

Tapes80-81, (A\B)

Public Hearing: SB 1 185

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

March 20, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair

Senator Joan Dukes, Vice Chair (arrived 1:45)

Senator John Brenneman

Senator Shirley Gold (arrived 1:45)

Senator Ron Grensky

Senator Bill McCoy (departed 2:35)

Senator Tricia Smith (arrived 2:00)

Staff Present: Jim Scherzinger, Legislative Revenue Officer

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Representative Ron Cease, District 19

B.J. Smith, League of Oregon Cities, LOC

Noel Klein, Special Districts Association of Oregon, SDAO

Steve Rhodes, City Manager of Tualatin

Gil Riddell, Association of Oregon Counties AOC Kevin Campbell, Grant County Judge

Gerry Heir, Marion County Commissioner Jack Roberts, Lane County Commissioner

TAPE 80. SIDE A

005 CHAIR CEASE called the meeting to order at 1:41 and conducted administrative business.

PUBLIC HEARING - SB

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019 REP. RON CEASE addressed the competitive local property tax issue offering several options: 1) Development of a coordination plan between local governments as seen in SB 1185, 2) Do nothing and let the county districts fight it out, 3) Any unit of local government that wants to levy will have to be analyzed by a neutral body, 4) Require each governmental entity to make information available to other local governments. -

081 REP. RON CEASE commented on specific points in SB 1185 with reference to Section 5 dealing with the development of the tax coordination plan which is not clear what would happen if the local governments can not agree on a plan.

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121 CHAIR CEASE referred to the suggested option of a neutral body reviewing the plan.

128 REP. RON CEASE addressed the neutral body would analyze the plan not judge it. Discussion follows.

157 REP. RON CEASE discussed Page 3, line 2 dealing with the proposed plan with the suggestion of the state controlling the requirements so there is conformity.

197 CHAIR CEASE questioned no district being allowed to levy if a plan is not agreed upon.

199 REP. RON CEASE explained the problem with that being one unit could have the power to veto.

204 CHAIR CEASE suggested if districts cannot agree on a plan than another entity does the plan for the governments.

209 Discussion follows regarding districts not being able to agree on a

unified plan.

234 B.J. SMITH discussed SB 1185 Section by Section beginning with Section 2 dealing with general statement of policy.

245 B.J. SMITH explained Section 3 which deals with definitions of the terminology in the bill.

260 B.J. SMITH discusses Section 4 which addresses the process of the bill with reference to development of the tax coordination plan.

313 B.J. SMITH focused on Section 5 of SB 1185 which deals with the contents of the tax coordination plan.

350 B.J. SMITH explained Section 6 refers to any new governmental agreements made. Section 7 deals with the need of conferring with other areas for resources.

362 B.J. SMITH discussed Section 8 which addresses the process of adopting the tax coordinating plan. Reference is made to dates found in Section 8.

387 B.J. SMITH pointed out Section 9 deals with the involvement of new governmental units or new levies in the tax coordination process.

393 B.J. SMITH explained Section 10 deals with sanctions.

405 NOEL KLEIN used the analogy of pancakes and pies with districts able to stack levies prior to Measure 5 and now there is a certain sized "pie" and as districts grow they will cut into another districts portion.

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009 NOEL KLEIN explained SB 1185 is a starting point for districts to sit down and work out a reasonable approach to work out a process.

024 STEVE RHODES expressed support of SB 1185.

EXHIBIT 1

082 SEN. DUKES questioned the various districts not being mandated to come together and work out a plan.

110 NOEL KLEIN explained the concept of a mandatory meeting being called by the county with everyone invited but a district could have the option of not participating in the process.

120 SEN. DUKES voiced concern of districts losing levy authority and asked if there was a mandate for a plan.

128 NOEL KLEIN addressed Section 5 and 6 in SB 1185 as being a concept of listing what the different authorities have planned for the coming year and a public notice process that the districts would follow if they desire to seek levy authority.

143 Discussion follows regarding a change in service responsibility.

172 NOEL KLEIN explained the end result would be a document written up by the county which identifies the plan of all the participants and the process for public hearings and notification.

186 SEN. DUKES asked if there could be different tax coordination plans. The response was yes and Sen. Dukes questioned the purpose of the meeting if each district can do their own thing.

190 NOEL KLEIN responded to encourage the neighboring districts to work in cooperation.

196 SEN. DUKES felt all the districts should agree on a distribution of funds and SB 1185 mandates the different districts to sit down and discuss issues.

208 Discussion follows clarifying the concepts in SB 1185.

228 SEN. DUKES questioned having an addition to the budget notices explaining the plans of the various districts.

235 B.J. SMITH commented on current consultations that have taken place since the passage of Measure 5 are yielding results.

