.

283 JIM SCHERZINGER, REVENUE OFFICER: Discusses some of the changes in the engrossed amendments and the original bill.

319 SEN. SMITH: Asks about the use of the word "encourage".

328 SUSAN SCHNEIDER, CITY OF PORTLAND: Discusses some of the amendments.

344 SEN. SMITH: Discusses the broad use of the term "encourage".

356 SEN. CEASE: Explains the term as a policy statement.

367 SEN. SMITH: Discusses mandates and enforcement.

381 SEN. CEASE: Explains the normal process of consolidation. Everyone is usually involved.

393 BURTON WIESE, SPECIAL DISTRICTS ASSOCIATION: Explains the differences

in the term. This is inclusive of all water providers.

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Senate Committee on
Revenue and School F\nance

March 22, 1993 Page 5

425 SEN. JOHNSON: Asks about specific counties.

437 WIESE: Explains that the language refers to only the Portland area.

444 SEN. JOHNSON: Discusses limitations.

450 WESE: The legislature forms the boundaries.

470 SEN. CEASE: Discusses errors in the bill. Line 5 of the -6 amendments,
the paragraph after ORS 199425.

494 WIESE: Clarifies the issue, the amendment is correct.

TAPE 89, SIDE B

043 SEN. CEASE: Asks for clarification on the amendments.

053 SEN. JOHNSON: Asks about the reference on line 6, page 12.

058 WIESE: That section covers for new units of governments.

076 SEN. CEASE: Asks for examples of this problem.

078 WIESE: Hasn't seen any examples of this problem.

105 MOTION: CHAIR GOLD: Moves to ADOPT the SB 59-6 amendments.

VOTE: CHAIR GOLD: Hearing no objection, the amendments are ADOPTED. Sen.
Cohen is excused.

109 MOTION: CHAIR GOLD: Moves that SB 59, AS AMENDED, be sent to the
Committee on Trade and Economic Development in accordance with its prior
referral

with a DO PASS recommendation.

VOTE: 5-1 Motion passes

AYE: Adams, Cease, Johnson, Smith, Gold

NO: Phillips

EXCUSED: Cohen

124 CHAIR GOLD: Adjourns the meeting at 2:52 p.m.

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Senate Committee on
Revenue and School Finance
March 22, 1993 Page C

Submitted by: Reviewed by:
Bryan BoehringerKim Taylor
Committee Clerk Committee Coordinator

EXHIBIT LOG:

A - Testimony on SB 546 - Gregg Mindt - 1 page

- B - Testimony on SB 546 - Gregg Mindt - 1 page
- C - Testimony on SB 546 - Gregg Mindt - 1 page
- D - Testimony on SB 546 - Gregg Mindt - 1 page
- E - Testimony on SB 546 - Robert Meinen - 2 pages
- F - Amendments to SB 59 - dash 6 - 8 pages

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