

Tapes112-113(A/B) Tape 114 (A) Work Session HB 2550 HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE

March 13, 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 Bev Clarno Representative Fred Parkinson Representative John Schoon Representative Jim Whitty Members Excused: Representative Kelly Clark Representative Mike Nelson Staff Present: Jim Scherzinger, Legislative Revenue Officer Steve Meyer, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Gary Carlson, Association of Oregon Industries Gil Riddell, Association of Oregon Counties Beth Bridges, City of Eugene Noel Klein, Special Districts Association TAPE 112 SIDE A 005 CHAIR JONES called the meeting to order at 8:14. 016 Questions and discussion follow regarding the progress of the Income Taxation and Property Taxation Subcommittees. 033 CHAIR JONES conducted administrative business. 075 Questions and discussion regarding first-year school distribution formula. WORK SESSION - HB 2550 109 JIM SCHERZINGER referred to House Bill 2550 Definitions Section 210. Exhibit 1 160 STEVE MEYER described new language for definitions of tax on property. Exhibit 1 180 Questions and discussion follow regarding definitions.

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 March 13, 1991 Page 2 193 GARY CARLSON interjected the definition of tax on property resolves the concerns of Association of Oregon Industries (AOI) regarding intangibles based on testimony from Elizabeth Stockdale. 203 Questions and discussion regarding definition of tax on property in relationship to destroyed property. 254 STEVE MEYER reviewed definition of direct consequence of ownership in Section 2 which is consistent with an opinion coming from the Department of Justice. Exhibit 1 260 Questions and discussion. 307 STEVE MEYER reviewed the definition of bonded indebtedness. Exhibit 1 328 Questions and discussion follow regarding Certificates of Participation (COPS). 340 STEVE MEYER explained by removing "borrowed" will allow COPS to come under bonded indebtedness. Exhibit 1 363 JIM SCHERZINGER discussed the use of the definition of bonded indebtedness. 388 STEVE MEYER explained the definition of exempt bonded indebtedness. Exhibit 1 403 STEVE MEYER reviewed and read the educational services definition. Exhibit 1 TAPE 113 SIDE A 020 JIM SCHERZINGER described Proposed Amendments to House Bill 2550 from Department of Revenue (DOR-14) which refers to farm use language in Section 216 , Page 108 of HB 2550. Exhibit 2 056 CHAIR JONES explained some people are concerned with an amendment dealing with farm assessment relating to schools and replacement revenue. 067 GIL RIDDELL explained a concern of some eastern counties which are agricultural based and support continuation of special assessments. 100 Discussion and questions follow regarding the effect of a farm bureau proposal on school districts. 118 REP. CLARNO questioned new information presented to the committee and an impact to some Eastern Oregon schools.

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recording. House Committee on Revenue and School Finance March 13, 1991  
Page 3 127 GIL RIDDELL related a concern of districts which have a high  
proportion of agricultural property. 149 JIM SCHERZINGER discussed full  
phase-in of Measure 5 and impact on specially assessed property (real  
market value). Discussion included the replacement requirement. 270  
REP. SCHOON was concerned with impact on Perrydale School District if  
replacement is not required. 281 Discussion and questions follow  
regarding the state replacement obligation and equity issues (farm use  
areas). 359 GIL RIDDELL reserved judgement of the long term effect of  
testing the cap on the assessed valuation in the rural counties. 396  
Questions and discussion. TAPE 112 SIDE B 003 REP. SCHOON was concerned  
with an example of urban areas causing a rate increase in rural  
communities within the same county. 014 Questions and discussion  
regarding committee procedure. 068 JIM SCHERZINGER continued his review  
of DOR-14 Proposed Amendments regarding unit of property definition.  
Subsection 6 allows assessors to phase in definitions. Exhibit 2 107  
Questions and discussion regarding subsection 6. Exhibit 2 130  
Questions and discussion follow regarding Subsection 6. 138  
CONSENSUS CHAIR JONES noted consensus to delete Subsection (6) and  
the line above (After line 25, insert:) in Proposed Amendments HB 2550,  
DOR-14. 142 MOTION REP. CLARNO moved adoption of Proposed Amendments  
to House Bill 2550, DOR-14, 3/12/91 as amended above. 153 ORDER There  
being no objection, CHAIR JONES so ordered. 167 MOTION REP. PARKINSON  
moved adoption of House Bill 2550 Definitions S 210, DOR-2, 3/12/91,  
pages 1-6. 170 ORDER There being no objection, CHAIR JONES so  
ordered. 188 CHAIR JONES recessed the meeting at 9:25 and reconvened at  
9:56.

