

HOUSE COMMITTEE ON
AGRICULTURE AND NATURAL RESOURCES

April 17, 2003 Hearing Room D
1:00 PM Tapes 67 – 70

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

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

MEASURES HEARD: **HB 2769 – Public Hearing**
 HB 2893 – Work Session
 SB 291 – Work Session
 HB 3126 – Work Session
 HB 3252 – Work Session
 HB 3549 – 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 67, A		
003	Chair Kropf	Calls the meeting to order at 1:20 and opens a public hearing on HB 2769.
<u>PUBLIC HEARING</u>		
020	Rep. Floyd Prozanski	Submits (EXHIBIT A) and speaks in favor of HB 2769 supporting industrial hemp. Illustrates the benefits of industrial hemp and the inconsistencies with public policy for this industrial crop.
164	Chair Kropf	Asks Prozanski how the marijuana issue is avoided in Canada.
170	Rep. Prozanski	Speaks to safeguards, regulations, and access to the plants.
185	Chair Kropf	Asks about cross-pollination vis-à-vis THC.
188	Rep. Prozanski	States that it might be possible, but asserts that due to the sheer size of the crop, cross-pollination would be more likely to favor industrial hemp.
197	Rep. Hunt	Asks about the order of the various stages.
204	Rep. Prozanski	Speaks to Oregon's agricultural heritage and potential.
222	Rep. Nelson	Asks what country is number one in hemp production.
231	Rep. Prozanski	States that he's not sure who is the world leader, but cites Western European countries, China, and Canada as major producers.
238	Rep. Nelson	Asks about hempen products.
241	Rep. Prozanski	Identifies various products.

246	Rep. Nelson	Asks where the auto parts are produced.
250	Rep. Prozanski	States that he's not sure, but believes that Germany is one place.
258	Rep. Nelson	Asks about the environmental impact.
261	Rep. Prozanski	Speaks to environmental benefits of industrial hemp.
275	Rep. Nelson	Asks how hemp is harvested
280	Rep. Prozanski	Speaks to the harvesting of industrial hemp.
297	Rep. Nelson	Asks if it's legal to import hempen products.
302	Rep. Prozanski	Replies that we are able to.
310	Chair Kropf	Asks about the market for hempen products.
322	Rep. Prozanski	Notes that there is a market for such products.
333	Chair Kropf	Asks if the market for hempen products is expanding or contracting.
335	Rep. Prozanski	Responds that the market is expanding.
352	Chair Kropf	Asks once again about world-wide trends.
357	Rep. Prozanski	Speaks to the economics of the product.
374	Rep. Nelson	Asks what kind of economic impact hemp could have.
384	Rep. Prozanski	States that not many studies have been conducted, thus it is difficult to ascertain. Once again addresses markets for hempen products.
418	Rep. Nelson	Asks why the crop is referred to as <i>industrial</i> hemp.
427	Rep. Prozanski	Notes that it is to distinguish itself from marijuana.
432	Ray Kelly	Clarifies the differences between various hempen uses.
TAPE 68, A		
021	Chair Kropf	Closes the public hearing on HB 2769 and opens a work session on HB 2893.

HB 2893 – WORK SESSION

028	Rep. Phil Barnhart	Submits -1 amendments (EXHIBIT B) in hopes of addressing some of the concerns about the original bill. Gives the difference between the two versions.
030	Rep. Smith	Asks about the opposition to HB 2893.
033	Rep. Barnhart	Addresses the three categories of opposition to HB 2893.
058	Rep. Hunt	MOTION: Moves to ADOPT HB 2893-1 amendments dated 4/11/03.
060	Rep. Nelson	Asks about the -1 amendments as they relate to first amendment rights and asks for clarification of the bill.
074	Kelly	Summarizes the effects -1 amendments.
098	Rep. Nelson	Asks Mr. Reed about the effects of the -1 amendments.
105	Mark Reed	Gives further clarification into the -1 amendments.
152	Ray Kelly	Committee Administrator. Notes a correction in a prior assertion regarding Reed's lawsuit against the board. VOTE: 7-0
161	Chair Kropf	Hearing no objection, declares the motion CARRIED.
162	Rep. Hunt	MOTION: Moves HB 2893 to the floor with a DO PASS AS AMENDED recommendation.
165	Rep. Beyer	Expresses concerns about this legislation, but states that she will vote for it nevertheless.
169	Rep. Gilman	States that he will vote no as he believes that the problem has already been sufficiently addressed.
178		VOTE: 5-2 AYE: 5 - Beyer, Hunt, Nelson, Wirth, Kropf NAY: 2 - Gilman, Smith P.
181	Chair Kropf	The motion CARRIES.

