

**HOUSE COMMITTEE ON**  
**AGRICULTURE AND NATURAL RESOURCES**

February 18, 2003 Hearing Room D  
1:00 PM Tapes 27 - 28

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

**MEMBER EXCUSED:**       Rep. Jeff Kropf, Chair

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

**MEASURE/ISSUES HEARD:**    **HB 2372 – Public Hearing**  
                                  **HB 2258 – Informational Meeting**  
                                  **HB 2507 – Public Hearing**

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 27, A</b>		
003	Vice-Chair Gilman	Calls the meeting to order at 1:03 and opens a public hearing on HB 2372
<b>HB 2372 – PUBLIC HEARING</b>		
012	Rep. Tootie Smith	Sponsor of HB 2372. Submits <b>(EXHIBIT A)</b> and introduces her bill, which is revenue-neutral for the state, and integral for logging interests.
045	Rep. Patti Smith	Asks Rep. T. Smith to confirm revenue neutrality in HB 2372.
052	Rep. Nelson	Confirms the language and intent within the bill.
068	Rep. Alan Bates	Testifies in favor of HB 2372. States the purpose of the tax credit and affirms that it should be made permanent and long-term. States that a failure to pass this bill will be disadvantageous to the industry and the economy.
120	Jim Geisinger	Executive Vice-President, Associated Oregon Loggers. Submits <b>(EXHIBIT B)</b> in support of HB 2372. Also submits <b>(EXHIBIT C)</b> for Gary Betts. Asserts that the passage of this bill would be a strong catalyst to the logging industry.
179	Bob Luoto	President of Cross & Crown, Inc. Submits <b>(EXHIBIT D)</b> in support of his testimony in favor of HB 2372, which will make the 1999 trial tax exemption of logging equipment permanent.
224	Rep. Beyer	Asks how long the equipment will last.
229	Luoto	Replies that it would last about four to five years.
242	Rep. Beyer	Asks if the tax depreciates over time.
249	Luoto	Remarks that it will depreciate somewhat.
256	Mary Betts	Cites a personal anecdote which illustrates the benefits of HB

2372.

297 Rep. Nelson Asks if this bill includes helicopters.  
301 Geisinger Replies that he doesn't believe that helicopters are addressed in this bill.

309 Rep. Hunt Asks Geisinger if he anticipates that this bill will go straight to the floor.

313 Geisinger Responds that he thinks that it should since it has no revenue impact.

330 Rep. Beyer Asks Geisinger believes that the sunset is putting a damper on the purchase of equipment.

333 Geisinger Affirms his belief that it is.  
334 Luoto Adds that this bill is important for a long-term plan and that it offers security which can be passed on to the employees.

349 Betts Affirms Luoto's statements.  
359 Gil Riddell Association of Oregon Counties (AOC). Submits **(EXHIBIT E)** and expresses the concerns which lead AOC to oppose HB 2372.

**TAPE 28, A**

002 Riddell Continues testimony, stating that we have until 2008 to readdress this issue and that the revenue questions are too much to overcome at this time.

018 Rep. Hunt Asks for a clarification regarding HB 2372 vis-à-vis ORS 306.350.

021 Riddell Responds about the state policy of sharing the costs.  
026 Rep. Hunt Asks for precedents of the state sharing the costs.  
030 Riddell Responds that there is no precedent that he knows of.  
039 Vice-Chair Gilman Asks how logging equipment differs from the other equipment.  
042 Riddell Responds that it really doesn't. Reiterates that this is a specific revenue-related issue.

053 Rep. Smith Asks why counties diverge in value assessment.  
056 Riddell Disagrees that Rep. Smith's concern is pertinent.  
064 Rep. Smith Asks how the counties are assessed.  
068 Riddell Responds that he doesn't know off the top of his head.  
072 Rep. Nelson Asks if the program went into effect in 1999.  
077 Riddell Affirms that it did.  
079 Rep. Nelson Asks if Riddell testified last session.  
081 Riddell States that this bill was not brought before the legislature in 1999.

084 Rep. Nelson Asks what Riddell's concerns are.  
092 Riddell Reiterates his concerns about revenue.  
104 Rep. Nelson Asks if the counties are concerned about environmental sensitivity.

108 Riddell Responds that they want more evidence stating that the program is working properly. States his concern that the program hasn't been properly tested.

116 Rep. Nelson Asks for further clarification.  
124 Riddell Responds that the reports state that it's too soon to tell if it's working properly.

133 Joe Misek Department of Forestry. Submits **(EXHIBIT F)** in support of HB 2372, as it will encourage investment in environmentally sensitive harvesting of timber in the state.

