

HOUSE COMMITTEE ON
AGRICULTURE AND NATURAL RESOURCES

January 21, 2003 Hearing Room D
1:00 PM Tapes 4 - 6

MEMBERS PRESENT: Rep. Jeff Kropf, Chair
Rep. George Gilman, Vice-Chair
Rep. Kelley Wirth, Vice-Chair
Rep. Elizabeth Terry Beyer
Rep. Dave Hunt
Rep. Donna Nelson
Rep. Patti Smith

STAFF PRESENT: Ray Kelly, Committee Administrator
David Peffley, Committee Assistant

MEASURE/ISSUES HEARD: LC 1388 – Work Session
Informational Meeting
Invited testimony
Mike Grainey, Oregon Office of Energy
Lindsay Ball, Oregon Department of Fish and Wildlife
(ODFW)
Ann Hanus, Oregon Division of State Lands (ODSL)
HB 2179 – Public Hearing

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 4, A		
005	Chair Kropf	Calls meeting to order; 1:06. Announces that the swearing in of witnesses will not occur, but a clause on truthful testimony will be contained on future sign-in sheets. Opens a work session on LC 1388.
<u>WORK SESSION – LC 1388</u>		
036	Chair Kropf	Opens a work session on Introduces Legislative Concept (LC) 1388, relating to the bear and cougar issue.
053	Ray Kelly	Explains the purpose of introducing an LC.
058	Rep. Gilman	MOTION: Moves LC 1388 BE INTRODUCED as a committee
061	Rep. Nelson	Questions wording of measure.
067	Chair Kropf	Asks what she means.
069	Rep. Nelson	Explains her concern
073	Chair Kropf	Explains that this is just a draft summary. Asks Ray Kelly to read ORS to clarify the issue.
078	Kelly	Reads relative portion of ORS. Explains intended meaning of measure.
090	Chair Kropf	Asks about damage control, government management exceptions, and whether the LC would repeal them..

095	Kelly	Confirms that it would repeal them.
097	Chair Kropf	Asks about the license suspension for violation clause.
099	Kelly	Affirms that this clause also would be repealed.
102	Chair Kropf	Asks Rep. Nelson if she understands.
106	Rep. Nelson	States agreement with the intended meaning.
110	Rep. Wirth	Asks for clarification of the present statute.
119	Kelly	Clarifies present statute.
126	Chair Kropf	Offers further clarification regarding the intention of LC 1388.
139	Rep. Wirth	Reiterates her understanding that individual hunters would not face license suspensions.
142	Rep. Beyer	Asks for clarification that Oregon Fish and Wildlife (ODFW) would be in jurisdiction under this regulation.
150	Chair Kropf.	Affirms Rep. Beyer's understanding. Adds that this is a question which needs to be fleshed out in the upcoming debate.
159	Rep. Hunt	Asks procedural question of the Chair.
164	Chair Kropf	Explains the process of a legislative concept becoming a law.
175	Rep. Nelson	Asks if there have been an excess of bear or cougar attacks.
183	Chair Kropf	Confirms that a bear was eating a deer within city limits in Bend recently, amongst other instances and feels that this is a public safety issue.
217	Rep. Nelson	Asks if the ORS speaks to the disposal of animals.
220	Kelly	Clarifies the contents of the present statute. Restates that this is currently not a bill, but a concept.
239	Rep. Nelson	Notes that if we pass this LC, we will need a provision for disposal.
255		VOTE: 6-1
		AYE: 6 - Beyer, Gilman, Hunt, Nelson, Smith P., Kropf
		NAY: 1 - Wirth
	Chair	The motion CARRIES.
274	Chair	Closes work session and opens the informational meeting.

INFORMATIONAL MEETING

282	Mike Grainey	Director, Oregon Office of Energy (OOE). Explains duties, jurisdiction of the Office of Energy. Responds to legislation regarding a potential energy crisis.
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TAPE 5, A

028	Grainey	Continues testimony. Introduces (EXHIBIT A) explaining past legislation and examining future legislation.
066	Grainey	Discusses biomass energy and submits (EXHIBIT B) , Oregon Biomass Energy Facility Directory.
080	Chair Kropf	Asks witness whether tax incentives have been successful in promoting the use of biomass fuels.
088	Grainey	Testifies that it definitely made a significant difference. States issues of concern to OOE. Submits (EXHIBIT C) – the 2003-2005 State of Oregon Energy Plan.
168	Chair Kropf	Refers to the Oregon ethanol plant to be operating 2004. Asks if this is the first of its kind in Oregon.
172	Grainey	Responds affirmatively. States interest in also opening two other

plants in Eastern Oregon.
185 Rep. Nelson Asks about the success of the straw program.
197 John White States that he's not aware of the program, but would definitely support straw as energy.
199 Rep. Nelson Asks what could we have done to prevent the deceptive pricing by utilities
210 Grainey Alludes to the unregulated market and suggests that more regulation could help with the problem. States that the federal government is investigating the problem.
254 Rep. Nelson Asks witness if they would be able to help draft a bill to go after the offenders.
259 Grainey Responds that they would be interested in working toward that goal.
266 Nelson Asks if we could use all the tires we get from Washington and Idaho for energy generation?
271 Grainey Responds that it's too expensive and that unfortunately, it's cheaper to landfill.
287 White Adds that using tires for energy is not viable at this point.
294 Rep. Nelson Recommends that the Energy office direct used tires to R.B. Rubber in McMinnville so they won't have to import them from Canada. Asks if the Energy office has any economic development programs ready to put people to work this year.
308 Grainey Responds that they are working on that issue.
326 Rep. Nelson Asks where we can get the extra \$50,000,000 in loans.
333 Grainey States that he expects the loans to be approved.
336 Rep. Wirth Asks how much the public purpose fee from SB 1149 fund has accumulated to date?
338 Grainey States that for 2002, the figure was \$50,000,000. Adds that the figure will increase in the future.
367 Lindsay Ball Director of the Oregon Department of Fish and Wildlife. Introduces his office and **(EXHIBIT D)**- ODFW legislative concepts.

