

Tapes 115-116 (A/B) Tape 117 (A) Work Session: HB 2550 HOUSE COMMITTEE
ON REVENUE AND SCHOOL FINANCE

March 14, 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 Linda Leach, Committee Assistant Witnesses Present: Jim Kenney, Department of Revenue TAPE 115 SIDE A 005 CHAIR JONES called the meeting to order at 8:13 and conducted administrative business. WORR SESSION - HB 2550 059 JIM SCHERZINGER discussed Section 108 on page 56 of HB 2550 which relates to industrial and commercial property tax return. He reviewed Proposed Amendments DOR-10, 3/12/91 relating to the personal/industrial property return. Exhibit 1 089 JIM SCHERZINGER referred to HB 2550 timeline as changed by the committee dated 2/22/91 which provides for the tax bill to be mailed in November with a payment date of December 15. Exhibit 2 110 CHAIR JONES pointed out that the timeline requires adjustment on the personal and industrial return and that the Department of Revenue could mail the tax bill as early as October 25 and still accomplish necessary work. 131 REP. HOSTICKA questioned the reason for changing the date. 134 CHAIR JONES explained a public perception issue and that the committee is not willing to mail the tax statement prior to an election.

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 14, 1991 Page 2

148 Questions and discussion regarding public perceptions and committee decisions. 216 Questions and discussion regarding appeal date and tax statement mailings. 228 REP. BURTON referred to the inaccurate perception by newspapers and emphasized that the committee is dealing with fairness and equity issues. 258 JIM SCHERZINGER continued his review of Proposed Amendments DOR-10 relating to an earlier mailing date. Exhibit 1 311 JIM KENNEY explained Proposed Amendments DOR-10 reflect concerns of Associated Oregon Industries (AOI). 364 Questions and discussion regarding the DOR-10 Proposed Amendments. TAPE 116 SIDE A 001 Questions and discussion regarding a 60 day filing period for large properties and a distinction between large and small properties. 008 CHAIR JONES pointed out a correction to DOR-10 Proposed Amendments, Section (4), line 4, delete "July" and insert "August". 034 MOTION REP. PARKINSON moved Proposed Amendments to House Bill 2550, DOR-10, March 12, 1991 with correction of August 31 in subsection (4). Exhibit 1 038 DISCUSSION 046 ORDER There being no objection, CHAIR JONES so ordered. 047 JIM SCHERZINGER reviewed Proposed Amendments to House Bill 2550, DOR-17 relating to declining value appeals and referred to Sections 13 and 14 in HB 2550. Exhibit 3 101 Questions and discussion regarding definition of "declining value" and appeal timelines. 270 REP. CLARNO voiced concern with a time compression issue. 274 Questions and discussion regarding "uncontested amount" of taxes and appeal process. 281 JIM SCHERZINGER illustrated new timeline in Proposed Amendments DOR17. Exhibit 4 326 Questions and discussion regarding timing for declining value appeals.

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 14, 1991 Page 3 360 REP. BURTON clarified that an appeal is added (from current law). He questioned if the Board of Ratio Review can deal with the incoming appeals. 376 JIM KENNEY explained that the Board of Ratio Review is given additional time to complete appeals. 385 REP. BURTON was concerned with impact on taxpayers because of the Board of Ratio Review workload. 390 Questions and discussion regarding the review of property sales and trends. TAPE 115 SIDE B 010 Questions and discussion regarding the Board of Ratio Review meetings and procedures. 046 Questions and discussion regarding ORS 309.115 (property value frozen for five years after successful appeal process). 090 Questions and discussion regarding proposed timeline and presentation of timeline (and HB 2550) to the Legislature. 152 REP. PARKINSON supported the proposed appeal process. 150 Questions and discussion follow regarding the current appeal process. 177 Questions and discussion regarding definition of "declining market value" in Proposed Amendments DOR-17. Exhibit 3 214 JIM KENNEY pointed out that "declining market value" is used only in committee discussions and not in HB 2550. 230 CHAIR JONES suggested the committee use "reduction in real market value." 236 JIM KENNEY pointed out a correction in Proposed Amendments to HB 2550, DOR-17, page 2, line 5, delete "any" and insert "the prior". Exhibit 3 250 CHAIR JONES added a correction to page 1 of DOR-17 Proposed Amendments, last paragraph, delete "November 10" and insert "October 25". Exhibit 3 268 Questions and discussion regarding appeal process through December 31. 281 Questions and discussion regarding corrections to DOR-17 Proposed Amendments.

