

Tapes21-22 (A/B)
Tapes23-24 (A)
Work Session: HB 2609
HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON PROPERTY TAXATION

April 9, 1991 8:00 AM Hearing Room 357 State Capitol Building

Members Present: Representative Fred Parkinson, Chair
Representative Kelly Clark
Representative Carl Hosticka
Representative Delna Jones
Representative Jim Whitty

Staff Present: Jim Scherzinger, Legislative Revenue Officer
Linda Leach, Committee Assistant

Witnesses Present: Don McIntire, Protect Oregon Property (P.O.P.S.) Tom
Dennehy Gregory J. Howe, Attorney for Tom Dennehy Alan Peters, Holiday
Investors, Portland Easton Cross, Attorney for Holiday Investors Oliver
Norville, Attorney, Portland BJ Smith, League of Oregon Cities Dick Hayden,
City of Salem

TAPE 21 SIDE A

005 CHAIR PARKINSON called the meeting to order at 8:12 and conducted
administrative business.

WORK SESSION - HB 2609

015 JIM SCHERZINGER reviewed subcommittee handouts:

-Urban Renewal Issues (Decisions Made and To Be Decided). Exhibit 1
Proposed Amendments to HB 2609 from Eaton Cross. Exhibit 2

-Proposed Amendments HB 2609-4 which reflect decisions made by the
subcommittee. Exhibit 3

-Proposed Amendments HB 2609-3 which reflect notification requirements
suggested by Chair Parkinson. Exhibit 4

Questions and discussion interspersed.

046 DON MC INTIRE reviewed his interest in urban renewal and tax increment
financing issues. He supported Section 8 which provides for a vote of the
people for an urban renewal plan. He also supported urban renewal taxes on
the property tax bill. He related that the principal issue is whether or
not urban renewal bonds should be exempt from the effects of Measure 5. It
was not the intent of the electorate to exempt urban renewal bonds from the
limits of Ballot Measure 5.

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.

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104 DON MC INTIRE did not believe urban renewal bonded indebtedness was
authorized by the Constitution.

110 DON MC INTIRE continued to explained the "will of the people" (Ballot
Measure 5).

148 Questions and discussion.

152 DON MC INTIRE noted that the payment of tax increment bonds is
authorized by the Constitution, but the creation of the bonds is not
authorized. He predicted that "the entire state will become a giant urban
renewal project".

179 Questions and discussion regarding initiative rights of the people.

212 DON MC INTIRE emphasized that the will of people was not to exempt urban renewal bonding from the limits of Measure 5.

225 Questions and discussion regarding language in Ballot Measure 5.

240 REP. CLARK commented on "good faith" assumptions made by the subcommittee compared to testimony provided by Don McIntire.

231 REP. HOSTICKA pointed out that an Attorney General opinion issued prior to the Measure 5 election noted that urban renewal was exempt from the limits. -

241 DON MC INTIRE explained that the voters had other interpretations (of the limits of Measure 5) such as the campaign (verbal).

243 Questions and discussion regarding subcommittee work on urban renewal issues.

335 TOM DENNEHY related his involvement with Ballot Measure 5, court cases and educational background. He supported a vote of the people for an urban renewal project and urban renewal taxes on the property tax statement. He supported the separation of housing authority and urban renewal agency.

TAPE 22 SIDE

A

001 TOM DENNEHY provided suggestions to Proposed Amendments HB 2609-2, dated 4/1/91. (See Exhibit 3 from Subcommittee on Property Taxation April 2, 1991 meeting).

100 Questions and discussion.

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121 REP. CLARK summarized Article IX, Section 1c of the Constitution relating to the division of ad valorem property taxes in an urban renewal area.

136 Questions and discussion.

148 TOM DENNEHY believed that Ballot Measure 5 only exempts bonded indebtedness that is specifically authorized by the Constitution.

151 TOM DENNEHY predicted a "cloud" on urban renewal issues until the issues are resolved.

166 TOM DENNEHY clarified that an Attorney General opinion he referred to was dated May, 1988 relating to a court case (Dennehy v. Department of Revenue) and involved money collected for urban renewal exceeding the old 6% limit (Article XI, Section 11).

Questions and discussion interspersed regarding Dennehy court case.

205 Questions and discussion regarding a lack of a specific provision in the Constitution which authorizes urban renewal debt. TOM DENNEHY related that Article IX, Section 1c authorizes a method of paying the debt.

206 CHAIR JONES questioned if the Measure 5 campaign had printed material indicating that urban renewal would come under the limits of Ballot Measure 5.

210 TOM DENNEHY replied that he did not know.

223 TOM DENNEHY continued with his suggestions to Proposed Amendments HB 2609-2.

296 Questions and discussion regarding specific language in the Constitution authorizing local bonded indebtedness.

352 Questions and discussion regarding the interpretation of Ballot Measure 5.

TAPE 21 SIDE

B

006 TOM DENNEHY continued with his suggestions to Proposed Amendments HB 260 9-2.

038 CHAIR PARKINSON discussed his suggestions for a strong public notification requirement.

046 TOM DENNEHY preferred a vote of the people.

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068 Questions and discussion regarding financing of urban renewal projects.

