

February 22, 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: Jim Kenney, Department of Revenue Elizabeth Stockdale, Department of Justice Gary Carlson, Association of Oregon Counties  
TAPE 81 SIDE A 005 CHAIR JONES called the meeting to order at 8:04 as a subcommittee and recessed the meeting at 8:05. She reconvened the meeting at 8:47 and conducted administrative business. PUBLIC HEARING - SB 550 020 STEVE MEYER explained SB 550A will provide tools for implementing Ballot Measure 5 before HB 2550 takes effect. There is an emergency clause in SB 550 and provides an intent that Boards of Equalization will meet in July (instead of March), value notices will be sent out with November tax statement (instead of May), appeals for 91/92 would occur after the value notice and tax statement. He pointed out SB 550 repeals and suspends some ORS's which are all dealt with in HB 2550. 042 STEVE MEYER pointed out Proposed Amendments to A-Engrossed Senate Bill 550 from the Department of Revenue which address the timing changes made in HB 2550 which relate to SB 550A. Exhibit 1 050 REP. HOSTICKA questioned if 1991 tax elections were discussed in Senate Revenue Committee. He commented on a possible effect on the state distribution formula. 064 JIM SCHERZINGER reviewed meetings among different districts to agree on levy competition and noted that legislation is being drafted.

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 22, 1991 Page 2 085 REP. HOSTICKA wanted the issue of tax elections included in SB 550. 095 Questions and discussion regarding competition among districts. 107 REP. PARKINSON distributed a Guest Opinion from the Stayton Mail. Exhibit 2 110 Questions and discussion regarding assessors's opinions regarding property tax timelines. 165 JIM KENNEY commented that levy election dates are not changed in HB 2550. October 1 is the last day (in HB 2550) for the districts to certify a levy to the assessor. 175 ELIZABETH STOCKDALE commented that November is the last election date under the current system. The change in HB 2550 is in Section 218 which requires certification of the levy to the assessor. PUBLIC HEARING - SB 550 187 JIM KENNEY reviewed SB 550 and pointed out suggested amendments from the Department of Revenue. 228 REP. CLARK commented on language on lines 22 and 23 on page 1 in SB 550 regarding a training time period and guidelines for the Board. He preferred "instruction" instead of "guidelines". 250 Questions and discussion regarding "instruction" and "guidelines" and current procedures for training. 314 Questions and discussion regarding dates on timeline (2/22/91). Exhibit 3 387 ELIZABETH STOCKDALE referred back to the discussion regarding language of "instruction", "guidelines" and "rules" and referred to page 97 of HB 2550. HB 2550 sets out obligation for training. TAPE 82 SIDE A 001 ELIZABETH STOCKDALE suggested language of "training materials" instead of "instruction" in SB 550 which would address the concern of Rep. Clark. 020 Questions and discussion. 026 CHAIR JONES pointed out testimony from Clackamas County, Jerry G.

Justice. Exhibit 4 038 GARY CARLSON requested the committee not take action on SB 550 and read his prepared testimony. Exhibit 5

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083 JOHN SCHOON commented that Gary Carlson's testimony merits consideration. 099 Questions and discussion. 103 REP. CLARK was interested in outside counsel opinion on issues raised by Gary Carlson. He was interested in maintaining a January 1 assessment date. 112 CHAIR JONES emphasized not to delay additional information. 117 Questions and discussion regarding any involvement from retail or business people in developing HB 2550. 130 Questions and discussion regarding Gary Carlson's testimony. 160 GARY CARLSON indicated that testimony from counsel will be a legal argument and not political. 174 Questions and discussion. WORR SESSION - HB 255 0 229 JIM KENNEY reviewed HB 2550 as changed by committee dated 2/22/91. He pointed out gross errors was in place as requested by the committee. Exhibit 3 268 Questions and discussion regarding requirements for gross error appeals. 293 REP. JONES requested clarification on the issue of previous years adjustment available. 299 JIM SCHERZINGER corrected a previous statement made and noted under current law a taxpayer can go back two years and file a gross error appeal. 333 JIM KENNEY agreed with Jim Scherzinger and pointed out nothing was changed in relationship to current gross error appeal. 316 Questions and discussion regarding initial appeal period and Chair Jones pointed out the initial appeal period corresponds with the current law. 332 Questions and discussion. 335 JIM KENNEY referred to a handout entitled Tax Payment Options. Exhibit 6 379 REP. BURTON questioned if the issue of discounts was taken out of HB 255 0.

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388 Discussion. TAPE 81 SIDE B 001 Discussion continued regarding issues taken out of HB 2550. 017 CHAIR JONES separated two issues: 1) What was removed from the bill. 2) How does the committee view Tax Payment Options (Exhibit 6). 028 Discussion. 036 CHAIR JONES summarized the committee will decide if a third option will be available and how it would be structured. 054 REP. PARKINSON thought the third option as described in handout would be confusing to taxpayers. 070 Questions and discussion regarding calculation of 16% interest on appeals which were denied. 100 Questions and discussion regarding taxpayer pays 16% and Department of Revenue pays 12%. Jim Kenney noted 4% of what the taxpayer pays is a surcharge and used for assessors back to cycle. 110 REP. CLARK noted his concern regarding 4% surcharge. 152 REP. HOSTICKA questioned committee procedures regarding HB 500 9. 160 CHAIR JONES explained a work session would not be held today on HB 5009 and pointed out conflicts within the Legislative Body regarding issues associated with HB 5009. 185 REP. HOSTICKA expressed his concern regarding if this committee does not deal with revenue issues then Ways and Means is only dealing with half of the problem. He preferred the issue be resolved within the context of this committee. 203 Questions and discussion regarding calculation of refunds for appeals won. 333 CHAIR JONES shared her concern regarding a third tax payment option. 349

JIM KENNEY agreed that the third option would be confusing. 352 CHAIR JONES noted a consensus from the committee to remove the third tax payment option (handout entitled Tax Payment Options). Exhibit 6 360 CHAIR JONES emphasized taxpayers should receive clear instructions for tax payment options.

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Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed Amendments to A-Engrossed Senate Bill 550, 2/22/91, DOR SB 550 2. Guest Opinion, The Stayton Mail, 2/20/91, Rep. Parkinson - Ballot Measure 5 3. HB 2550 as changed by committee 2/22/91, LRO - HB 2550 4. Testimony from Clackamas County, Jerry G. Justice, 2/21/92 HB 2550 5. Testimony from Gary Carlson, 2/22/91 - SB 550 6. Tax Payment Options, DOR, 2/22/91 - HB 2550 7. Updated 1991-92 Measure 5 Estimates, LRO, 2/21/91 - Measure 5 8. Revenue Analysis SB 550A, LRO, 2/11/91 - SB 550 9. Fiscal Analysis, SB 550, LFO, 2/11/91 - SB 550

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