

HOUSE RURAL COMMUNITIES COMMITTEE

Thursday, January 16, 2014

HR E, State Capitol, Salem Oregon

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

LC 69 - Relating to Tax Credits for Crop Donation

Testimony from: [Phillip Kennedy-Wong](#), Policy Advocate, Oregon Food Bank; [Mike Moran](#), Food Resource Development, Oregon Food Bank; [Ian Tolleson](#), Governmental Affairs Associate, Oregon Farm Bureau; John Zielinski, EZ Orchards; Pieper Sweeney, Co-owner Country Heritage Farms, LLC; Sarah Hucka, Circle H Farm; and Molly McCarter, Pure Mind Farms

The state tax credit for donating crops, originally enacted in 1977, expired in 2011. Currently a farmer who donates crops does not receive a tax credit for that product. Proponents of reestablishing the crop donation tax credit at a higher rate of 15 percent discussed the cost to the farmer of harvesting crops for donation. The panel of farmers described their current crop donation practices and how this tax credit would help to defray the cost of labor, equipment, processing and transportation. The proposed tax credit for donating crops would not apply to food processors that are already able to take advantage of federal tax credits.

[LC 260](#) - Implementation of First Stages of House Bill 2620 (2013)

Testimony from: Sen Johnson, Senate District 16; Matt Garrett, Director, Department of Transportation; and [Nathan Rix](#), Strategic Initiatives Project Manager, DAS-Office of the Chief Operating Officer

In 2013 the Legislature passed House Bill 2620 which directed the Governor, in coordination with the Director of the Oregon Department of Administrative Services, to develop a plan to align state economic and community development programs with regional priorities to present to the 2014 Legislature. A Project Steering Team surveyed over 2,100 Oregonians to identify barriers that prevent growth and prosperity on a regional level and then to help envision new ways of delivering services. The Project Steering Team made the short term recommendation that the initial focus should be placed on integrating regional solutions priorities in awarding processes for statewide grants and loans relating to economic and community development. LC 260 addresses this by requiring state agencies to consider certain factors and prioritize funding of projects that affect regional community and economic development and to collaborate with Regional Solutions Program to integrate state investments, services and resources.

[LC 222](#) - Relating to Entrepreneurial Development

Testimony from: Karen Goodin, Managing Director for Business, Innovation and Trade, Oregon Business Development Department; and Paul Grove, Government Relations Manager, Oregon Business Development Department

LC 222 would expand the legislative intent of the Entrepreneurial Development Loan Fund (Fund) to include utilizing policies, priorities and practices that further entrepreneurial and small business development in rural communities. In addition the Act would increase the cap on loans from the Fund from \$70,000 to \$100,000 and appropriate \$250,000 to the Industry Competitiveness Fund. Ms. Goodin described how these funds could further help deploy development around key clusters of rural economic development.

LC 221 - Relating to Local Improvement Districts

Testimony from: [Representative Davis](#), House District 26; Dave Hunnicutt, President, Oregonians In Action; and Erin Doyle, Intergovernmental Relations Associate, League of Oregon Cities

The panel updated the Committee on the ongoing interim conversations focused on providing additional sideboards to the Local Improvement District (LID) statute. There has been a Work Group looking at this issue over the course of the last few months. The Work Group started its efforts by looking at the current practices of local cities and what neighboring state LID statutes include. LC 221 is a result of those conversations. Ms. Doyle expressed some concern over certain sections of the LC as currently written.

Presentations on Potential Member Bills for 2014

Testimony from: Rep Bentz, House District 60; and Rep Davis, House District 26

Rep Bentz discussed his personal bill [LC 17](#) which authorizes the governing body of Malheur County, under specified circumstances, to plan and zone a site for industrial use. Rep Bentz feels that this concept would allow Malheur County to better compete with Idaho. This concept has been previously introduced as House Bill 3267, 2013.

Rep Davis discussed his personal bill [LC 141](#) which would validate the Metro UGB expansion of approximately 1,985 acres. The expansion was unanimously authorized by the Metro Council in October, 2011 and subsequently unanimously approved and upheld by the Land Conservation and Development Commission in June 2012. In January, 2013 the Court of Appeals put the UGB on hold pending the issuance of its decision on the separate appeal of the Urban Rural Reserves question.

WORK SESSION

The committee voted without objection to introduce [LC 221](#), [LC 222](#), and [LC 260](#) as committee bills.