

SENATE COMMITTEE ON ENVIRONMENT & LAND USE

May 17, 2005
8:00 A.M.

Hearing Room 343
Tapes 92 - 93

MEMBERS PRESENT: Sen. Charlie Ringo, Chair
Sen. Jason Atkinson, Vice-Chair
Sen. Roger Beyer
Sen. Ginny Burdick
Sen. Frank Shields

STAFF PRESENT: Matt Shields, Committee Administrator
Chris Crean, Committee Counsel
Katie Lowry, Committee Assistant

MEASURES/ISSUES HEARD:
SB 290 – Work Session
SB 1037 – Work Session
SB 731 – Work Session
SB 569 – Work Session
SB 1032 – Public Hearing
SB 863 – Work Session
SB 347 – Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 92, A		
005	Chair Ringo	Calls meeting to order at 8:07 a.m. States that SB 532 will be heard at the next scheduled meeting on Thursday, May 19, 2005 at 8:00 a.m. Opens work session on SB 290.
SB 290 – WORK SESSION		
015	Matt Shields	Committee Administrator. Gives overview of SB 290. Submits and explains the -4 amendments (EXHIBIT A).
023	Sen. Burdick	MOTION: Moves to ADOPT SB 290-4 amendments dated 05/11/05.
025	Chair Ringo	Asks Sen. Beyer if he would like a moment to review the amendments.
026	Sen. Beyer	Verifies that the committee is discussing SB 290 with the -4 amendments.
027	Chair Ringo	Replies yes and states that committee staff just introduced the -4 amendments. Gives overview of the -4 amendments.
028	Sen. Beyer	States intention to vote no on the -4 amendments.
030		VOTE: 3-1-1 AYE: 3 - Burdick, Shields, Ringo NAY: 1 - Beyer EXCUSED: 1 - Atkinson The motion CARRIES.
035	Chair Ringo Sen. Burdick	MOTION: Moves SB 290 to the floor with a DO PASS AS AMENDED recommendation.

038	Sen. Beyer	Believes that SB 290 has a subsequent referral to Ways and Means.
039	Chair Ringo	States that the fiscal impact has been removed with the amendments.
040	Sen. Burdick	States that she would like to amend her motion.
042	Sen. Burdick	MOTION: Moves SB 290 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
046	Sen. Beyer	States intention to vote no on the motion.
047		VOTE: 3-1-1 AYE: 3 - Burdick, Shields, Ringo NAY: 1 - Beyer EXCUSED: 1 - Atkinson The motion CARRIES. SEN. SHIELDS will lead discussion on the floor.
053	Chair Ringo	Closes work session on SB 290 and opens work session on SB 1037.
<u>SB 1037 – WORK SESSION</u>		
055	Chair Ringo	States that a public hearing was held recently on SB 1037 in almost this exact form. Asks Committee Counsel to give overview of the current version of SB 1037.
057	Chris Crean	Committee Counsel. Submits the -2 amendments for the record (EXHIBIT B) . Submits a summary of the -2 amendments (EXHIBIT C) . States that the -2 amendments track very closely with the concept draft reviewed in committee a week ago. Asks if he should go through the changes made in the -2 amendments.
060	Chair Ringo	Asks Mr. Crean to clarify the changes.
062	Crean	Reviews changes in the -2 amendments.
087	Chair Ringo	Asks staff from the Legislative Revenue Office (LRO) to explain their analysis of the House bill that is referenced in SB 1037.
090	Paul Warner	LRO. Introduces Mazen Malik. States that they have been working with Chair Ringo and Rep. Nolan on potential revenue sources that would fund a compensation fund. States they have looked at different approaches and explains.
113	Mazen Malik	LRO. Submits and explains revenue assessment of HB 3484 (EXHIBIT D) .
200	Malik	Continues explanation of revenue assessment of HB 3484.
273	Chair Ringo	Refers to the bottom portion of the submitted revenue assessment. Understands that there are a lot of assumptions built into this analysis. Asks if this is the witness' best assumption.
282	Malik	Explains that without a best assumption of them all, one would try to keep it small.
283	Chair Ringo	Verifies that the numbers are kept small to remain conservative.
284	Malik	Replies yes and explains in detail.
300	Sen. Burdick	States that under existing land use law, if land is taken out of farm or forest deferral, people have to pay the back taxes for the amount of benefit received. Asks how this fits into this analysis.
310	Crean	Explains current statute requirement for repayment of back taxes. Explains how SB 1037 with the -2 amendments would change the requirement for the repayment of back taxes on beneficial assessments.
320	Sen. Burdick	Verifies that the revenue would go into the mentioned account.