REP. BARNHART will lead discussion on the floor.

183 Chair Kropf Closes the work session on HB 2893 and opens a work session on SB 291.

SB 291 – WORK SESSION

200 Senator Ferrioli Speaks to the first few versions of amendments to this bill, none of which are sufficient to pass. Notes that LCDC supports the grandfathering in the currently-licensed facilities.

290 Chair Kropf Asks for clarification on the safety buffers.

297 Senator Ferrioli Addresses the safety buffer issue with regard to the statutes.

313 Rep. Wirth Asks how they arrived at the three mile separation.

317 Senator Ferrioli Addresses the three mile separation.

343 Ron Eber Department of Land Conservation and Development (DLCD). Affirms full support for SB 291 and the amendments being drafted. Speaks to hunting preserves in relation to this bill.

371 Ron Anglin Oregon Department of Fish and Wildlife (ODFW). States that ODFW would support Senator Ferrioli's amendments.

388 Matt Cyrus Deschutes County. Expresses full support for SB 291. Addresses the county approval process and licensing.

430 Jean Underhill Representing Family Farm Membership. Introduces her parents, Buck and LaVelle Underhill and speaks in favor of SB 291.

450 Lavelle Underhill Submits **(EXHIBIT C)** and speaks in opposition to SB 291 as it is written. Urges an amended version to follow. Speaks for fellow farmers who are likewise affected by this legislation.

TAPE 67, B

010 Underhill Continues testimony in opposition to SB 291. Addresses concerns of the residents east of Mt. Hood.

055 Buck Underhill Submits **(EXHIBIT D)** - a preferred amendment and refers to it in testifying in favor of a buffer for the game preserve.

068 Chair Kropf Reaffirms his understanding of the Underhills' sentiments.

073 L. Underhill Asserts that the problem is much more widespread than that addressed by Senator Ferrioli.

091 Ron Eber Speaks to the bill and offers clarification. Cites ORS passages and what they permit.

120 Chair Kropf Asks if the language was adopted, whether it would be consistent with the intent of the ORS.

126 Eber Affirms that it seems that it would clarify and be consistent.

141 B.Underhill States that he has requested considerations and has been rejected.

145 Chair Kropf Notes that perhaps the rejection was because there was no authority to intervene.

147 L. Underhill Notes that their proposal would address this occurrence in the future.

153 Chair Kropf Expresses concern that the word *shall* might create a burden on the counties.

155 L. Underhill Speaks to the buffer and its effect on the buffer.

183 Chair Kropf Believes that counties already have the authority to do this.

187 L. Underhill States that it should be written in statute clearly and understandably in the statutes.

194 Rep. Nelson Asks Eber's licensing authority.

197 Eber Clarifies his jurisdiction.

202 Rep. Nelson Asks who issues permits. Expresses safety concerns.

216 Ron Anglin Addresses the permitting process.

224 Rep. Nelson Readdresses the question with concern for people and livestock.

237 Anglin Addresses land use planning and actions.

285 Chair Kropf Asks about conditional authority.

287	Anglin	Notes that ODFW does not have the authority to issue a conditional permit and that the county issues conditional permits.
300	Rep. Nelson	Asks the cost of a permit and where the money goes.
305	Anglin	Replies that he is not sure how much it costs. Notes that the money goes into the department and does not cover the costs of the program.
325	Wilkinson	Makes it clear that OFB is not involved in this legislation. Speaks to the need for buffers.
350	George Dern	Wildlife Rancher, Sweet Home. Submits (EXHIBIT E) and speaks in opposition to mandatory buffers which should be up to the individual owner. States that a 200-yard buffer would damage his business.

