

Tapes 174-175, (A\B)  
Work Session: HB 2550A, SB 814  
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE  
May 30, 1991 1:00 PM Hearing Room A State Capitol Building  
Members Present: Senator Jane Cease, Chair  
Senator Joan Dukes, Vice Chair (arrived 2:10)  
Senator Shirley Gold (departed 2:45)  
Senator Ron Grensky (departed 1:45)  
Senator Bill McCoy  
Senator Tricia Smith  
Members Excused: Senator John Brenneman

Staff Present: Jim Scherzinger, Legislative Revenue Officer  
Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Olivia Clark, City of Salem  
B.J. Smith, League of Oregon Cities (LOC)  
Delores Devine, County Tax Collectors  
Verna Brown, Lane County  
Jim Wilcox, Department of Revenue (DOR)  
TAPE 174 SIDE A

005 CHAIR CEASE called the meeting to order at 1:25 and conducted administrative business.

WORK SESSION - HB 2550A

017 A list of HB 2550A amendments was presented to the committee. EXHIBIT 1

020 CHAIR CEASE referred to HB 2550-A63 dealing with payments by the tax collector to taxing districts. The amendments were carried over from the 5/29/91 Senate Revenue meeting because the districts wanted to review them. The amendments will be addressed later in the meeting. EXHIBIT 2

030 JIM SCHERZINGER reviewed a previous discussion regarding affordable housing through an urban renewal district.

044 JIM SCHERZINGER presented HB 2550-A65 amendments. EXHIBIT 3  
The HB 2550-A65 amendments are included in the HB 2550-A50 amendments which have already been adopted by committee. EXHIBIT 4

062 JIM SCHERZINGER referred to Page 5 of HB 2550-A50 amendments (EXHIBIT 4) which list the things that are suppose to be included

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within an urban renewal plan. The HB 2550-A65 add to the list a paragraph (j) "for a project which includes housing, an explanation of how the housing related to the goals of the plan." EXHIBIT 3 It was explained that the HB 2550-A65 amendments are implying that it is okay to do housing because it recognizes that it may be included in the plan.

075 Discussion follows regarding the HB 2550-A65 amendments.

083 CHAIR CEASE commented that many people agree that urban renewal districts can already include housing in the plan.

089 SEN. SMITH pointed out that HB 2550-A65 is more of an impediment to housing rather than a promoter because it has to be justified within the plan how housing fits the goal.

110 JIM SCHERZINGER presented another alternative as displayed in HB 255 0-A66 amendments which change the powers of an urban renewal agency by including the ability to finance and construct housing. The concern was the implication that other types of construction for improvements would not be included except for housing.

121 JIM SCHERZINGER explained that in currently the powers of the urban renewal agency is the same as a housing authority. Legislative Counsel felt the best way to clearly state that housing could be included was to add the language on Line 9, Page 1, EXHIBIT 5.

131 SEN. SMITH asked how to address the concern that housing is limited to low income financing constructed by the agency.

139 JIM SCHERZINGER responded with reference to the uncertainty about the kinds of buildings that can be included in an urban renewal agency.

150 CHAIR CEASE commented that because of the uncertainty it might be better to address the issue during the interim.

154 SEN. SMITH asked if ORS 457.170 is in HB 2550-A50 amendments. The response was "no" because it is in the original HB 2609 which limit the ability to build public buildings.

162 Discussion follows regarding housing authority powers with reference to low income housing.

199 OLIVIA CLARK explained the definition of "low income" that is used by the housing authority.

213 JIM SCHERZINGER asked how to determine affordable housing and who does the housing authority serve.

215 OLIVIA CLARK responded normally housing authority serves "low" and "very-low" income.

218 Discussion follows regarding the housing authority.

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223 SEN. GOLD questioned the committee addressing HB 2550-A66 at this time. EXHIBIT 5 ,

232 Discussion continues regarding HB 2550-A65 which is not granting any power but is implying the intent that there is power available to construct housing. It was also pointed out that the same implication would apply to the public building language. EXHIBIT 3

245 Discussion follows regarding current statute and HB 2550-A50 with reference to affordable housing. EXHIBIT 4

286 It was decided that the issue of affordable housing needs to be addressed more thoroughly during the interim.

298 CHAIR CEASE referred back to HB 2550-A63. EXHIBIT 2

313 SEN. GOLD acknowledged she would not like to address the listed tax policy amendments in HB 2550A. EXHIBIT 1

320 B.J. SMITH described concerns with HB 2550-A63 dealing with shortening the time frame in which taxing districts would be getting a weekly turnover of the money coming in at the beginning of the pay period for property taxes.