321	Crean	Replies correct. Explains revenue accounts in detail.
328	Sen. Burdick	Thanks Mr. Crean for the clarification.
330	Chair Ringo	Verifies that Section 54 of the -2 amendments is the section that references the House bill.
338	Crean	Replies correct.
339	Chair Ringo	Verifies that even though the -2 amendments do not mention HB 3484 by name, the effect of Section 54 is that SB 1037 would not become effective until HB 3484 becomes law.
340	Crean	Replies correct.
341	Sen. Beyer	Asks when the new tax will be paid.
342	Malik	Explains in detail.
355	Beyer	Asks Mr. Crean for clarification on earlier statement regarding the repayment of back taxes.
358	Crean	Clarifies that the repayment of back taxes under the -2 amendments would be either statutory or the maximum period which the owner has received the beneficial assessment. States that the statutory period is 10 years, but if an owner has been receiving the benefit for 12 years, then the owner would be charged the back taxes for 12 years.
363	Sen. Beyer	Clarifies that under current law, if a person re-zones their property, they would pay 10 years of back taxes. Verifies that under the -2 amendments they would pay back taxes for 20 years if that is how long they have owned the property.
369	Crean	Replies yes, if they have been receiving the benefits for 20 years.
371	Crean	Comments on HB 3484.
383	Chair Ringo	MOTION: Moves to ADOPT SB 1037-2 amendments dated 05/16/05.
386	Sen. Burdick	States reason for opposition to the -2 amendments. Makes comments.
TAPE 93, A		
004	Sen. Shields	Asks Chair Ringo about conversation with Sen. Morse.
007	Chair Ringo	States that at the public hearing on the -2 amendments last week, there was an issue with the reference to aggregate mining and its exemption from Measure 37 claims. States that exemption has been removed.
012	Sen. Burdick	Asks for explanation.
013	Chair Ringo	Explains that if someone has property and is interested in aggregate mining, they would be entitled to compensation for regulations preventing them from aggregate mining, or those regulations would be waived to allow aggregate mining.
017	Sen. Burdick	Verifies that is the way it is currently written.
018	Chair Ringo	Confirms this.
019	Sen. Shields	Discusses aggregate mining from previous session.
027	Chair Ringo	Replies yes and states that the Measure 37 work group was not informed of the mentioned discussion.
028		VOTE: 3-2-0 AYE: 3 - Beyer, Shields, Ringo NAY: 2 - Atkinson, Burdick The motion CARRIES.
029	Chair Ringo	MOTION: Moves SB 1037 to the floor with a DO PASS AS AMENDED recommendation.
031	Sen. Beyer	Discusses reasons for voting yes on SB 1037.
041	Sen. Burdick	States intention to vote no on SB 1037.

045

VOTE: 3-2-0

AYE: 3 - Beyer, Shields, Ringo

NAY: 2 - Atkinson, Burdick

Chair Ringo

The motion CARRIES.

SEN. RINGO will lead discussion on the floor.

The following prepared testimony is submitted for the record without public testimony:

Scott Cooper

Crook County Judge. Submits written testimony on Measure 37
(EXHIBIT M).

050

Chair Ringo

Closes work session on SB 1037 and opens work session on SB 731.

SB 731 – WORK SESSION

Matt Shields

Committee Administrator. Submits the -2 amendments for the record **(EXHIBIT G).**

053

Rep. Jackie
Dingfelder

Represents House District 45. Explains the -2 amendments.

094

Chair Ringo

Asks if this bill has a fiscal impact associated with it.

095

Rep. Dingfelder

Replies no and explains.

100

Adam Sussman

Water Resources Department (WRD). Submits written testimony **(EXHIBIT H).** Explains that with the -2 amendments, there is no fiscal impact. States that the original bill did have a fiscal impact.