096 REP. HOSTICKA commented on "who votes" and "who pays taxes".

114 Questions and discussion.

126 CHAIR PARKINSON reviewed Proposed Amendments HB 2609-3 which reflect notification requirements. Exhibit 4

139 Questions and discussion regarding who pays for urban renewal projects.

155 GREG HOWE supported urban renewal amounts on the property tax statement. He supported a vote of the people for an urban renewal project (Section 8 of HB 2609-2 Proposed Amendments), but suggested to include project amendments for a vote. He discussed the Dennehy v. Department of Revenue case (5/88).

259 Questions and discussion.

267 GREG HOWE believed the intent of the drafters of Measure 5 is not debatable and that the voters did not believe urban renewal would be outside the limits of Measure 5.

318 Questions and discussion regarding possible law suits (inside/outside limits of Measure 5) and court proceedings.

390 ALAN PETERS explained why he is interested in the process for urban renewal plans. He represented a group in Portland wanting to build a hotel. He urged support of Section 8 in Proposed Amendments HB 2609-2. He believe urban renewal was an important tool for cities. (See Exhibit 3 from Subcommittee on Property Taxation April 2/1991 meeting)

TAPE 22 SIDE

B

001 Questions and discussion.

022 Questions and discussion regarding Portland urban renewal examples.

143 EASTON CROSS reviewed Proposed Amendments to HB 2609 (including amendments previously proposed) which make the findings, the plan and the plan description comply with a comprehensive plan. Exhibit 2, Section 5

214 EASTON CROSS reviewed a referral proposal and notification process (Section 14C) if the committee deletes Section 8 (vote requirement).

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240 CHAIR PARKINSON referred to a memo from Easton Cross regarding cost of mailing for a notification requirement. Exhibit 5

244 Questions and discussion regarding City of Portland's Charter and urban renewal members.

269 EASTON CROSS noted that suggested Section 14C applies to real and personal property and the cost of mailing is based on the most recent postal rates. Exhibits 2, 5

297 EASTON CROSS related that the main focus of Holiday Investors is that the nature of the proposed project be understood by the voters.

327 Questions and discussion regarding proposed project by Holiday Investors in Portland.

390 OLIVER NORVILLE believed urban renewal bonds are not subject to the limits of Ballot Measure 5.

420 Questions and discussion regarding language in Article IX, Section 1c (does it authorize financing).

TAPE 23 SIDE

A

001 OLIVER NORVILLE explained Article IX, Section 1c provides the use of tax increment funds to finance indebtedness incurred in connection with carrying out projects.

020 Questions and discussion.

027 OLIVER NORVILLE pointed out the Constitution authorizes indebtedness which encompasses bonded indebtedness.

035 BJ SMITH reviewed LOC (League of Oregon Cities) Draft # 1 and LOC Draft # 2 relating to notification and plan adoption. Exhibits 6, 7

073 Questions and discussion.

090 BJ SMITH related that the notification requirements will be an expensive technique and was not sure of it's effectiveness.

109 Questions and discussion regarding mailing costs (notification requirement).

148 DICK HAYDEN discussed mailing costs and mailing process for the City of Salem.

Questions and discussion interspersed.

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234 BJ SMITH related a concern of a specific date (15-20 year time frame) in Proposed Amendments HB 2609-3. She did not believe personal service was an effective form of notification. She gave examples.

274 BJ SMITH addressed concerns relating to specificity in Proposed Amendments HB 2609-3.

347 Questions and discussion.

399 CHAIR PARKINSON stated his support of a strong notification requirement.

TAPE 24 SIDE A

004 Questions and discussion regarding notification requirements.

020 Questions and discussion regarding subcommittee schedule.

034 Questions and discussion regarding subcommittee assumptions relating to urban renewal and appeal process provided in HB 2550.

080 REP. JONES explained that the courts will decide if urban renewal comes under the limits of Measure 5. HB 2609 provides a mechanism for taxing districts.

090 BJ SMITH and OLIVER NORVILLE agreed with Rep. Jones.

096 Questions and discussion regarding varying referral periods throughout Oregon.

140 CHAIR PARKINSON conducted administrative business and adjourned the

meeting at 10:43.

Lisa Leach, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Urban Renewal Issues, LRO, 4/9/91 - HB 2609
2. Proposed Amendments to HB 2609, Eaton Cross, 4/9/91 - HB 2609
3. Proposed Amendments HB 2609-4, 4/8/91, LRO - HB 2609
4. Proposed Amendments HB 2609-3, 4/5/91, Rep. Parkinson - HB 2609
5. Memo from Eaton Cross (mailing costs), 4/8/91 - HB 2609
6. LOC Draft # 1, BJ Smith, 4/9/91 - HB 2609
7. LOC Draft # 2, BJ Smith, 4/9/91 - HB 2609
8. Testimony from R.G. Andersen-Wyckoff, Mayor, City of Salem, 3/14/91 - HB 2609

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