

Tapes141-142, (A)

Work Session: HB 2550A,

HB 2609A

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

May 6, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair

Senator Joan Dukes, Vice Chair

Senator John Brenneman (arrived 1:20)

Senator Shirley Gold

Senator Ron Grensky

Senator Bill McCoy

Senator Tricia Smith

Staff Present: Jim Scherzinger, Legislative Revenue Officer

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Jim Brown, Department of Revenue

TAPE 141. SIDE A

005 CHAIR CEASE called the meeting to order at 1:10 and conducted administrative business.

WORK SESSION - HB

255 0A

057 JIM SCHERZINGER explained the agenda plan is to revisit issues that have been flagged by the committee beginning with partial exemptions.

065 CHAIR CEASE announced a committee meeting dealing with exemptions will be held on May 14, 1991. SB 440 will also be addressed at the meeting including a public hearing and work session.

084 JIM SCHERZINGER presented a handout and discussed partial exemptions beginning with veterans exemptions. Questions are interspersed. EXHIBIT 1

111 JIM SCHERZINGER discussed the partial exemptions of historic property. An explanation of what historic property is was included.

130 JIM SCHERZINGER continued addressing partial exemptions with regard to rehabilitated residential housing.

142 SEN. SMITH pointed out a program in Salem with a geographic area designated for construction would have a partial exemption.

These minutes paraphrase and/or summarize statements made during this meetings. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

Senate Committee on

Revenue and School Finance

May 6, 1991 Page 2

150 JIM SCHERZINGER explained that the partial exemption does not apply to new construction under the rehabilitated residential housing.

163 JIM SCHERZINGER discussed the partial exemption of down-zoned property.

175 SEN. SMITH referred to a secondary land bill currently in legislation allowing counties to down-zone primary agricultural or forest land to secondary land, and questioned impact on the partial exemption issue.

178 JIM SCHERZINGER responded it would be more costly and would not apply to down-zoning. It was pointed out that the down-zoning would not apply to property that is already receiving special assessment.

190 Discussion continued regarding down-zoned property.

210 JIM SCHERZINGER presented figures depicting veterans exemption and historic property. EXHIBIT 2

218 JIM SCHERZINGER used a blackboard illustration to explain veteran's exemption. EXHIBIT 3

260 Discussion and questions follow regarding the example presented in EXHIBIT 3. Reference is made to the current system and how the exemptions are affected under Measure 5.

368 JIM SCHERZINGER used EXHIBIT 2 to explain the veteran's exemptions with

reference to school taxes. The relief for schools and assessed value (AV) limit are addressed for 1991-1996.

TAPE 142 SIDE

A

016 JIM SCHERZINGER referred to the nonschools figures regarding partial exemption relief in EXHIBIT 2.

024 JIM SCHERZINGER explained there are about \$217 million dollars in total value for veteran exemptions.

023 CHAIR CEASE pointed out the committee could add the additional exemption relief into HB 2550A.

033 JIM SCHERZINGER clarified additional cost to the state in terms of schools would be the AV limit column under schools. EXHIBIT 2

036 JIM SCHERZINGER presented a list of frozen values by county for historic property. Reference is made to the large value of Multnomah. It was pointed out that the frozen value for historic property sunsets before the 67th legislative session. EXHIBIT 2

055 CHAIR CEASE pointed out that Section 52 and 54 of HB 2550A deals with partial exemptions. Discussion follows regarding the dollar amount involved in partial exemptions.

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Senate Committee on  
Revenue and School Finance  
May 6, 1991 Page 3

076 SEN. GRENSKY questioned the pulling out of exemptions at this time because of public reaction. This is a difficult area to focus on additional revenue.

088 SEN. DUKES suggested having language drafted to extend the sunset on partial exemption of historic property.

095 Discussion follows regarding changing the sunset on historic property.

104 CHAIR CEASE asked if there were any suggestions other than extending the sunset on historic property for five years.

115 SEN. MCCOY questioned reviewing the issue in two years instead of making the sunset for five years.

122 SEN. SMITH pointed out the Historic Preservation Community will be reviewing historic preservation statutes during the interim and the two year sunset should be sufficient.

127 SEN. GOLD commented on the confusion in HB 2550A with various sunsets throughout the bill. It was suggested to review in two years.

141 JIM SCHERZINGER clarified the sunset on historic property will not sunset until December 31, 1993 therefore the issue will be addressed in the 67th legislative session.

158 MOTION SEN. SMITH moved the partial exemptions be continued for the veterans exemption, historic property, rehabilitated residential housing and down-zoned property applying Measure 5 limits to the assessed valuation rather than real market value.

176 DISCUSSION

194 ORDER There being no objection to having the motion drafted and amended into HB 2550A, CHAIR CEASE so ordered.

200 JIM SCHERZINGER referred to questions raised by the committee on Page 90 of HB 2550A regarding the Board of Equalization (BOE) and the Board of Ratio Review (BORR).

208 JIM SCHERZINGER referred to Line 22, Page 90 of HB 2550A and the question was raised if the member of the governing body of the taxing body could be a County Commissioner.

216 CHAIR CEASE asked if there was any place in the state that would have a

problem with having two county commissioners on the board.

232 Discussion and questions follow regarding restricting the second County Commissioner serving on the board.

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Senate Committee on  
Revenue and School Finance

May 6, 1991 Page 4

240 MOTION SEN. SMITH moved adoption of the wording on Page 90, Line 22-23 prohibit the member of the governing body that is not of the school district be someone other than the County Commission.

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

251 JIM SCHERZINGER addressed the other issue raised by the committee dealt with having more than one alternate on the BORR. The question is does the committee want language redrafted to restrict it to have only one alternate. (Page 90, Line 44 of HB 2550A)

270 Discussion follows regarding the alternates for the BORR.

316 JIM BROWN explained the intention of the language in the bill was the alternate would be one individual who could represent any person on the board.

331 SEN. DUKES voiced concern in one individual representing the various portions of the BORR.

334 NOTION SEN. SMITH moved the sentence beginning on Line 44, Page 90 of HB 2550A read "one person may be appointed by the county governing body to sit as an alternate for nonoffice holding members.

351 CHAIR CEASE clarified the alternates would be for the citizens that are referred to on Line 24-25, Page 90 in Section 185 which amends ORS 309.010.

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

363 CHAIR CEASE adjourned the meeting at 2:05.

Mary Ann Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Partial Exemptions, LRO, 5/6/91 - HB 2550A
2. Partial Exemption Relief, LRO, 5/6/91 - HB 2550A
3. Blackboard Illustration, LRO, 5/6/91 - HB 2550A

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