110

Chair Ringo

Verifies that the WRD supports the -2 amendments.

111

Sussman

Confirms this.

112

Sen. Beyer

Asks if there is anything in the -2 amendments that is different than what could be done today without it.

116

Sussman

Responds.

122

Rep. Dingfelder

Points out there is no current statutory requirement for the WRD to report to the legislature on the progress of water measurements. Explains what the -2 amendments accomplish.

138

Chair Ringo

Asks Mr. Kosesan if he has reviewed the -2 amendments.

140

Richard Kosesan

Water For Life. Replies yes.

143

Glen Stonebrink

Oregon Cattlemen's Association. Testifies in opposition to SB 731.

178

Chair Ringo

Mentions Adam Sussman's testimony. Submits and discusses ORS excerpts **(EXHIBIT I).** States that Water for Life reluctantly opposes SB 731. Explains opposition.

220

Kosesan

Mentions earlier testimony. Asks if witness believes if SB 731 does something significant.

223

Kosesan

Replies yes and no. Explains in detail.

230

Stonebrink

Responds.

237

Sen. Shields

Remarks on witness' comments. Asks if this kind of reporting will affect water usage in any way.

241

Kosesan

Believes it will not. Explains.

253

Sen. Shields

Asks Mr. Stonebrink to respond.

254

Stonebrink

Responds.

278

Sen. Shields

Asks about using a formula instead of a meter.

280

Stonebrink

Responds.

293

Sen. Shields

Discusses a potential water crisis. Discusses measurement of water.

313

Stonebrink

Makes comments about water management.

325

Sen. Burdick

MOTION: Moves to ADOPT SB 731-2 amendments dated 04/29/05.

330

VOTE: 3-2-0

AYE: 3 - Burdick, Shields, Ringo

		NAY: 2 - Atkinson, Beyer
	Chair Ringo	The motion CARRIES.
335	Sen. Burdick	MOTION: Moves SB 731 to the floor with a DO PASS AS AMENDED recommendation.
340	Sen. Atkinson	Explains reason for opposition.
350		VOTE: 3-2-0
		AYE: 3 - Burdick, Shields, Ringo
		NAY: 2 - Atkinson, Beyer
	Chair Ringo	The motion CARRIES.
		SEN. SHIELDS will lead discussion on the floor.
355	Chair Ringo	Closes work session on SB 731 and opens work session on SB 569.
<u>SB 569 – WORK SESSION</u>		
360	Matt Shields	Committee Administrator. Gives overview of SB 569. Submits and explains the -4 amendments (EXHIBIT J).
385	Chair Ringo	Asks staff if this is a consensus amendment.
386	Shields	Believes that to be true.
387	Chair Ringo	Verifies that the -4 amendments should be adopted.
388	Shields	Confirms this.
392	Sen. Atkinson	MOTION: Moves to ADOPT SB 569-4 amendments dated 05/10/05.
395		VOTE: 5-0-0
	Chair Ringo	Hearing no objection, declares the motion CARRIED.
397	Chair Ringo	States that the subsequent referral to Ways and Means needs to be rescinded.
400	Sen. Atkinson	MOTION: Moves SB 569 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
405		VOTE: 5-0-0
	Chair Ringo	Hearing no objection, declares the motion CARRIED.
		SEN. PROZANSKI will lead discussion on the floor.
TAPE 92, B		
003	Chair Ringo	Closes work session on SB 569 and opens public hearing on SB 1032.
<u>SB 1032 – PUBLIC HEARING</u>		
006	Gary Conkling	Beaverton School District. Gives background information on the Beaverton School District. Discusses growth in the Beaverton School District. Discusses cost of building a school. Testifies in support of SB 1032.
084	Randy Tucker	Legislative Affairs Manager, Metro. Discusses history of SB 1032. Reviews legislative history on this issue. Discusses expansion of the urban growth boundary (UGB). Discusses language to be added to SB 1032.
142	Sen. Atkinson	Verifies that it is the witness' intent that SB 1032 would only apply to Portland.
143	Conkling	Replies yes.
144	Sen. Atkinson	Asks if the term high growth school district is defined in SB 1032 as enrollment of 5,000 students.
147	Conkling	States this definition is in existing statute. Discusses provision.
156	Tucker	Discusses restricting SB 1032 to high growth school districts.
166	Sen. Atkinson	Verifies that a high growth school district means public schools