TAPE 68, B

002	Rep. Wirth	Asks for clarification on the voluntary buffer.
017	Keith Cyrus	Deschutes County Planning Commission. Testifies in favor of the grandfathered exemption.
037	Chair Kropf	Closes the work session on SB 291.
041	Rep. Wirth	Asks for clarification from the counties who denied the permit before the next hearing.
044	Chair Kropf	Agrees with Rep. Wirth's request and also states that he would like Senator Ferrioli to clarify his testimony. Opens a work session on HB 3126.

HB 3126 WORK SESSION

053	Chair Kropf	Introduces the -2 amendments (EXHIBIT F) to HB 3126.
065	Rep. Greg Smith	Testifies in favor of HB 3126. Also attempts to address the concerns of those against the bill. Asserts that the legislation it is not intended to override the Endangered Species Act (ESA).
090	Rep. Hunt	Asks about ODFW's opinion on HB 3126.
094	Chair Kropf	States that ODFW will probably not want to address the issue.
102	Rep. Hunt	Asks what legal council's opinion on the amendments is and whether the amendments dovetail with existing laws.
113	Roy Elicker	Assistant to the Director, Government Affairs, ODFW. States that according to Jim Myron in governor's office, the Governor opposes legislation dealing with wolves and is worried about landowner confusion.
140	Rep. Wirth	Asks for clarification that there is no verifiable evidence of grey wolves existing within the State of Oregon.
148	Elicker	Affirms that is the case.
155	Chair Kropf	Notes three incidents of stray wolves from Idaho.
159	Rep. Wirth	Asks about the Predator Control Program.
162	Anglin	Speaks to the program.
168	Rep. Wirth	Asks if the landowners would be eligible for compensation under the predator control program with regard to the grey wolf.
173	Anglin	Notes that the state has no compensation package.
180	Rep. Wirth	Asks what the appropriated funds go towards.
185	Anglin	States that he's not sure of the funds. Addresses contributed funds.
200	Rep. Wirth	Asks about the higher costs for predator control.
213	Anglin	Notes that ODFW contributes a flat fee to wildlife services for predator control.
216	Chair Kropf	Offers his clarification.
229	Rep. Hunt	Asks about the intent of the bill as amended and the authority it would give ODFW, which they don't already have.
247	Elicker	States that ODFW is working with Rep. Jenson.

