

Tapes139-140, (A\B)

Work Session: HB 2550A

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

May 3, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair

Senator Joan Dukes, Vice Chair

Senator John Brenneman

Senator Shirley Gold (arrived 1:30)

Senator Ron Grensky (arrived 1:29, departed 2:30)

Senator Bill McCoy

Senator Tricia Smith (arrived 1:23)

Staff Present: Jim Scherzinger, Legislative Revenue Officer

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Jim Wilcox, Department of Revenue DOR

Gil Riddell, Association of Oregon Counties AOC

Gary Carlson, Associated Oregon Industries, AOI

Elizabeth Stockdale, Department of Justice DOJ

TAPE 139. SIDE A

005 CHAIR CEASE called the meeting to order at 1:22 and conducted administrative business.

WORK SESSION - HB 2550A

026 JIM SCHERZINGER referred to the list of HB 2550A issues with reference to the section dealing with "other taxes and charges". EXHIBIT 1

053 JIM SCHERZINGER reviewed the amendments proposed by Rep. Carl Hosticka dealing with amusement devices (HB 2550-A41). EXHIBIT 2

065 Discussion follows regarding the amusement device amendments. Reference was made to a gross receipt tax. EXHIBIT 2

090 SEN. DUKES did not support removing taxes from amusement devices.

106 SEN. SMITH asked if there was something that could be done for the "small" owner of amusement devices.

122 SEN. MCCOY pointed out the amendments in EXHIBIT 2 are all games of chance.

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129 JIM SCHERZINGER reviewed any device would be taxed under current law and the proposed amendments would exempt devices that are games of skill and raise the tax on games of chance. Reference is made to a summary of the amusement device tax. EXHIBIT 3

145 Discussion follows regarding taxing amusement devices.

181 JIM SCHERZINGER continued addressing the list of issues in EXHIBIT 1 with reference to restoring the mobile home processing fee. The amendment was presented by Association of Oregon Counties (AOC) on page 5, EXHIBIT 4.

255 Discussion follows regarding the AOC recommendation to restore the

mobile home processing fee. Currently there is no fee and the counties would like to make the fee \$10.

265 SEN. DUKES questioned assessing the fee if a mobile home is moved from one county to another.

274 JIM WILCOX responded that frequently mobile homes are in areas where permits are necessary and therefore the assessors would have the information. If mobile homes are not under a permit it could be a problem. Reference was made to obtaining a list from the Department of Motor Vehicles (DMV).

290 Discussion follows regarding the taxes and assessment of mobile homes. Reference is made to a fee for transferring the title of a home.

353 JIM WILCOX explained there is a fee in the recorder office for the transfer of property.

365 It was pointed out that the issue involves the movement of the mobile home.

370 SEN. SMITH felt if there is a comparable fee for real property then it is reasonable to include it for mobile homes.

380 JIM SCHERZINGER referred to Section 172, Page 85 in HB 2550A which deals only with moving the mobile home and not a change of title.

423 Discussion follows regarding the taxation involved in moving a mobile home.

TAPE 140 SIDE

A

022 JIM SCHERZINGER explained the change of assessment date from January to July caused the removal of the fee. The question was raised as to why the fee was removed.

039 GIL RIDDELL recapped the removal of the mobile home fee from HB 2550A was because it was not a part of Measure 5.

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042 SEN. SMITH asked if the fee was to process the collection of any taxes owing.

045 GIL RIDDELL responded the work is apart from, or an addition to, the normal assessment process which is required under the Department of Transportation laws.

057 SEN. SMITH questioned the benefit to the counties.

064 GIL RIDDELL responded it is a procedure to certify the people who are moving the property actually do own the property.

073 MOTION SEN. DUKES moved to amend Section 172, ORS 308.865 to restore the mobile home processing fee as requested by the Association of Oregon Counties.

079 ORDER There being no objection, CHAIR CEASE so ordered.

082 RECONSIDERATION CHAIR CEASE reconsidered the order since objection was noted by the members.

085 DISCUSSION

109 VOTE In a roll call vote the motion passed (4-3). AYES: Senators Grensky, McCoy, Dukes, Cease. NAYS: Senators Gold, Smith, Brenneman.

133 JIM SCHERZINGER discussed the next issue in EXHIBIT 1 in which AOC would like to increase the penalty for personal property return. The recommendation by AOC is explained in EXHIBIT 4.

170 GIL RIDDELL explained the reason for the enhancement of penalty on property returns was to prevent late filings.

187 Discussion follows regarding the filing time involved for personal and real property returns. Reference is made to the current penalty for filing

late returns.

227 SEN. DUKES questioned penalizing the taxpayers more, after the date to file has been moved up two weeks.

232 SEN. GOLD questioned the money being used elsewhere for investments.

242 GIL RIDDELL explained the possibility of extension would not be affected by the change.

247 It was clarified that this is only a penalty for ignoring the deadline and not a penalty for an extension.

253 GARY CARLSON discussed the recommendation by AOC and pointed out the question being when the return is filed or whether a penalty is do and AOI feels the current penalty is adequate.

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279 SEN. GOLD questioned the notification process of the responsibility involved in filing on time.

288 GIL RIDDELL responded the assessor will send the previous years filing which will be a vehicle to remind the taxpayers.