352 B.J. SMITH explained another concern regarding the last quarter of the year and HB 2550-A63 only allows small districts, \$10,000 or less, would receive a tax turnover on a quarterly basis rather than a monthly basis.

385 B.J. SMITH addressed a final concern with HB 2550-A63 dealing with the recommendation that the \$10,000 threshold be used for any tax year.

387 DELORES DEVINE testified with suggestions to satisfy the concerns of

LOC by adding some "ifs", "ands", and "buts". Reference was made to Page 123 of HB 2550A

400 DELORES DEVINE reviewed the HB 2550-A63 including the suggested changes. EXHIBIT 2  
TAPE 175 SIDE A

012 JIM SCHERZINGER suggested including a new paragraph with possible language between Lines 39-40, Page 123, HB 2550A, "notwithstanding paragraph (a) if a district requests a distribution to be made monthly."

024 CHAIR CEASE discussed changing the language in HB 2550-A63. EXHIBIT 2

033 CONSENSUS CHAIR CEASE noted no objection to include language in HB 2550-A63, "notwithstanding paragraph (a)," which is now Subsection 1 of Section 311.395, "if a district requests the distribution monthly that is how it will be done."

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034 DELORES DEVINE addressed the weekly distribution concern of LOC with the suggestion that if a county has not completed their November 15 payment then weekly distributions will continue until the payments are completed.

048 Discussion follows regarding the suggested change by Ms. Devine. It was noted that the suggestion is workable but since there is an interaction between two subsections, one of which is on a weekly basis and one on a monthly, it is difficult to come up with the proper wording.

099 JIM SCHERZINGER suggested adding a new subsection 3 saying "notwithstanding subsection 1 and 2, distribution shall be made under subsection 2 of this Section for taxes collected for the current year until all payments made by the date the taxes are due are processed."

105 CONSENSUS CHAIR CEASE noted no objection to include the conceptual language in HB 2550-A63.

110 CONSENSUS CHAIR CEASE noted no objection to adopt HB 2550A63 with the additional conceptual language. EXHIBIT 2

140 JIM SCHERZINGER presented HB 2550-A74 dealing with the Board of Ratio Review (BORR). EXHIBIT 6

150 JIM SCHERZINGER distributed hand-engrossed versions of HB 2550A including the proposed amendments. It was explained that HB 2550-A74 remove the two members of the governing body of the school and non county taxing district. Then the membership of the Board of Equalization (BOE) and BORR would be the same.

163 VERNA BROWN testified regarding the importance of the BORR and the Boards of Appeal be a group without bias and conflict of interest which would not be the case if taxing districts were placed on the two boards.

196 VERNA BROWN pointed out that HB 2550 is suppose to implement Measure 5 and the issue is not related to Measure 5 and urge the committee to delete the clause that allows an elected official to serve on the BORR.

218 CHAIR CEASE questioned the development of the section related to adding taxing districts to the BORR.

221 JIM SCHERZINGER presented an overview of the House Revenue discussion regarding the BORR.

247 VERNA BROWN discussed the intent was for taxing districts to understand the appeals system but suggested having a seminar rather than "contaminate" the hearing process with elected officials.

257 JIM WILCOX explained the BORR was expanded to include representatives from taxing districts because it was recognized that

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Measure 5 switches the state from a levy based to a rate based system and districts would have a greater interest in the valuation level and the Ratio Review process sets the overall assessment level for a jurisdiction.  
276 SEN. SMITH pointed out that since the BORR sets the assessment then the taxing districts would want to set the rates high.

285 Discussion follows regarding the taxing districts being on the BORR and the job of the BORR.

311 JIM SCHERZINGER asked to what extent is the BORR advisory and to what extent does it order a change in the roll.

320 JIM WILCOX responded the assessor makes recommendations to the BORR and the recommendations are reviewed by the DOR. At that time both the BORR and the DOR make recommendations to the assessor who makes the ultimate decision but the DOR can override the decision of the assessor.

341 Discussion follows regarding the proposed amendment HB 2550-A74.

EXHIBIT 6

370 CHAIR CEASE noted a quorum was not in support of HB 2550A74.

375 JIM SCHERZINGER referred to the hand engrossed amendments to HB 2550A (EXHIBIT 7, Page 90-91) and pointed out the way the bill is written the county governing body is appointing all the members of the BORR and the BOE. It is not clear who the chair is going to be on the boards.

TAPE 174 SIDE

B

004 Discussion follows regarding the unclarity of who the chair will be on the BORR and BOE.

012 JIM SCHERZINGER presented HB 2550-A72 which allows the county commissioner or the alternate for the county commissioner to be chair.