260 SEN. DUKES questioned the purpose of SB 1185.

268 SEN. SMITH suggested requiring information being placed on a levy ballot giving information regarding the impact of the levy on other jurisdictions.

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286 Discussion follows regarding public notification to the voters regarding the levy impact on other jurisdictions.

295 SEN. SMITH voiced concern between local jurisdictions if they are not required to interface with each other.

314 B.J. SMITH addressed the misunderstandings between cities and the advantage of having a written record of what is happening among the various districts.

339 Discussion follows regarding the cooperation of various districts with or without SB 1185.

362 SEN. SMITH questioned the protection of small districts already at the cap but within the jurisdiction of a major city that intends to seek levying authority therefore the city chooses not to attend the meeting.

390 NOEL KLEIN explained the major city could do that according to SB 1185 unless the city is denied access to the voter which is another level of decision that goes beyond SB 1185.

406 SEN. SMITH asked what is to be done about the jurisdictions that are planning to seek levying authority in 1991.

416 NOEL KLEIN explained SB 1185 does not address 1991.

431 SEN. SMITH pointed out that districts have four opportunities to go to voters before the end of the year.

TAPE 80 SIDE

B

020 B.J. SMITH explained a spot survey indicated what issues were going to be on the March ballot and there was no evidence of tax "cannibalization."

036 SEN. DUKES recapped Section 4 of SB 1185 appears to be headed toward a master plan. It was suggested to require a joint master plan be adopted by the group of districts in the jurisdiction.

056 NOEL KLEIN explained there is no requirement to adopt a plan although that is the intent.

067 NOEL KLEIN reviewed the process explained in SB 1185 and if a district does not approve the plan that has been developed by the group then the district is prevented from seeking voter approval.

076 SEN. DUKES clarified that the bill does address a master plan.

083 JIM SCHERZINGER recapped the intent of SB 1185.

089 Discussion and questions follow regarding the intent of SB

118 5

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101 B.J. SMITH explained the coordination plan is not the same as the set of allocations. SB 1185 does not stop a jurisdiction from going to the voters if there is disagreement with the majority.

128 GIL RIDDELL questioned the necessity of legislation in agreements between local governments and discussed opposition to SB 1185.

148 KEVIN CAMPBELL testified opposition to SB 1185 explaining the importance of coordination but expressed concern of imposing regulations on smaller districts.

217 GERRY HEIR testified against SB 1185 explaining the various local governments are talking to each other on their own.

248 JACK ROBERTS discussed the positive collaborations being experienced in Lane County and expressed concern in legislation requiring cooperation may provide a trap for the smaller rural areas. Reference was made to the confusion of what SB 1185 can provide.

305 CHAIR CEASE asked what would make SB 1185 more palatable.

313 JACK ROBERTS voiced concern in answering the question of mandatory versus permissive decisions and determining a joint basis on an individual jurisdiction.

323 SEN. BRENNEMAN asked if there has been a history of the different districts meeting prior to the passage of Measure 5. The response was yes but now on a more regular basis.

332 SEN. BRENNEMAN asked if it was common to have intergovernmental agreements prior to Measure 5.

333 Discussion follows regarding the coordinate of efforts in the represented counties as well as across the state.

398 SEN. SMITH reviewed it should be up to the voters to prioritize what is wanted and expressed concern in the voters not knowing they may be choosing between a hospital or a swimming pool. The cost involved in campaigning to instruct the voters of what is being voted on was addressed.

TAPE 81 SIDE

B

010 KEVIN CAMPBELL explained the voters have lost the right to say they want both a hospital and a swimming pool because of the restrictions to deliver services due to Measure 5. The need is to identify other sources of revenue along with local funding.

026 JACK ROBERTS addressed the issue of final decisions being made at the intergovernmental stage rather than by the voters.

039 SEN. SMITH expressed concern over the competition of the governmental bodies of the various cities, counties, and districts.

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SB 1185 will prevent the varying entities from doing what they want without discussing it with everyone involved.

059 GERRY HEIR commented that the voters should have knowledge of what the impact is on the various jurisdiction.

063 SEN. SMITH addressed the concern of acting reactively instead of proactively.

070 CHAIR CEASE adjourned the meeting at 3:11.

Mary Ann Zimmermann, committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Written Testimony, Stephen Rhodes, 3/20/91 - SB 1185
2. Blackboard Illustration, LRO, 3/20/91 - SB 1185
3. Fiscal Analysis, LFO, 3/20/91 - SB 1185

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