

Tapes 166-
167, (A\B)
Work Session 814, HB 2550A Work Session: HB 2609A

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

May 24, 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

Senator Ron Grensky (arrived 1:50)

Senator Bill McCoy (arrived 1:50)

Senator Tricia Smith

Staff Present: Jim Scherzinger, Legislative Revenue Officer

Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Elizabeth Stockdale, Department of Justice

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005 CHAIR CEASE called the meeting to order at 1:35 and conducted administrative business.

WORK SESSION - HB 2550A

058 ELIZABETH STOCKDALE recapped the May 23, 1991 Senate Revenue Committee meeting which addressed the proposed technical amendments HB 2550-A47.

During the meeting it was noted that some revisions needed to be made to the proposed amendments. EXHIBIT 3

070 ELIZABETH STOCKDALE presented proposed language revising Section 409, Page 202 of HB 2550A which deals with delinquent sewer disposal charges which caused problems for the City of Tangent that is on a well but use a city sewage disposal system. The proposed language deals with this problem.

EXHIBIT 1

125 Discussion follows regarding the payment for delinquent sewer fees being placed on the property tax statement. Reference is made to other issues which use the property tax statement as a collection remedy.

170 ELIZABETH STOCKDALE presented changes labeled DOR-9A (EXHIBIT 2) explaining the revisions to HB 2550-A47 LC amendments (EXHIBIT 3).

181 SEN. SMITH asked for an explanation of why Measure 5 requires a change in the current way municipalities collect on delinquent charges.

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198 ELIZABETH STOCKDALE responded the Department of Revenue (DOR) studied what would have to go on tax statements as a result of Measure 5. It was decided to place only ad valorem property taxes or issues subject to the limits of Measure 5. Discussion follows.

228 ELIZABETH STOCKDALE explained the proposed changes (EXHIBIT 2) which are a revision of HB 2550-A47 LC amendments (EXHIBIT 3).

290 ELIZABETH STOCKDALE continued explaining the changes in EXHIBIT 2 with reference to the LC amendments in EXHIBIT 3 and further referencing to HB 255 0A. Discussion and questions are interspersed.

390 ELIZABETH STOCKDALE continued addressing the revisions (EXHIBIT 2) to HB 2550-A47 amendments (EXHIBIT 3).

440 ELIZABETH STOCKDALE explained the addition of a new Section 246a to HB 255 0A as presented in EXHIBIT 2.

TAPE 167 SIDE A

000 ELIZABETH STOCKDALE continued explaining the proposed revisions to the HB 2550-A47. EXHIBIT 2

128 ELIZABETH STOCKDALE explained the change on Page 7 of the HB 2550A47 (EXHIBIT 3) as presented on Page 2, EXHIBIT 2.

151 ELIZABETH STOCKDALE discussed the revision on Page 8, EXHIBIT 3 as presented in EXHIBIT 2. Discussion and questions are interspersed.

210 ELIZABETH STOCKDALE reviewed the revision of EXHIBIT 3 with the insertion of Section 246a.

230 ELIZABETH STOCKDALE concluded the explanation of the technical changes on Page 2, EXHIBIT 2.

250 JIM SCHERZINGER clarified the proposed amendments are giving the option for sewer charges but not for other types of charges. Reference is made to TV translator districts.

276 Discussion follows regarding removing charges from the tax statement which are not ad valorem taxes and not subject to the limits of Measure 5. Reference is made to the sewer district in Tangent, Oregon causing problems because the sewers could not be shut down for delinquent payment but a TV translator could without creating hazardous health problem.

289 The corrections to the DOR-9A amendments (EXHIBIT 2) were reviewed:

1. Line 4 the word "any" should be "and"
2. Midway on Page 1 that reads "In line 14" should be "On page 5"
4. The words "On page 5," on line 14 of EXHIBIT 2 should be removed.

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5. Also on line 14 of EXHIBIT 2 after the words "line 7," add the words "delete Section and insert Sections." And after the second "and" include the words "delete is and insert are".