302 Discussion follows regarding the notification process.

308 JIM WILCOX discussed the notification process for filing personal property returns.

355 GARY CARLSON discussed the timeframe for filing returns prior to the passage of Measure 5 and since the window has been shortened in HB 2550A then an increase to the penalty is unnecessary. -

394 MOTION SEN. MCCOY moved the adoption of AOC's suggestion on the penalty increase for a late filing of personal property return as explained on Page 7, Item 10e. EXHIBIT 4

400 VOTE In a roll call vote the motion failed (2-4). AYES:

Senators Mccoy, Smith. NAYS: Senators Brenneman, Gold,  
Dukes, Cease. Senator Grensky was excused.

TAPE 139 SIDE B

010 JIM SCHERZINGER addressed the next item on the list in EXHIBIT 1 dealing with water assessments. It was pointed out that the Water Resource Congress has dropped the portion of presumption dealing with specific requests. Legislative Counsel is drafting amendments dealing with water assessments.

022 JIM SCHERZINGER discussed the electric co-op tax which was decided by the committee to be retain~in HB 2550A.

042 JIM SCHERZINGER presented a progress report of the amendments that are currently in process. Reference is made to a list of amendments to HB 255 0A. EXHIBIT 5

055 JIM SCHERZINGER explained (LC-42) reflects decisions already discussed by the committee. It was clarified that lines 2-10 in the proposed amendments reflect local budget. EXHIBIT 6

076 Discussion follows regarding the (LC-42) amendments. EXHIBIT 6

091 SEN. DUKES asked for a hand engrossed version of the bill dealing with the local budget.

116 JIM SCHERZINGER discussed the (LC-43) amendments dealing with the clarifications from state agencies as to things that pertain to Measure 5. EXHIBIT 7

124 JIM SCHERZINGER presented the next amendment on the list in EXHIBIT 5 dealing with a state agency in HB 2550A.

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135 Discussion follows regarding the proposed amendments from the Department of Justice. EXHIBIT 8  
157 ELIZABETH STOCKDALE explained the proposed amendment dealing with the registration, transfer or issue of title for a camper or travel trailer.  
169 MOTION SEN. DUKES moved to have the proposal from the Department of Justice dated May 3, 1991 be sent to Legislative Counsel and put into LC form. EXHIBIT 8  
184 ORDER There being no objection, CHAIR CEASE so ordered.  
187 Discussion follows regarding the process of adopting amendments currently before the meeting. It was clarified the meeting was an informational review of the amendments to be decided on at another meeting.  
194 JIM SCHERZINGER explained the next set of amendments (LC-44) are technical changes and will be addressed at another meeting. EXHIBIT 9  
220 CHAIR CEASE recapped the various recommendations have been put into Legislative Counsel form and that is what is being presented to the committee.  
239 ELIZABETH STOCKDALE explained the proposed amendments by the Department of Revenue labeled DOR-2A. EXHIBIT 10  
262 MOTION SEN. DUKES suggested having the technical amendments labeled DOR-2A date 5/3/91 be drafted in LC form by Legislative Counsel.  
265 ORDER There being no objection, CHAIR CEASE so ordered.  
275 ELIZABETH STOCKDALE explained the proposed amendments marked DOR-3A dated 5/3/91 as being a technical administrative change. EXHIBIT 11  
303 CONSENSUS CHAIR CEASE noted there was no objection to have the DOR3A amendments put into LC form. EXHIBIT 11  
312 JIM SCHERZINGER presented the LC-45 amendments on amusement devices that were requested to be drafted by the Committee. EXHIBIT 12  
318 JIM SCHERZINGER did a brief overview of the remaining amendments listed that are currently being drafted by Legislative Counsel. EXHIBIT 5  
326 CHAIR CEASE recapped the decision made by a working group on setting stricter income requirements on farm land. The agreement was for a new income test for farm-use land that is not in an exclusive farm use zone.

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353 Discussion follows regarding the decision made by the working group dealing with farm land. It was clarified that the Senate Revenue Committee will make the final decisions.  
382 SEN. GOLD requested a revenue impact for any amendment brought before the committee.  
400 CHAIR CEASE adjourned the meeting at 2:47.

Mary Ann Zimmermann, Committee Assistant  
Kimberly Taylor, Office Manager  
EXHIBIT SUMMARY

1. HB 2550A Issues, LRO, 4/16/91 (See Exhibit 1 Senate Revenue Meeting 4/16/91 - HB 2550A)
2. Proposed Amendments HB 2550-A41 (LC 2386), 4/25/91 (See Exhibit Senate Revenue Meeting 4/25/91 - HB 2550A)

3. Amusement Device Tax, LRO, 5/3/91 - HB 2550A
4. Written Testimony HB 2550A Issues, AOC, 4/5/91 (See Exhibit 3 Senate Revenue Meeting 4/5/91 - HB 2550A)
5. HB 2550A Amendment Outline, LRO, 5/3/91 - HB 2550A
6. Proposed Amendments HB 2550-A42 (LC 2386), 4/26/91 - HB 2550A
7. Proposed Amendments HB 2550-A43 (LC 2386), 5/1/91 - HB 2550A
8. Proposed Amendments HB 2550A, DOJ, 5/3/91 - HB 2550A
9. Proposed Amendments HB 2550-A44 (LC 2386), 5/1/91 - HB 2550A
10. Proposed Amendments HB 2550A (DOR-2A), DOR, 5/1/91 - HB 2550A
11. Proposed Amendments HB 2550A (DOR-3A), DOR, 5/3/91 - HB 2550A
12. Proposed Amendments HB 2550-A45 (LC 2386), 5/2/91 - HB 2550A
- 13 Oregon Supreme Court Ruling, LRO, 5/3/91 - Miscellaneous

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