		and does not include private schools.
167	Conkling	Confirms this.
168	Sen. Atkinson	Asks Mr. Tucker if SB 1032 is moving this up on the priority list in order to be adopted into the UGB.
172	Tucker	States that he would not necessarily use the terminology priority. Explains.
175	Sen. Atkinson	Makes comment.
176	Tucker	Discusses land in the Metro area.
192	Sen. Atkinson	States that he lives in an area of the state that needs to grow. States schools in his district have a hard time growing. States that SB 1032 makes it easier for schools in Portland to grow, but not in Southern Oregon. Discusses litigation examples.
207	Tucker	States that he represents one particular area of the state.
209	Chair Ringo	Suggests drafting the amendment to make it statewide.
215	Conkling	Believes there is interest in seeing this issue addressed at the statewide level. Discusses school bond measures. Discusses growth of schools in Beaverton.
242	Chair Ringo	Asks which school has capacity for 1000 students.
243	Conkling	Replies Beaver Acres. Continues discussion of growth of schools in Beaverton. Discusses timeline. States that there may be other school districts that have problems, but he doesn't know of any school district that has Beaverton's problems.
269	Sen. Shields	Verifies that Mr. Conkling believes there is probably not a good way to address Sen. Atkinson's concerns without jeopardizing the solution in Beaverton.
273	Conkling	Remarks he doesn't know if that is true or not. States that he doesn't know how to solve Sen. Atkinson's concerns.
284	Mary Kyle McCurdy	1000 Friends of Oregon. Submits written testimony (EXHIBIT K). States opposition to SB 1032 as originally drafted. Says that 1000 Friends of Oregon supports the amendments which will be drafted by Mr. Conkling. Discusses System Development Charges (SDCs).
318	McCurdy	Responds to issue brought up by Sen. Atkinson.
340	Chair Ringo	States he would like to hold off on further testimony until the amendments have been drafted.
342	Bob Rindy	Department of Land Conservation and Development. States that Ms. McCurdy made the same point he was going to make about specific land needs for the rest of the state.
348	Chair Ringo	Closes public hearing and opens work session on SB 863.
<u>SB 863 – WORK SESSION</u>		
350	Don Schellenberg	Oregon Farm Bureau. Explains SB 863.
370	Sen. Atkinson	MOTION: Moves SB 863 to the floor with a DO PASS recommendation.
		VOTE: 4-0-1
		EXCUSED: 1 - Burdick
375	Chair Ringo	Hearing no objection, declares the motion CARRIED. SEN. ATKINSON will lead discussion on the floor.
380	Chair Ringo	Closes work session on SB 863 and opens work session on SB 347.
<u>SB 347 – WORK SESSION</u>		
381	Matt Shields	Committee Administrator. Gives overview of SB 347. Submits and explains the -2 amendments (EXHIBIT L).
395	Chair Ringo	Announces that SB 347 will be held over until the next scheduled meeting on Thursday, May 19, 2005 at 8:00 a.m.

Closes work session on SB 347 and adjourns meeting at 9:28 a.m.

EXHIBIT SUMMARY

- A. SB 290, -4 amendments, Staff, 8 pp**
- B. SB 1037, -2 amendments, Staff, 71 pp**
- C. SB 1037, -2 amendments summary, Staff, 4 pp**
- D. SB 1037, revenue assessment summary of HB 3484, Staff, 1 p**
- E. SB 1037, written testimony, Liz Frenkel, 2 pp**
- F. SB 1037, written testimony, Kingsley W. Click, 2 pp**
- G. SB 731, -2 amendments, Staff, 2 pp**
- H. SB 731, written testimony, Adam Sussman, 3 pp**
- I. SB 731, ORS excerpts, Richard Kosesan, 6 pp**
- J. SB 569, -4 amendments, Staff, 1 p**
- K. SB 1032, written testimony, Mary Kyle McCurdy, 2 pp**
- L. SB 347, -2 amendments, Staff, 2 pp**

The following exhibit is listed out of order in the body of the tape log:

- M. SB 1037, written testimony, Scott Cooper, 3 pp**