327 MOTION SEN. DUKES moved to include the changes in the amendments labeled DOR-9A dated May 24, 1991. EXHIBIT 2

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

342 DISCUSSION

363 MOTION SEN. DUKES moved to adopt HB 2550-A47 amendments of Legislative Counsel dated 5/7/91 as amended. EXHIBIT 3

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

390 JIM SCHERZINGER presented proposed amendments HB 2550-A46 dealing with state agency clarifications. EXHIBIT 4

TAPE 166 SIDE

B

003 JIM SCHERZINGER explained there are several issues within the HB 2550-A46 and the amendments change the fees, charges, or taxes of the issues so they are not subject to the limits of Measure 5. The issues include: 1) the Zone 1 fire protection assessments in Eastern Oregon; 2) the wine tax being converted into a sales and use tax; 3) vehicle registration fees

027 SEN. DUKES questioned the language on Page 1 of HB 2550-A46 dealing with Section 415a and asked if the fire suppression activities done by the Board of Forestry are related to the proposed language. EXHIBIT 4

038 ELIZABETH STOCKDALE responded the Board of Forestry is responsible for certain forest and range lands which have fire protection districts. The Zone 1 lands are an exception because they are in a county but not a city, are not in an Rural Fire Protection District (RFPD), not federally or state owned land, not protected by forestry under Chapter 477. Current law agrees

it is more effective for forestry to protect the land. The Association of Oregon Counties (AOC) requested the assessment not be subject to Measure 5.
060 Discussion continues regarding Section 415a on page 204 of HB 2550A dealing with Zone 1 fire protection.

073 JIM SCHERZINGER explained the proposed amendments dealing with the wine tax as explained on Page 3, EXHIBIT 4 in Section 415c.

110 Discussion follows regarding tax on the sale or use of products that go into the production of wine.

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136 JIM SCHERZINGER explained the remainder of the HB 2550-A46 amendments beginning on Page 4 refer to Page 234 of HB 2550A and deal with the vehicle registration fees including proportionately registered vehicles, campers, travel trailers, and mobile homes.

159 Discussion and questions follow regarding the vehicle registration fees with reference to changing the word "owners" to "registrants".

165 JIM SCHERZINGER discussed the changes on Page 15, EXHIBIT 4 dealing with the tax on the property regardless of the use of the vehicle and therefore is covered by Measure 5.

180 Discussion follows regarding the changes in EXHIBIT 4 dealing with campers and travel trailers.

200 CHAIR CEASE referred to Page 25 and 26 of the proposed amendments which delete the coordination between property tax and motor vehicle on suspended registration.

212 MOTION SEN. SMITH moved to adopt HB 2550-A46 LC amendments dates 5/6/91. EXHIBIT 4

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

218 JIM SCHERZINGER reviewed the committee's discussion on amusement device taxes and having language drafted clarifying the amusement device tax was not covered under the limits of Measure 5. EXHIBIT 5

243 SEN. DUKES suggested separating the games of chance from the games of skill and not deleting the tax on one but increasing the tax on the other. The annual fee on video poker games would be raised to \$500 from the current \$100.

266 JIM SCHERZINGER explained the suggestion would involve major changes because current statute does not make a distinction between the separate types of devices.

277 CHAIR CEASE asked for drafting of LC amendments for the recommendation made by Sen. Dukes along with the revenue impact. The proposed amendments in EXHIBIT 5 will be dealt with at that time.

292 CHAIR CEASE conducted administrative business and adjourned the meeting 2:55.

Mary Ann Zimmermann, Committee
Assistant
Kimberly Taylor, Office Manager

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EXHIBIT SUMMARY

1. Proposed Language to Deal with City of Tangent Problem, City of Tangent, 5/24/91 - HB 2550A
 2. Proposed Amendments to HB 2550A DOR-9A, DOR, 5/24/91 - HB 2550A
 3. Proposed Amendments HB 2550-A47 (LC 2386), 5/7/91 (See Exhibit 1 Senate Revenue Committee Meeting 4/23/91 - HB 2550A)
 4. Proposed Amendments HB 2550-A46 (LC 2386), 5/6/91 - HB 2550A
 5. Proposed Amendments HB 2550-A45 (LC 2386), 5/2/91 - HB 2550A
 6. Written Testimony, Verna Brown, 5/24/91 - HB 2550A

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