

Tapes 223-224, (A\B)

Public Hearing: HB 3050A, SB 1112A Work Sesaion: SB 820, HB 3469B,
HB 3050A, SB 1112A, HB 3073B

SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

June 27, 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
Senator Bill McCoy
Senator Tricia Smith

Staff Present: Dick Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Gary Carlson, Association of Oregon Industries (AOI) Jim
Brown, Department of Revenue (DOR)

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005 CHAIR CEASE called the meeting to order at 8:06 and conducted
administrative business.

SB 820 - WORK SESSION

015 CHAIR CEASE directed members' attention to amendments to the
"Homeowners' and Renters Relief Program (HARRP)" bill SB 820-1. The
Amendments reflect plan 1 from the prior day's meeting. EXHIBIT 1

045 DICK YATES explained the amendment includes language that prevents any
payment of HARRP relief in 1991. The elderly rental assistance program
continues.

Questions and discussion interspersed

075 CONSENSUS CHAIR CEASE noted no objection to adopt SB 820-1
(LC 3766) amendments dated 6/26/91. EXHIBIT 1

078 MOTION SEN. MCCOY proposed that if the September 1991
forecast is above the May forecast, 30% of that
difference would go HARRP and Human Resources.

088 Discussion followed regarding the proposal by Sen. McCoy.

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meetings. Text enclosed in quotation marke reports the apeakere exact
words. For complete context of proceedings, please refer to the tape
recording.

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112 SEN. GOLD suggested if the ending balance is up enough between the May
forecast and the September forecast, the Emergency Board would alot what it
would take to do HARRP at its full level for one year.

Discussion
followed

142 Sen. Brenneman felt the issue should be studied further before any
decisions were made.

156 SEN. DUKES voiced concern in basing budget on projection reference is
made to the 2 percent kicker.

176 SEN. SMITH commented on the needed assistance for the individuals
impacted by HARRP and felt the extra money should be allocated.

194 Discussion continued

222 AMENDED MOTION SEN. MCCOY withdrew the inclusion of Human Resources in the motion and agreed to have the additional money go toward holding HARRP harmless which would restore \$23 million dollars to the HARRP program the first year.

223 Discussion follows regarding the availability of additional revenue to cover holding HARRP harmless. Reference is made to decisions made by the Emergency Board.

285 VOTE In a roll call vote the motion failed 3-3. AYES: Senators Gold, McCoy, Smith. NAYS: Senators Brenneman, Dukes, Cease. EXCUSED: Senator Grensky

308 SEN. GOLD noted she would not support SB 820.

310 SEN. SMITH noted she would vote SB 820 out of committee but would not support the bill on the floor of the Senate.

313 MOTION CHAIR CEASE moved SB 820 as amended (SB 820-1) to the

floor of the Senate with a do pass recommendation.

315 VOTE In a roll call vote the motion passed (4-2).

AYES: Senators Smith, Brenneman, Dukes, Cease. NAYS: Senators Gold, McCoy. EXCUSED: Senator Grensky.

HB 3469B - WORK SESSION

333 CHAIR CEASE briefly summarized the bill as the apprenticeship program.

319 - MOTION SEN. MCCOY moved HB 3469B to the floor of the Senate.

351 AMEND SEN. GOLD amended the motion to include a do pass

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recommendation

330 CONSENSUS CHAIR CEASE noted no objection to having HB 3469B go to the floor of the Senate with a do pass recommendation.

350 VOTE In a roll call vote the motion passed (4-2). AYES: Senators McCoy, Brenneman, Gold, Cease. NAYS: Senators Smith, Dukes. EXCUSED: Senator Grensky

HB 3050A - PUBLIC HEARING AND WORK SESSION

375 GARY CARLSON reported the Department of Revenue and Associated Oregon Industries had agreed to compromise amendments. CARLSON explained AOI proposed the bill due to the belief there were some areas in the law needing modification to give taxpayers "an even playing field" in the appeals process. He directed members' attention to proposed amendments (HB 305 0A-8), briefly reviewed the bill and the proposed amendment section by section.

410 GARY CARLSON noted Section 1 would establish an interim study on the methods of valuing industrial property.

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020 Discussion followed regarding who would make up the study advisory committee.

030 JIM BROWN explained how the Department of Revenue would work with an advisory committee and clarified final decisions are made by the DOR.

082 SEN. MCCOY suggested a combination of Council of State Governments (CSG) and National Council of State Legislatures (NCSL) tax experts perform the study instead of an in-house committee.

089 JIM BROWN responded it would be appropriate to have outside expertise. BROWN noted the main intent in performing the study was to have more

information between the agency and industry to help solve a large problem of lack of communication between the DOR as the assessing agency and industry.

Discussion

114 SEN. MCCOY suggested the NCSL and CSG assist in the study in with the advisory committee.

132 GARY CARLSON noted the issue is appraisal techniques but the association has no problem with including those organizations.

Discussion

144 GARY CARLSON explained Section 2 would be replaced by Section 3 of

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the HB 3050-A8 amendments (EXHIBIT 2-) dealing with subpoenas and further restricts disclosing information to a third party.

Discussion

225 JIM BROWN commented on the Lamb-Weston Simplot case noting the DOR asked for information for several years from Lamb Weston. The court ruled the '89-90 data was current/sensitive and would not allow DOR access to that information. The court ruled the business of Lamb Weston had changed somewhat in the years prior to that and was less sensitive so the court allowed DOR access to data for 1987-88. BROWN explained two ways the DOR can get information like this for appraisal: if in court could use discovery, or administrative subpoena which was used in the Lamb-Weston Simplot case. The effect of Section 3 is to give information received under both scenarios the same protection, i.e., the appealing taxpayer would not have access to that other parties' information until DOR had used it in an appraisal, and then only after DOR notified the taxpayer who had an opportunity to have another hearing in court to show the potential damage if that information should be disclosed.

