

March 25, 1991 8:00 A. 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 Don Schellenberg, Oregon Farm Bureau TAPE 134 SIDE A 005 CHAIR JONES called the meeting to order at 8:15 and conducted administrative business. The committee will review changes to Proposed A-Engrossed HB 2550 which are mainly reference changes and she pointed out a substantive change relating to minimum value. Exhibit 1 WORK SESSION - HB 2550 (PROPOSED A- ENGROSSED) 027 JIM KENNEY reviewed changes in proposed A-Engrossed HB 2550 which were intended to be included by the committee. - Page 78, lines 10 and 12, remove the brackets from "additional taxes" and insert "or penalty". - Page 82, line 12, after "the" insert "minimum". Page 86, line 24, delete entire line. - Page 87, line 5, delete "on or before October 15 and preparatory to" and insert "at the same time as". - Page 87, line 7, change September 1 to September 20. 073 JIM SCHERZINGER interjected on Page 87, line 17, insert "board of ratio review" instead of "board of value appeals". 079 JIM KENNEY continued with changes to Proposed A-Engrossed HB 2550. Page 106 , lines 5 and 7, insert "board of equalization" instead of "board of value appeals". - Page 107, lines 14, 17 and 21 and Page 108, lines 7 and 12, reinsert the bracketed "additional taxes, interest and" and delete "penalties". . . 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 25, 1991 Page 2

JIM KENNEY continued: - Page 111, line 8, reinsert bracketed "additional tax" and delete "penalty". - Page 111, line 9, reinsert bracketed "owner" and delete "user". - Page 116 , line 16, reinsert bracketed "additional tax". - Page 167, line 21, change July 20 to July 31. - Page 167, line 28, change August 5 to August 15. - Page 168, line 1, change August 1 to September 1. 150 JIM SCHERZINGER pointed out a change on page 123, line 13 and page 124, line 3, insert "board of equalization" in place of "board of value appeals". - Page 160, line 25, remove reference to 308.425 (should not be repealed). 181 Questions and discussion regarding board of ratio review terms (Page 161). 235 JIM SCHERZINGER clarified Page 161, lines 16 and 17, the last Thursday in June and end on August 10. Page 161, lines 19 and 20 should read September 1 to August 30. 248 CHAIR JONES pointed out Page 162, lines 26 and 27, change to August 30. 254 JIM KENNEY continued with changes: - Page 190, line 25, delete "unit of property containing". 267 DON SCHELLENBERG was concerned with unit of property definition in Section 215. 302 Questions and discussion regarding unit of property definition. 349 Questions and discussion regarding Page 190, line 1, reference to specially assessed property. 395 JIM SCHERZINGER pointed out Page 185, line 2, remove "executed certificate" should be "written agreement" and line 17, subsection 9 should be subsection 15. 408 JIM KENNEY continued: - Page 211, line 1, insert "additional tax or" after "subject to". TAPE 135 SIDE A 001 Questions and discussion regarding tax statement language. 019 JIM SCHERZINGER noted Page 211, line 4, insert "board of equalization" in place of "board of value appeals".

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027 JIM KENNEY pointed out Page 233, line 31, change "would be" to "has been". 041 JIM SCHERZINGER commented on a change on Page 233, line 2, insert "county board of equalization, county board of ratio review" instead of "board of value appeals". 048 JIM KENNEY continued: - Page 236, line 27, change "board of value appeals" to "board of equalization". - Page 279, line 15, reinsert bracketed "increased taxes" and delete "penalty". - - Page 313, lines 12 and 23, add "additional tax or" between "any" and "penalty". The same on Page 314, line 2. - Page 314, lines 19 and 27, reinsert bracketed "additional tax or". - Page 316, line 11, add "additional tax or" between "any" and "penalty". 111 JIM KENNEY pointed out that he did not review in detail amendments from Kip Lombard (irrigation districts). 117 JIM SCHERZINGER reviewed changes as suggested by Legislative Counsel: - Page 382, line 11, insert "claim" in place of "charge". - Page 236, line 19, insert "tax" year instead of "assessed" year. - References to ORS on front page are not accurate and Legislative Counsel will make those changes. - A citation needs to be included referring to ORS 307.122. Page 172, lines 7-9, remove line 7 and most of line 8. 188 MOTION REP. PARKINSON moved adoption of corrections to Proposed A-Engrossed HB 2550 as described by Department of Revenue and Legislative Revenue Officer. 191 ORDER There being no objection, CHAIR JONES so ordered. 201 JIM SCHERZINGER reviewed Research Report 3/91 - Implementation of Measure 5, House Plan HB 2550A. Exhibit 2 Questions and discussion interspersed. TAPE 134 SIDE B 001 JIM SCHERZINGER continued his review of Research Report 3-91. 064 REP. SCHOON was concerned that a provision was not provided for local districts to recover revenue if the Attorney General rules that taxes must be paid on real market value (farm property). 073 Questions and discussion regarding revenue lost calculation.

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134 JIM SCHERZINGER continued his review of research report 3/91 beginning with Other Partial Exemptions. Exhibit 2, page 10 154 Questions and discussion interspersed. 300 JIM SCHERZINGER interjected the assumptions made for county by county impact runs as noted in research report are important to understand. 372 Questions and discussion. TAPE 135 SIDE B 001 CHAIR JONES recessed the meeting at 9:40 and reconvened the meeting at 10:10. 015 JIM SCHERZINGER continued his review of Research Report 3-91. Exhibit 2, page 13 Questions and discussion interspersed (state responsibility, cap reduction, county run calculations). 173 JIM SCHERZINGER referred to Baker County, Huntington 16J School District as an example to explain offsets reflected in a levy. Questions and discussion interspersed. 242 CHAIR JONES summarized that the county by county runs are a reflection of the estimates based on a 6% levy, minus the offsets, reflecting Measure 5 caps, showing the decrease in amounts of money received from property taxes. 250 Questions and discussion regarding county by county runs in relationship to growth. 264 Questions and discussion regarding committee procedure. 281 MOTION REP. SCHOON moved HB 2550 as amended to the floor - with a do pass recommendation. 290 VOTE In a roll call vote, the motion was

adopted. (9-0) AYES: REP. CLARNO, REP. NELSON, REP. PARKINSON, REP. SCHOON, REP. WHITTY, REP. BURTON, REP. CLARK, REP. HOSTICKA, REP. JONES. 307 CHAIR JONES conducted administrative business and adjourned the meeting at 10:37.

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 25, 1991 Page 5 Linda Leach, Committee Assistant Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed A-Engrossed HB 2550, 3/25/91 (see Exhibit 1 from House Revenue 3/21/91 meeting) - HB 2550 2. Implementation of Measure 5, House Plan - HB 2550A, LRO, 3/25/91 - HB 2550

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