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recording. House Committee on Revenue and School Finance March 13, 1991  
Page 4 194 JIM SCHERZINGER reviewed Proposed Amendments HB 2550-4 which  
fill in the blanks in HB 2550. Exhibit 3 205 MOTION REP. PARKINSON  
moved adoption of Proposed Amendments HB 2550-4, (LC 2386), 2/13/91. 210  
ORDER There being so objection, CHAIR JONES so ordered. 213 JIM  
SCHERZINGER referred to HB 2550 regarding a supplemental budget and  
reviewed hand engrossed amendments. Exhibit 4 260 Discussion and  
questions follow regarding proposed amendments. Exhibit 4 309 JIM  
SCHERZINGER illustrated a proposed streamline supplemental budget  
process compared to a current process. Exhibit 5 377 Questions and  
discussion. TAPE 113 SIDE B 005 Discussion continued. 021 JIM  
SCHERZINGER commented on a judgment by a local governing body. 029  
Questions and discussion regarding a proposed streamline supplemental  
budget process. 037 REP. HOSTICKA favored a streamline process. 050  
Discussion and questions follow regarding the supplemental budget  
process. Reference was made to the significance of the republication of  
a second notice. 060 BETH BRIDGES explained a percentage cap to  
determine when a supplemental budget process would be required. 078  
Discussion and questions follow regarding convening the budget  
committee. 110 BETH BRIDGES explained the City of Eugene's budget  
process. 131 Questions and discussion. 159 CHAIR JONES reviewed a  
proposed change from two to one notice. 170 NOEL KLEIN explained the  
proposed one notice would combine what was in the original two notices.  
185 Questions and discussion regarding language on page 7 of Hand  
Engrossed HB 2550. Exhibit 4

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200 REP. PARKINSON suggested deleting subsection (f). Exhibit 4, page 9  
225 Questions and discussion. 270 MOTION REP. PARKINSON moved adoption of language, pages 6, 7, 8, and 9 with the exception of Page 9a to be added in place of section f on page 9. Add subsection 4 on page 10 and delete line 39, page 9. 291 Questions and discussion regarding streamline process. 315 AMENDED MOTION REP. HOSTICKA moved to amend Rep. Parkinson's motion to include a streamline supplemental budget process. 321 Questions and discussion clarifying Rep. Hosticka's motion. TAPE 114 SIDE A 015 CHAIR JONES explained the current budget law requires publishing of the supplemental budget and does not require publication of the council meeting. 025 Questions and discussion. 030 CHAIR JONES recessed the meeting at 10:40 and reconvened at 10:47. 034 CHAIR JONES restated Rep. Hosticka's motion. 039 FURTHER AMENDED MOTION REP. SCHOON proposed further amending the motion on page 7, line 2, "as approved by the budget committee will be discussed" and line 12, restore "shall" instead of "may" in the notice. Exhibit 4 051 Questions and discussion. 105 MOTION WITHDRAWN REP. SCHOON withdrew his motion. 115 VOTE In a roll call vote, Rep. Hosticka's motion to amend Rep. Parkinson's motion failed. (3-4) AYES: Representatives Whitty, Burton, Hosticka. NAYS: Representatives Clarno, Parkinson, Schoon, Jones. EXCUSED: Representatives Clark, Nelson. 120 CHAIR JONES referred to Rep. Parkinson's motion. 121 ORDER There being no objections, CHAIR JONES so ordered.

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123 CHAIR JONES conducted administrative business and adjourned the meeting at 10:55.

Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. House Bill 2550  
Definitions Section 210, DOR-2, 3/12/91 - HB 2550 2. Proposed  
Amendments to HB 2550, DOR-14, 3/12/91 - HB 2550 3. Proposed  
Amendments HB 2550-4 LC 2386, LRO, 2/13/91 - HB 2550 4. Hand  
Engrossed HB 2550, pages 6-10, LRO, 3/13/91 - HB 2550 5. Blackboard  
Illustration, LRO, 3/13/91 - HB 2550

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