

HOUSE RURAL COMMUNITIES COMMITTEE

Thursday, September 21, 2013

HR E, State Capitol, Salem Oregon

Members Present: Representative Clem, Representative McKeown, Representative Cameron, Representative Holvey and Representative Unger

Member Excused: Representative Thatcher and Representative Davis

RURAL REVITALIZATION INITIATIVES

Scott Hendrick, Program Director, National Conference of State Legislatures provided a [presentation](#) focused on policy approaches in other states to encourage economic growth in rural areas. Indiana, Vermont and Kentucky have all pursued a comprehensive approach to study and promote rural tourism. These efforts included developing a statewide plan to identify activities that are currently happening and then look at individual obstacles that activities are facing in order to make policy recommendations on ways to reduce regulatory burdens. Individual policies that he highlighted included limiting liability of agri-tourism operators; exemptions from some food safety laws for cottage food producers; reducing requirements to comply with certain building code standards if agri-tourism is not the buildings primary purpose; preemption of certain local regulations limiting agri-tourism; tax exemptions for supplemental agri-tourism income; statewide promotional measures; and fee based signage programs. Mr. Hendrick also discussed programs focused on developing entrepreneurs and supporting clusters by providing seed capital; connecting entrepreneurs with critical information and resources using online networks; training programs;

Scott West, Chief Strategy Officer, Travel Oregon provided information to the Committee on the significance of tourism in Oregon's economy. Currently tourism in Oregon is a \$9.2 billion industry, employs 91,000 Oregonians, and is one of the top three gross state products in rural Oregon. Travel Oregon focuses their marketing program on culinary and outdoor recreation. They have a regional cooperative marketing program required by statute that dedicates up to 15 percent of Travel Oregon's revenues back to the seven tourism regions (\$1.5 million FY 2012) to be used for marketing out of state and internationally. Travel Oregon's [Rural Tourism Studio](#) is a training program designed to assist rural communities in developing sustainable tourism within their community. Mr. West shared a video clip from their [website](#) focusing on tourism in Elkton, Oregon.

SIDEBOARDS FOR LOCAL IMPROVEMENT DISTRICTS

Dave Hunnicutt, President, Oregonians In Action Mr. Hunnicutt explained why and how local improvement districts (LID) are used to make infrastructure improvements. He expressed that LIDs are a tool that cities need but that sideboards are necessary. Currently, the LID statute is not specific as to how it is applied; it is left to cities to determine how to conduct the formation of an LID and how the total project costs are estimated. One example Mr. Hunnicutt shared of a potential sideboard was to limit the assessment to a certain percentage of the real market value of the property. Mr. Hunnicutt expressed his intention to work with the League of Oregon Cities

and other interested cities to work on a proposal to address this issue during the February session.

Erin Doyle, Intergovernmental Relations Associate, League of Oregon Cities Ms. Doyle shared with the Committee that LIDs are an important financing tool for cities to use to build necessary infrastructure for properties that do not have things like sewer or sidewalks. She also explained the process for establishing a LID and what opportunities exist for landowners to participate.

STATEWIDE EMISSION STANDARDS FOR GRAIN LOADING AND OPACITY

Dick Pedersen, Director, Department of Environmental Quality DEQ implements the Federal Title 5 Industrial Permitting Program under the Clean Air Act. As part of the responsibility of implementing the program, DEQ must update rules when there is a federal change to comply with federal requirements. Director Pedersen explained that DEQ is currently working on a comprehensive update to permitting rules and considering an update to some statewide standards related to fine particulate emissions. DEQ is in the process of gathering information, discussing draft concepts and conducting outreach prior to proposing rules amendments for formal rule comment. Senator Olsen, Senator Close, and Representative Sprenger have worked with DEQ to hold three group meetings with stakeholders to discuss concepts.

Uri Papish, Air Quality Program Operations Manager, Department of Environmental Quality explained that a lot of the comprehensive update is related to updating older standards and fixing or removing definitions. Mr. Papish also provided an overview of how air quality standards were set; how emission standards worked; and who established both limits. Emission standards have not changed in the last 40 years however the ambient air quality has decreased significantly. DEQ has established a fiscal advisory committee to look at alternative concepts to give them recommendations of ways to mitigate the fiscal impact of any new rules.

John Krallman, Staff Attorney, Neighbors for Clean Air discussed the importance of updating these emission standards to improve public health and allow room for economic development. He discussed how EPA tightens these standards as they learn more about the potential health impacts associated with these emissions.

Representative Sprenger, District 17 clarified that these emission levels were focused on pre 1970's boilers. The mill in her district has spent hundreds of thousands of dollars updating their equipment and has already reduced their emissions below the current standards. Rep. Sprenger spoke to how critical these 11 mills are to these rural communities.