171 Rep. Nelson Asks who is able to ascertain what equipment is good for the environment.

180 Misek States that the legislature makes the determination.  
200 Rep. Wirth Asks how environmentally sound this equipment is compared

		with that of the past.
204	Misek	States that the advances in logging equipment have been astounding.
213	Rep. Beyer	Asks about the aging of equipment.
223	Misek	Responds that much depends on the skill of the operator, rather than the age of the equipment.
250	Vice-Chair Gilman	Closes the public hearing on HB 2372 and opens the informational meeting on HB 2258.

**HB 2258 – INFORMATIONAL MEETING**

254	Ray Kelly	Summarizes HB 2258.
270	Eric Rickerson,	Oregon’s Access and Habitat Board. Submits <b>(EXHIBIT G)</b> and presents a power-point presentation introducing Oregon’s Access & Habitat Board and their primary objectives.
365	Susan Barnes	Access and Habitat Coordinator. Continues the power-point presentation, with an overview of current projects.

**TAPE 27, B**

048	Susan Barnes	Concludes power-point presentation summarizing the accomplishments over the past decade
076	Vice-Chair Gilman	Asks whether the board and the individual councils are paid or not.
081	Bob Lund	Replies that nobody involved gets paid.
086	Vice-Chair Gilman	Asks if the agency pays the farmers from the damage done by elk.
095	Dick Warner	Responds that the agency does pay.
108	Rep. Nelson	Asks about hunting license increases.
110	Rickerson	Answers that the increases don’t have to do with their agency.
113	Lund	States that the agency hopes to end the sunset to this program.
121	Vice-Chair Gilman	Comments on the forthcoming amendment. Closes the informational meeting and opens a public hearing on HB 2507.

**HB 2507 – PUBLIC HEARING**

130	Ray Kelly	Explains HB 2507.
140	Doug Tindall	Oregon Department of Transportation (ODOT). Submits <b>(EXHIBIT H)</b> and <b>(EXHIBIT I)</b> and testifies that while supporting some of the goals of the program, states a concern that HB 2507 takes away transportation revenue and directs that revenue to other projects.
173	Rep. Beyer	Asks how many registrations we have per year and how much revenue they generate.
175	Tindall	Responds that the fiscal impact is about \$500,000 per year.
180	Chris Neamtzu	President, Oregon Community Trees. Submits <b>(EXHIBIT J)</b> and testifies in support of HB 2507 in order to preserve and protect trees which improves the quality of life for us all. States that Oregon Trees would welcome the opportunity to work with Ways and Means on this bill. Submits two letters of support <b>(EXHIBIT K)</b> and <b>(EXHIBIT L)</b> into the record. Speaks to the fiscal effects of HB 2507.
298	Rep. Beyer	Asks for clarification on the apparent budgetary discrepancy.
333	Tindall	Clarifies the this apparent discrepancy.
347	Rep. Nelson	Asks why this is addressed to the state rather than a specific city.
357	Tindall	States that this issue is related to pollution and so it’s logical to address the issue with this bill.
373	Rep. Nelson	Cites McMinnville as an example of a partnership. Suggests that Oregon Trees look into partnerships with business.
390	Rep. Beyer	Asks if the League of Oregon Cities (LOC) have offered any

400 <b>TAPE 28, B</b> 003	Andrea Faux  Paul Ries	input. Responds that the LOC is not supporting HB 2507 at this time.  Department of Forestry. Submits <b>(EXHIBIT M)</b> and while agreeing with the aim of HB 2507, opposes the bill due to their concern regarding the funding mechanism provided for in Section Two of the act.
040	Vice-Chair Gilman	Closes the public hearing on HB 2507 and adjourns the meeting at 2:33.

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**EXHIBIT SUMMARY**

- A – HB 2373, written testimony, Representative Tootie Smith, 1 p.**
- B – HB 2372, written testimony, Jim Geisinger, 7 pp.**
- C – HB 2372, written testimony, Jim Geisinger, 2 pp.**
- D – HB 2372, written testimony, Bob Luoto, 2 pp.**
- E – HB 2372, written testimony, Gil Riddell, 2 pp.**
- F – HB 2372, written testimony, Joe Misek, 3 pp.**
- G – HB 2258, written materials, Eric Rickerson, 8 pp.**
- H – HB 2507, written materials, Doug Tindall, 1 p.**
- I – HB 2507, written testimony, Doug Tindall, 2 pp.**
- J – HB 2507, written testimony, Chris Neamtzu, 2 pp.**
- K – HB 2507, written testimony, Chris Neamtzu, 1 p.**
- L – HB 2507, written testimony, Chris Neamtzu, 1 p.**
- M – HB 2507, written testimony, Paul Ries, 2 pp.**