EXHIBIT 8

018 SEN. DUKES asked if the alternate appointed is a representative of the governing body.

025 JIM SCHERZINGER responded that if someone was appointed who was not the county commissioner it would be a non-office holding county resident.

027 SEN. DUKES asked what would the worse thing that could happen if it was decided to adopt HB 2550-A72.

030 VERNA BROWN responded that currently the process is the same, either the county commissioner is the chair or the citizen appointed by the commissioner.

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032 CONSENSUS CHAIR CEASE noted no objection to the adoption of HB 255 0-A72. EXHIBIT 8

060 JIM SCHERZINGER presented HB 2550-A75 which is a collection of amendments dealing with issues regarding personal and industrial property returns. EXHIBIT 9

082 JIM SCHERZINGER explained Page 21, Line 20, HB 2550A is a technical change of changing the terminology of "assessment year" to "tax year".

105 JIM SCHERZINGER discussed the amendment regarding changing the deadline for filing personal and industrial property returns with the county assessor, Page 57, HB 2550A. EXHIBIT 9

110 JIM SCHERZINGER noted a correction to the HB 2550-A75 amendments will need to be inserted after the hand engrossed language on Page 1, EXHIBIT 9, Line 6. The inserted language will read "the assessor shall mail the return by June 1."

139 CONSENSUS CHAIR CEASE noted no objection to insert the language "the assessor shall mail the return by June 1" after Line 6, Page 1, EXHIBIT 9.

147 JIM SCHERZINGER continued explaining the HB 2550-A75 amendments beginning with line 7, Page 1, EXHIBIT 9 which deal with the combined return of the real and personal property.

173 Discussion and questions follow regarding combined return filing if the property is a principle or secondary industrial property.

200 JIM SCHERZINGER explained the combined return will have a deadline of August 1 as seen on Page 2, Line 7, EXHIBIT 9.

212 Discussion and questions follows regarding the combined returns.

220 SEN. SMITH questioned if language should be in the bill that industrial property owners will be notified by June 1 to file combined returns.

254 The DOR will come back with an answer to Sen. Smith's question.

256 JIM SCHERZINGER continued addressing HB 2550-A75 amendments with reference to Page 57 of HB 2550A on Page 2, EXHIBIT 9 dealing with the application to the DOR for an extension of combined returns until August 31.

296 JIM SCHERZINGER explained the technical change clarifying the personal industrial returns are subject to penalty if failed to file the returns with the DOR.

317 JIM SCHERZINGER discussed the next amendment in HB 2550-A75, Page 2, Line 25, EXHIBIT 9 with reference to page 90 of HB 2550A. This

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deals with not having two county commissioners on the BORR and also to clarify that one alternate for any non-office holding member of the BORR.

343 JIM SCHERZINGER addressed to Page 107 of HB 2550A which refers to partial exemptions. Reference is made to Page 2, Line 28, EXHIBIT 9.

TAPE 175 SIDE

B

014 JIM SCHERZINGER discussed the technical amendment on Page 124 of HB 255 0A as seen on Page 3, Line 12, EXHIBIT 9.

024 Discussion and questions follow regarding combined returns.

027 JIM WILCOX responded to Sen. Smith's question regarding combined returns (Tape 174B, Meter #220). The current practice is to send forms out two months in advance of the due date. It was suggested to add the requirement to the June 1 date that the assessor send out forms of their appraised properties and the DOR send out the combined forms at the same time. The taxpayer will then know at the same time to whom they must respond.

044 CHAIR CEASE asked the DOR to bring the proposed language back to the committee. Questions are interspersed.

059 CHAIR CEASE conducted administrative business and adjourned the meeting at 2:57.

Mary Zimmermann, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. List of HB 2550A Amendments, LRO, 5/30/91 - HB 2550A
2. Proposed Amendments HB 2550-A63, 5/28/91 - HB 2550A
3. Proposed Amendments HB 2550-A65, 5/29/91 - HB 2550A
4. Proposed Amendments HB 2550-A50, 5/7/91 (See Senate Revenue Committee minutes Exhibit 4, 5/27/91 - HB 2550A)
5. Proposed Amendments HB 2550-A a6, 5/29/91 - HB 2550A
6. Proposed Amendments HB 2550-A74, 5/30/91 - HB 2550A
7. Hand Engrossed Page from HB 2550A, LRO, 5/30/91, HB 2550A
8. Proposed Amendments HB 2550-A72, 5/30/91 - HB 2550A
9. Proposed Amendments HB 2550-A75, 5/30/91 - HB 2550A

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