TAPE 4, B

024 Ball Continues introducing ODFW's legislative agenda.
043 Chair Kropf Asks if Oregon grass seed can successfully be used in habitat restoration after a fire.
053 Ball Responds that ODFW will search for the answer.
065 Ball Continues stating ODFW's legislative agenda.
085 Chair Kropf Assumes this is a dedicated fund problem. Asks if this understanding is correct?
087 Ball Responds affirmatively.
088 Chair Kropf Asks how much money we have left in the fund.
092 Ball States that he doesn't exactly know, but that Pam Ryan can bring forth the active file.
110 Chair Kropf Commends Ball and ODFW.
124 Ball Introduces LC 635 related to harmful substances in the water.
131 Chair Kropf Asked whether the witness has discussed HB 2209.
136 Ball Discusses HB 2209 in light of tuberculosis crisis. Introduces issues relating to Oregon salmon hatcheries and research on fish.

213	Chair Kropf	States that he finds this research to be an excellent concept which may revolutionize hatcheries.
225	Rep. Wirth	Asks how that differs from a conservation hatchery.
227	Ball	Elucidates on the differences between this program and those relating to the conservation hatcheries.
272	Ball	Continues with issues relating to wolves, agriculture, and hunting.
321	Nelson	Suggests that we invoke a fee for non-resident clambers.
334	Ball	Mentions that that issue has been brought to the legislature five times and it's been soundly refuted each time.
350	Nelson	States that she has been asked to sponsor a similar bill.
360	Ann Hanus	Director of the Oregon Division of State Lands (ODSL). Introduces her staff. Gives an overview of (EXHIBIT E) – Oregon Division of State Lands packet.

TAPE 5, B

030	Hanus	Continues testimony, introducing the history of the department and agency activities of ODSL.
071	Hanus	Highlights agency activities and legislative issues of concern to ODSL through a power point presentation.
258	Rep. Wirth	Asks how ODSL to explain how we're proceeding in regard to the removal fill permitting.
267	John Lilly	Assistant Director ODSL. Responds to Rep. Wirth's concern in relation to the isolation of wetlands issue.
301	Rep. Hunt	Asks for explanation of the distributions from the Common School Fund (CSF).
313	Hanus	Explains the process for CSF distribution.
337	Rep. Hunt	Follows up by asking if this process would require statutory changes.
339	Hanus	Responds that one of the bills which ODSL is planning to introduce will address that concern.
350	Rep. Nelson	States that her constituents are concerned about establishing low cost housing, which is not being addressed promptly due to the protection of wetlands.
377	Hanus	States that she would be interested to know more specifics so that ODSL can respond in a timely fashion.

TAPE 6, A

005	Chair Kropf	Closes informational meeting and opens a public hearing on HB 2179.
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HB 2179 – PUBLIC HEARING

010	Ray Kelly	Gives brief overview of HB 2179.
033	Jeanette Holman	Assistant Director, Division of State Lands. Introduces (EXHIBIT F) in support of HB 2179. Gives background and benefits of this proposed legislation.
080	Rep. Beyer	Asks if there was a line item in the budget or a fund transfer?
083	Holman	Responds to the funding concerns of Rep. Beyer.
096	Chair Kropf	Asks witness how much money we're talking about in terms of a budget item for Oregon State University (OSU).
100	Holman	Responds that she believes the figure is \$100,000.
107	Rep. Nelson	Asks if she has an agreement with OSU to accept this burden
110	Holman	Responds affirmatively.

114	Rep. Nelson	States a desire to see a formal acceptance by OSU.
120	Chair Kropf	Asks what the total budget for the National Heritage Program.
122	Holman	Responds approximately \$130,000 plus about \$69,000 for federal grants.
131	Dr. Hal Salwasser	Dean of College of Forestry and Interim Director of the Institute of Natural Resources at OSU. Speaks to Rep. Nelson's concerns about funding. Affirms support for HB 2179, but does express concern for the wording at Section 3-2F.
176	Chair Kropf	Asks if funding were not to materialize, how the program would be affected.
185	Dr. Salwasser	Responds that services would be compromised.
193	Nelson	Asks what the assumed cost is at OSU.
202	Dr. Salwasser	States that it is difficult to assess in time, but the tangible cost is approximately \$5,000.
236	Chair Kropf	Closes public hearing on HB 2179. Adjourns meeting.

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EXHIBIT SUMMARY

- A - Informational Meeting, written materials, Mike Graine, 2 pp.**
- B - Informational Meeting, written materials, Mike Graine, 14 pp.**
- C - Informational Meeting, written materials, Mike Graine, 54 pp.**
- D - Informational Meeting, written materials, Lindsay Ball, 5 pp.**
- E - Informational Meeting, written materials, Ann Hanus, 17 pp**
- F - HB 2179, written testimony, Jeannette Holman, 2 pp**