280 SEN. SMITH asked what would happen after the report (Section 1, sub 7, intangibles) was presented to the interim committee.

300 JIM BROWN responded that one rule would be suspended and new rules would be adopted.

Discussion

383 GARY CARLSON explained section 3 of HB 3050A, Page 3 dealing with property liens.

430 GARY CARLSON continued discussing HB 3050A with reference to Section 4 and Section 5 which would be eliminated with the -8 amendments. EXHIBIT 2
TAPE 223 SIDE

B

035 GARY CARLSON explained Section 7 of HB 3050A, Page 4.

050 Discussion followed regarding county assessors provisions in Section 7 of HB 3050A.

067 KIM WORRELL explained the information in Section 7 is currently being provided verbally to the taxpayers. HB 3050A would require the specific information be provided and states DOR shall prepare/make available that information in printed form to the assessor who can then in turn provide that to the taxpayers for reference.

082 SEN. DUKES urged "easy to understand language."

092 JIM BROWN explained the written brochures would be prepared by the

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DOR to be distributed to the counties.

124 SEN. MCCOY reported he contacted the National Council of State Legislatures discussing possible technical assistance to the Department of Revenue and provided a contact person in that organization.

134 Discussion followed. JIM BROWN interjected the DOR will contact NCSL.

150 MOTION SEN. DUKES moved adoption of HB 3050-A8 (LC 2100) amendments dated 6/25/91. EXHIBIT 2

152 CONSENSUS CHAIR CEASE noted no objection to the motion.

154 MOTION SEN. DUKES moved HB 3050B as amended to the floor of the

Senate with a do pass recommendation.

155 VOTE In a roll call vote the motion passed (4-0).

AYES:

Senators McCoy, Gold, Dukes, Cease. Excused:

Senators

Smith, Brenneman, Grensky

159 CHAIR CEASE recessed the meeting at 9:15 and reconvened at 1:10.

Administrative business was conducted.

SB 1112A - PUBLIC HEARING AND WORK SESSION

180 DICK YATES explained SB 1112A is a vehicle bill which further amends HB 2130. The bill establishes tax credits for vehicles which use alternative fuels with respect to the state gasoline tax.

200 DICK YATES explained proposed amendments SB 1112-A8. EXHIBIT 3

220 Discussion followed regarding the amendments in EXHIBIT 3 as they apply to HB 2130.

256 MOTION SEN. SMITH moved to adopt SB 1112-A8 (LC 3700) amendments dated 6/27/91. EXHIBIT 3

258 CONSENSUS CHAIR CEASE noted no objection to the motion.

261 MOTION SEN. SMITH moved SB 1112A as amended to the floor of the

Senate with a do pass recommendation.

265 VOTE In a roll call vote the motion passed (4-1).

.AYES:

Senators Smith, Gold, McCoy, Cease. NAYS: Senator
Grensky. Excused: Senators Brenneman, Dukes

HB 3073B - WORK SESSION

280 CHAIR CEASE began discussion of HB 3073B explaining the bill would establish a tax credit for a qualified individual mobile home owner who involuntarily had to move the mobile home. The bill contains a sunset

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of 1996. In a previous hearing the committee thought the bill would allow a tax credit for two people filing separately in the same family in the same home. The committee had asked amendments be drafted to deal with that. Sen. Dukes requested at the prior hearing addition of a limitation on household income of 030,000 or less. CHAIR CEASE noted some other concerns explained by Dick Yates (meter 307). Exhibit 4

307 DICK YATES explained the normal person filing a return and claiming the credit in HB 3073B will not necessarily be eligible for HARRP noting in the second year of the biennium there will be no HARRP program. The result is there is not a convenient way to determine Household income and suggested using adjusted gross income rather than household income.

Discussion of a \$30,000 level. CHAIR CEASE noted the committee's agreement with that figure.

346 DICK YATES explained to make that change: delete the first 3 lines on the amendment, and on page 1 line 15, delete \$40,000 and insert \$30,000.

357 CONSENSUS CHAIR CEASE noted members agreement to make that change to the amendment.

372 Discussion followed regarding HB 3073B-6, lines 5-8, contain language limiting the credit to only one.

388 CONSENSUS CHAIR CEASE noted members agreement to HB 3073B-6

as amended.

413 MOTION Sen. MCCOY moved HB 3073 to the floor of the senate as amendment with a do pass recommendation.

418 VOTE In a roll call vote the motion passed 4-1. AYES: Senators Gold, McCoy, Smith, Chair Cease. NO: Senator Grensky. EXCUSED: Senators Brenneman, Dukes

411 CHAIR CEASE adjourned the meeting at 1:30 pm.

Mary Ann Zimmermann, Committee
Assistant

Kimberly Taylor, Office
Manager

EXHIBIT SUMMARY

1. Proposed Amendments SB 820-1 (LC 3766), 6/26/91 - SB 820
2. Proposed Amendments HB 3050-A8 (LC 2100), 6/25/91 - HB 3050A8
3. Proposed Amendments SB 1112-A8 (LC 3700), 6/27/91 - SB 1112A
4. Proposed Amendments HB 3073-B6 (LC 2467), 6/27/91 - HB 3073B

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