

Tape 32 (A/B) Tape 33 (A) Public Hearing: HB 2550 HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE

January 30, 1991 8:00 AM Hearing Room A State Capitol Building

Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty Staff Present: Jim Scherzinger, Legislative Revenue Officer Steve Meyer, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: David Carmichael, Attorney, Eugene, Oregon Chris Robinson, Attorney, Portland, Oregon Ward Armstrong, Oregon Forest Industries Council (OFIC) TAPE 32 SIDE A 005 CHAIR JONES called the meeting to order at 8:07 and she conducted administrative business. PUBLIC HEARING - HB 2550 024 DAVID CARMICHAEL supported a fair tax system and the implementation of Ballot Measure 5. He requested the committee reject portions of HB 2550 which are not necessary to implement Measure 5. He noted his concern with the following sections of HB 2550 -He did not support the language on page 102 regarding the board of value appeals (not correcting errors of 10% or less). -The language on page 52 regarding assessed amount (he believed properties would be assessed over 100% value because of the 10% language as noted above). -The language on page 13 regarding a taxpayers' loss of appeal procedures. -ORS 305.285 should not be repealed (section 31, page 20). -He pointed out that section 32, page 20 received past consideration from the legislature. -The lowered gross error standard (page 21). -He did not support abolishment as noted in Section 185, page 95, lines 2-6 regarding board of equalization appeals.

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-He did not support identical membership for two separate boards. -He supported a property tax payment discount. -He was concerned with a section relating to refunds, page 131, lines 22-36. 250 DAVID CARMICHAEL viewed the appeals process as a check and balance system. 257 Questions and discussion regarding a judicial review process. ,294 CHRIS ROBINSON suggested a broader review (other than Department of Revenue, counties, cities, schools, special districts) of HB 2550 and he emphasized the concerns of David Carmichael. TAPE 33 SIDE A 001 WARD ARMSTRONG emphasized that OFIC did not support Measure 5 and is opposed to the language in HB 2550 to recharacterize the severance tax as a privilege tax. He summarized his written testimony. Exhibit 1 057 WARD ARMSTRONG concluded his testimony and requested equivalency with other properties. OFIC is not asking for disproportionate benefits under Measure 5. 080 Questions and discussion regarding the replanting of forest lands (disincentives v. incentives). 102 WARD ARMSTRONG interjected that incentives to plant trees have decreased under Measure 5. 116 WARD ARMSTRONG interjected that the forest industry is the largest employer in Oregon. 121 REP. SCHOON did not want to "degrade" the biggest industry in the state (timber). 122 REP. HOSTICKA suggested a step by step approach (economic analysis) regarding the changes to the timber industry and how those changes would affect or act as disincentives to the timber industry. 130 WARD ARMSTRONG commented on Oregon's overall timber taxation to other states, the 1990 timber harvest and timber competition among states. He suggested a model for

timber taxation would be Oregon's agriculture taxation system. 189 Questions and discussion. 203 Discussion comparing Washington and Oregon taxes. 222 WARD ARMSTRONG commented on effects on the timber industry from a

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. House Committee on Revenue and School Finance January 30, 1991 Page 3 sales tax. 250 Questions and discussion regarding timber land taxation under HB 2550. 290 CHAIR JONES desired a discussion of the timber taxation system as a whole. 295 WARD ARMSTRONG supported a complete discussion of the timber taxation system. 301 CHAIR JONES commented on equivalent relief and pointed out a need to review the balance of properties which are assessed (in terms of their current tax rate and timber's tax rate). 323 JIM SCHERZINGER pointed out that HB 2550 Table of Contents is a listing by subject and includes a notation regarding policy decisions in HB 2550. The table of Contents includes a description of sections which are proposed to be repealed. Exhibit 2 360 JIM SCHERZINGER explained a preliminary listing of issues in HB 2550 and pointed out that other issues will be integrated into this list. Exhibit 3 TAPE 32 SIDE B 001 JIM SCHERZINGER discussed the importance of reviewing the timing of Oregon's property tax system first. 030 Questions and discussion regarding the committee's process for dealing with HB 2550 (issues and policy changes). 066 CHAIR JONES conducted administrative business and adjourned at 9:10. Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUN MARY 1. Testimony from Oregon Forest Industries Council, Warm Armstrong, 1/13/91 - HB 2550 2. HB 2550 Table of Contents, Department of Revenue, 1/30/91 - HB 2550 3. Measure 5 Implementation Issues (as of 1/30/91), LRO - HB 2550 4. Testimony from Association of Oregon Counties, Gil Riddell, 1/29/91 - HB 2550 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.