

February 11 , 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: Steve Meyer, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Kyle Rotenburg, Attorney, Portland, OR Sarah Baker-Sifford, Oregon Rural Electric Cooperative Association (ORECA) Roger Martin, Amusement Device Operators Jim Neill, Amusement Device Operators Jerry Johnston, Eugene, Oregon Tim Beckett, Eugene, Oregon Gary Carlson, Association of Oregon Industries Chris Robinson, Attorney, Portland, Oregon Glenn Klein, League of Oregon Cities David Carmichael, Eugene, Oregon Jim Kenney, Department of Revenue TAPE 54 SIDE A 005 CHAIR JONES called the meeting to order at 8:07 and conducted administrative business. PUBLIC HEARING - HB 255 0 020 KYLE ROTENBURG testified regarding three main issues: 1) 10% value range. 2) Appeal procedure. 3) Definition of market value. 050 KYLE ROTENBURG explained why he did not support a 10% value range relating to Section 12 of HB 2550 and reviewed the current value appeal process which he supported. He noted his concern that HB 2550 addresses more issues than required by Ballot 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. House Committee on Revenue and School Finance February 11, 1991 Page 2 105 KYLE ROTENBURG did not support a combined value notice and tax bill. The appeal procedure should not be changed because of the language of minimum value during the current year in Ballot Measure 5. He emphasized that the burden of proof should be on the taxpayer regarding minimum value. He believed the current appeal process is fair and equitable. 191 KYLE ROTENBURG was concerned with a twelve percent interest factor and the problem for the counties to budget this factor. 207 KYLE ROTENBURG objected to language in Section 207 of HB 2550 regarding the assessor to "estimate rate". 230 KYLE ROTENBURG recommended taxpayers appeal property value at the end of the tax year. 263 KYLE ROTENBURG was concerned with a proposed five-year county pay back period on page 131 of HB 2550. 320 KYLE ROTENBURG commented that the gross error factor should not be eliminated and was concerned with less assessor contact for the taxpayer. 370 SARA BAKER-SIFFORD testified regarding the concerns of the Oregon Rural Electric Cooperative Association with Section 169, page 88 of HB 2550. She summarized her written testimony. Exhibit 1 TAPE 55 SIDE A 036 SARA BAKER-SIFFORD referred to her proposed amendment to HB 2550. Exhibit 2 042 Questions and discussion regarding nonprofit cooperatives. 069 CHAIR JONES clarified Sarah Baker-Sifford's concern regarding a sunset provision. 067 SARA BAKER-SIFFORD commented that the proposed amendments would only affect gross revenue taxes and not ad valorem taxes. 094 ROGER MARTIN explained for 48 years the amusement device has been called a property tax and he opposed the proposed change to user fee in HB 255 0. He provided history of the amusement device property tax and tax increases. 134 JIM NEILL did not support the proposed changes in Section 269 of HB 255 0. He read his prepared testimony. Exhibit 3 180 Questions and discussion regarding a determination of value of amusement devices.

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 February 11, 1991 Page 3 214 JIM NEILL interjected the amusement device industry is not doing well. 251 Questions and discussion. 271 JERRY JOHNSTON explained the impact on his small business when the amusement device tax was doubled during the 1989 Legislative Session. He believed amusement device tax comes under the limits of Ballot Measure 5. 247 Questions and discussion comparing gambling machines to amusement game machines. TAPE 54 SIDE B 002 TIM BECKETT explained the impact on his small business from a current \$100 per machine amusement device tax. He believed amusement device tax comes under the limits of Ballot Measure 5. 026 Questions and discussion regarding value of amusement games. 066 Questions and discussion regarding amusement device license process. 076 Discussion regarding a current process where the Department of Revenue inspects amusement machines for a license. 119 Questions and discussion regarding prizes and additional games won from playing amusement games. 130 GARY CARLSON summarized his prepared testimony regarding concerns with HB 2550. Exhibit 4 -AOI opposes proposed reduction of appeal time to the tax court from 60 days to 30 days. -AOI opposes proposed 10% value range for appeals. AOI opposes Section 31 of HB 2550. -AOI opposes the elimination of the Department of Revenue's supervisory powers to correct specific assessments. -AOI was concerned with Section 36 of HB 2550. -Section 83 of HB 2550 should apply to all taxpayers. -Sections 185 and 186 are not required by Ballot Measure 5. -Suggested clarifying language for Sections 207 and 154 of HB 2550. Opposed Section 234 of HB 2550. -Review Sections 25, 26 and 27 (appeals) of HB 2550. 400 Questions and discussion. TAPE 55 SIDE B 015 GARY CARLSON continued his comments regarding HB 2550. Exhibit 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. House Committee on Revenue and School Finance February 11, 1991 Page 4 073 Questions and discussion regarding an element of time compression. 111 GARY CARLSON did not support a proposed definition of property from the Department of Justice. He recommended a definition of property. Exhibit 4, page 9 130 Questions and discussion regarding a 10% value appeal range. 150 Questions and discussion regarding AOI's suggestion for definition of property. 190 CHAIR JONES recessed the meeting at 9:46 and reconvened as a subcommittee at 10:03 until a quorum was reached at 10:20. 196 CHRIS ROBINSON suggested to maintain the property assessment date as of January 1-and maintain the current board of equalization session. He provided examples. He referred to his prepared testimony and did not support a 10% value appeal threshold. Exhibit 5 260 Questions and discussion regarding court cases, margin of error and a 10% value appeal threshold. 268 CHRIS ROBINSON related his concerns pertaining to HB 2550 as summarized in his prepared testimony. Exhibit 5 308 Questions and discussion. 370 CHRIS ROBINSON continued with his testimony and referred to ORS 306 .115. TAPE 56 SIDE A 001 CHRIS ROBINSON discussed the impact if the existing retroactive appeal process was eliminated. 051 CHRIS ROBINSON continued his testimony and urged the committee to delete portions in HB 2550 which are policy issues. Exhibit 5 080 GLENN KLEIN related the concerns of the League of Oregon Cities pertaining to appeals and the applicability of Measure 5's exemptions for certain fees, charges and taxes. He summarized his prepared testimony. Exhibit 6 220 Questions and discussion. 260 DAVID CARMICHAEL requested the committee remove policy issues from HB 255 0

which are not required to implement Ballot Measure 5. He supported the retention of the existing taxpayer appeal rights statutes. He summarized his written testimony and pointed out his support of testimony from Gary Carlson, AOI. He also provided excerpts from meetings pertaining to the development of HB 2550. Exhibit 7

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Linda Leach, Committee Assistant Kimberly Taylor, Office Manager

EXHIBIT SUMMARY 1. Testimony from Sara Baker-Sifford, Oregon Rural Electric Cooperative Association, 2/11/91 - HB 2550 2. Proposed Amendment to HB 2550-1, Sara Baker-Sifford, 2/4/91 - HB 2550 3. Testimony from Jim Neill, 2/11/91 - HB 2550 4. Testimony from Gary Carlson, Associated Oregon Industries, 2/11/91 HB 255 0 5. Testimony from Chris Robinson, 2/11/91 - HB 2550 6. Testimony from Glenn Klein, 2/11/91 - HB 2550 7. Testimony from David Carmichael, 2/11/91 - HB 2550

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