260	Rep. Hunt	Asks about authority they don't already have.
265	Elicker	Doesn't believe that HB 3126 changes the statute or practice with regard to wolves.
280	Glen Stonebrink	Oregon Cattlemen Association (OCA). Notes alleged inconsistencies with the opposition. Notes that wolves have better constitutional rights than humans and doesn't believe that should be.
311	Chair Kropf	Adds that he'd be happy to pull the bill back into committee if need be.
315	Rep. Beyer	Speculates on the ESA listing.
331	Chair Kropf	Gives his interpretation on ESA listing.
340	Stonebrink	Reaffirms Chair Kropf's interpretation.
380	Beyer	Asks if the goal will be reached with or without the ESA in effect.
383	Stonebrink	States that he doesn't know if their concerns will be addressed.
389	Chair Kropf	Asks about management plans for species on the ESA and the grandfathering of the species.
402	Anglin	States that those grandfathered in are not required to develop a management plan. Notes that there are twenty-eight or twenty-nine species on the list.
422	Rep. Beyer	Asks why wolves are atop the ESA list.
430	Anglin	States that ODFW believes that as long as wolves are present in Idaho, more will cross into Oregon. Speaks to delisting and regulations in the State and Federal ESAs.
461	Rep. Wirth	Asks if there are any species (except wolves) on the State ESA list without a management plan.
TAPE 69, A		
023	Rep. Hunt	Asks about the impact of this legislation on spending dollars on a management plan.
027	Anglin	Replies that it would have no impact.
032	Rep. Smith	MOTION: Moves to ADOPT HB 3126-2 amendments dated 4/16/03.
036	Rep. Wirth	Announces that she will be voting no on the motion.
040	Rep. Beyer	States that she has not seen a demonstrated need to enact this legislation and will also vote no.
051		VOTE: 5-2 AYE: 5 - Gilman, Hunt, Nelson, Smith P., Kropf NAY: 2 - Beyer, Wirth
052	Chair Kropf	The motion CARRIES.
054	Rep. Smith	MOTION: Moves HB 3126 to the floor with a DO PASS AS AMENDED recommendation.
060	Rep. Nelson	Announces that she will vote yes on HB 3126.
080	Rep. Hunt	Speaks about challenges facing the governor. Notes that he doesn't like this bill, but that it's better than the original. States that he believes that it will improve on the Senate side.
102	Rep. Wirth	Reiterates that there are more grey wolf bills than grey wolves in Oregon and thus will not support the unnecessary legislation.
113	Beyer	Restates that she will vote no.
116	Chair Kropf	States value in moving this legislation forward and hopes that the Governor will work out some of the details with Rep. Jenson.
131		VOTE: 5-2 AYE: 5 - Gilman, Hunt, Nelson, Smith P., Kropf NAY: 2 - Beyer, Wirth
136	Chair Kropf	The motion CARRIES.

142	Chair Kropf	REP. GREG SMITH will lead discussion on the floor. Closes the work session on HB 3126 and opens a work session on HB 3252.
HB 3252 – WORK SESSION		
150	Rep. Nelson	HD 24. Submits the -1 amendments (EXHIBIT G) and testifies in favor of HB 3252.
174	Matt Markee	Speaks in favor of the -1 amendments and states the concerns which the amendments attempted to address..
192	Rep. Wirth	Asks Markee to elaborate on the grants.
196	Markee	Discusses grants to marinas and ports.
210	Chair Kropf	Refers to the co-chair’s budget and funding, which makes the need to pass this legislation even greater.
220	Kelly Laviolette	Nehalem Bay. Asks about the surcharges to the licenses.
240	Markee	States that there is a \$1.50 fee.
250	Laviolette	Reaffirms that he believes that the fees will drive off potential crabbers and that this legislation will harm the economy.
293	Rep. Nelson	Notes that she worked on amendments to this bill on behalf of Kelly’s parents. Speaks to the compromises she made.
321	Laviolette	Questions who will benefit from this legislation.
340	Markee	Asserts that we need revenue to keep shellfishing open. Notes that the are even a little less expensive than those in Washington, where business has remained consistent.
361	Rep. Nelson	Asserts that she believes this legislation to benefit us all.
374	Laviolette	Asserts that this bill will have a negative business impact.
411	Markee	Asks for the -1 amendments to be adopted so that the bill can continue to be worked.
415	Ray Kelly	Committee Administrator. Explains the -1 amendments and the subsequent referral to ways and means.
TAPE 70, A		
017	Rep. Nelson	MOTION: Moves to ADOPT HB 3252-1 amendments dated 4/17/03.
026	Rep. Smith	VOTE: 5-2 AYE: 5 - Beyer, Hunt, Nelson, Wirth, Kropf NAY: 2 - Gilman, Smith P.
028	Chair Kropf	The motion CARRIES.
031	Rep. Nelson	MOTION: Moves HB 3252 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
033	Rep. Smith	Informs the committee that she will be voting no as she is concerned about the effect of a tax on small businesses.
037	Rep. Beyer	Announces that she will be voting yes to send the bill forward to the committee on Ways and Means.
041	Chair Kropf	States that he doesn’t believe this to be a small business tax, but finds it important for the ongoing health of the sportfishing industry.
053	Rep. Nelson	Restates her commitment to economic development in support of HB 3252.
063		VOTE: 5-2 AYE: 5 - