

- Tapes 131- 132(A/B) Tape 133 (A) Work Session: HB 255 0 HOUSE
COMMITTEE ON REVENUE AND SCHOOL FINANCE

March 21, 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 Linda
Leach, Committee Assistant Witnesses Present: Jim Kenney, Department of
Revenue TAPE 131 SIDE A 005 CHAIR JONES called the meeting to order at
8:54. She discussed a process for reviewing Proposed A-Engrossed HB 2550
and conducted administrative business. She referred to Measure 5
Implementation Issues (as of 2/16/91) and pointed out the last page
entitled HB 2550 Amendments - March 19, 1991. Exhibits 1, 2 052 MOTION
REP. SCHOON moved Proposed A-Engrossed HB 2550 be used as the committee
bill. 055 ORDER There being no objection, CHAIR JONES so ordered. 057
QUESTIONS and discussion regarding committee procedure. 095 JIM
SCHERZINGER reviewed sections relating to timing of property tax system
on pages 77, 199, 209, of Proposed A-Engrossed HB 2550. A complete
research report will be available which will address the basic concepts
in HB 2550. Exhibit 1 Questions and discussion interspersed regarding
timing issues. 206 JIM SCHERZINGER pointed out real market value
definition in Section 88, page 82. He reviewed sections which replace
"true cash value" with "real market value". Exhibit 1 Questions and
discussion interspersed.

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 21, 1991
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234 JIM SCHERZINGER commented on Sections 91-94 relating to tax roll
contents. 253 JIM SCHERZINGER referred to HB 2550 Amendments (March 19,
1991) and began with Electric co-ops, Section 169 - 171, page 149 of
Proposed AEngrossed HB 2550 and pointed out a change in tax to 4% minus
the power cost. Exhibit 1, Exhibit 2, page 8 272 JIM SCHERZINGER
explained "fill in the blanks" amendments through out Proposed
A-Engrossed HB 2550 (for reference purposes). 278 JIM SCHERZINGER
reviewed the main section dealing with Department of Revenue rule
authority in Sections 35-36, page 38. 317 Questions and discussion
interspersed. 341 JIM KENNEY pointed out an intent to validate action
which will give instructions to the counties for valuation ratio study.
356 JIM SCHERZINGER reviewed effective dates of HB 2550 in Section 452
(effective 1991-92 tax year). 361 JIM SCHERZINGER reviewed new Section
132, page 125, which deals with destroyed property. 394 JIM SCHERZINGER
reviewed unit of property definition in Section 215 and pointed out line
29 on page 190 which inserts "contiguous" and adds "and appraised" on
line 30. He discussed changes to time share and in Section 216
separated partially exempt from specially assessed property, created a
section for specially assessed property and a limitation under Measure 5
(set a limit on farm, forest and open space taxes-subsection 2). TAPE
132 SIDE A 016 JIM SCHERZINGER reviewed definitions in Section 210,
pages 181 to 186. 031 Questions and discussion regarding definitions.
040 JIM SCHERZINGER reviewed Section 11 relating to supervisory power,
appeal deadlines, corrections and emphasized changes on page 19. -

Section 23, page 24, line 26, change to 60 days and 45 days inserted for utility property. Page 25, line 16, change back to 60 days. - Section 31 of original HB 2550 is deleted. - Section 32, relating to Department of Revenue supervisory power, restored original statutes. - Section 198, deleted language regarding 10% value range (subsection 2). - Section 198(a), provision added regarding five years relating to a tax appeal.

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124 JIM SCHERZINGER reviewed changes in Section 108, page 98, relating to personal/industrial returns. 152 JIM SCHERZINGER discussed Section 190, page 165 and Section 191, regarding value appeals. 184 JIM SCHERZINGER pointed out amendments restoring offsets are throughout Property A-Engrossed HB 2550. 195 Questions and discussion regarding a process for offsets under Measure 5 and impact on levies. TAPE 131 SIDE 8 005 Questions and discussion regarding offsets (for districts under the cap compared to those over the cap). 280 Discussion regarding committee procedure. 299 JIM SCHERZINGER pointed out Sections relating to irrigation district amendments from Kip Lombard. 323 JIM SCHERZINGER reviewed severance tax rates in Section 275, pages 240 - 241, reforestation rates on lines 18, 20 and 22. Other amendments insert August 31 for distribution calculation (pages 248, 249, 250). Section 299 deals with Eastern Severance Tax Rates, page 264. 371 JIM SCHERZINGER discussed amendments relating to timeline, 3% discount, corrections, refunds and bonafide purchaser (Sections 231, 232, 252, 260). TAPE 132 SIDE B 026 JIM SCHERZINGER commented on Section 237 which includes amendments regarding a bonafide purchaser and floating homes. 044 JIM SCHERZINGER reviewed Section 247 (a), page 220 relating to notice of taxes imposed to districts. 057 JIM SCHERZINGER reviewed changes to certification of taxes in Section 28 - page 33 (request from City of Portland relating to a court determination), Section 214 - page 188 (relating to school or nonschool tax - educational services), Section 221 delete 100th percent rounding. 114 JIM SCHERZINGER pointed out changes in Proposed AEngrossed HB 2550 regarding boards of equalization and ratio review (changes throughout from board of value appeals). Section 194 (a) is notice required for the board of equalization. Sections 202 (a) and (b) and 203 (a) and (b) are added reference changes and timing changes.

~.. 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 21, 1991 Page 4 147 JIM SCHERZINGER summarized issues removed from HB 2550: (Questions and discussion interspersed) - Telephone rural exchange references. Personal and industrial return penalty. - Mobile home certification fee. (Section 401) - A district with multiple levies to allocate a loss (Section 219). - Amusement device tax (Sections 267-272). - Oil and gas severance tax (Section 322). - Urban renewal (Sections 330-335). Power to raise certain county fees (Section 449). 256 JIM SCHERZINGER reviewed three areas of exemption amendments: Clarification of lease on tax exempt property. - State paid exemptions (only pay reduced tax). - Clarifying the partial exemption (based on assessed value). 275 JIM SCHERZINGER discussed Sections 25 - 27, amendments dealing with applicability of Measure 5 appeals (this section reviewed by Judiciary Committee). 291 JIM SCHERZINGER summarized

amendments to local budget law in Sections 7 and 9, current law was restored, Section 9 (a) added (for two years a district can have a supplemental budget if property tax revenues come in greater than anticipated). 316 JIM SCHERZINGER pointed out the deletion-of Section 390 relating to road assessment. 324 JIM SCHERZINGER explained Section 229 regarding calculation of the state obligation. Sections 229 (b) (c) (d) (e) and (f) were created. 350 JIM SCHERZINGER commented on changes in Sections 144 (a) and (b) regarding utility appeals. New sections 152 (a) and (b), add "tentative". Main appeal amendments were made to Section 154, page 139 (set dates). 396 JIM SCHERZINGER discussed penalty amendments for farm and forest and a change to additional tax. 444 JIM KENNY pointed out on page 112, line 14, language of additional tax instead of penalty for farm, forest and open land. TAPE 133 SIDE A 040 Questions and discussion regarding additional tax in place of penalty and location of amendments in Proposed A-Engrossed HB 2550. 063 Questions and discussion regarding committee procedure,. 110 CHAIR JONES conducted administrative business and adjourned the meeting 10:55.

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 21, 1991 Page 5 Linda Leach, Committee Assistant Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed A-Engrossed House Bill 2550, 3/21/91 - HB 2550 2. Measure 5 Implementation Issues (as of 2/16/91) and HB 2550 Amendments March 19, 1991, LRO, 3/21/91 - HB 2550 3. Testimony from Sandi Brinkman, 2/20/91, Secretary of State Phil Keisling - Measure 5 4. Testimony from Angelica Adams, 2/20/91, Secretary of State Phil Keisling - Measure 5 5. Testimony from Davis Glatfelter, 3/7/91 - Miscellaneous 6. Reading Material, 3/21/91 - Miscellaneous

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