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 14, 1991 Page 4 340 MOTION REP. SCHOON moved adoption of Proposed Amendments to House Bill 2550, DOR-17 with the following corrections: Page 1, last paragraph, delete "November 10" and insert "October 25". Page 2, line 5, delete "any" and insert "the prior". 356 ORDER There being no objection, CHAIR JONES so ordered. 369 CHAIR JONES recessed the meeting at 9:34 and reconvened the meeting at 10:04. She requested that a decision be made to determine the tax due date. 400 JIM SCHERZINGER explained the current tax due date is November 15 and the original version of HB 2550 is December 15. Discussion follows regarding possible dates. 435 REP. HOSTICKA suggested December 1 as the tax due date. TAPE 116 SIDE B 003 Discussion follows regarding the tax due date. 020 JIM KENNEY clarified that current law requires the tax statement be mailed by October 15 and that the taxpayer must have at least fifteen business days to pay (due date is November 15). 035 Questions and discussion follow regarding the change of the tax due date. 046 JIM KENNEY commented on interest calculations (first day compared to the fifteenth day of the month). 060 Questions and discussion. 100 MOTION REP. SCHOON moved conceptual adoption of the tax bill mailing date by October 25 and a tax due date of November 15, with the understanding of the current law which provides fifteen business days to pay the tax if the mail date is not met. 108 DISCUSSION 117 CHAIR JONES voiced concern in maintaining the November 15 due date because the taxpayer will receive the tax statement later than currently receiving. 126 JIM KENNEY pointed out language of "not later than October 25" which would allow tax statements to be mailed earlier. 143 Questions and discussion regarding current law which provides fifteen day period to pay taxes.

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 14, 1991 Page 5 189 CHAIR JONES supported the motion with the understanding that the committee may revisit tax payment date if clarification was required. 199 ORDER There being no objection, CHAIR JONES so ordered. 203 Discussion follows regarding the mailing dates. 213 JIM SCHERZINGER reviewed Proposed Amendments to HB 2550-13, 3/13/91 which relate to supervisory appeals. He pointed out the restoring of 60 days from 30 days as requested by the committee (appeal ,time from the Department of Revenue to the tax court). Exhibit 5 261 JIM SCHERZINGER reviewed Proposed Amendments HB 2550-13 relating to a 45 day appeal period for utilities. 300 JIM SCHERZINGER summarized deletion of 10 percent value appeal in HB 255 0-13. Exhibit 5 318 JIM SCHERZINGER reviewed the deletion of Section 32 repeal. Exhibit 5 330 JIM SCHERZINGER explained Proposed Amendments HB 2550-13 which restore supervisory power in Section 32 of HB 2550. 355 Questions and discussion follow regarding supervisory power. 362 JIM SCHERZINGER addressed changes relating to a 10 percent value range. Exhibit 5 380 JIM SCHERZINGER explained correction of Section numbers. Exhibit 5 400 JIM SCHERZINGER reviewed Proposed Amendments which related to property adjudicated value. Exhibit 5 442 JIM SCHERZINGER pointed out a correction on page 2, line 14 HB 255013, add "Board of Ratio Review". TAPE 117 SIDE A 028 CONSENSUS CHAIR JONES noted consensus to Proposed Amendments HB 2550-13, 3/13/91 with corrections: The addition of "Board of Ratio Review" to line 14, page 2 and restoring the language in ORS 308.705 to 308.730 - page 3. Exhibit 5 031 REP. HOSTICKA commented on the importance of the state obligation calculation in relationship to HB 2550 and SB 815A. 043 JIM SCHERZINGER addressed the coordination between SB 815 and 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. House Committee on Revenue and School Finance March 14, 1991 Page 6 050 Questions and discussion regarding school revenue replacement requirement (estimates and survey of value growth). 067 CHAIR JONES conducted administrative business and adjourned the meeting at 10:40.

Lind Leach, Committee Assistant

. , Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed Amendments to HB 2550 DOR-10, DOR, 3/14/91 - HB 2550 2. HB 2550 as changed by Committee 2/22/91, LRO, (See Exhibit 3 of House Revenue and School Finance Committee meeting on 2/22/91 - HB 255 0) 3. Proposed Amendments to HB 2550 DOR-17, DOR, 3/14/91 - HB 2550 4. Blackboard Illustration, LRO, 3/14/91 - HB 2550 5. Proposed Amendments HB 2550-13, 3/14/91 - 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.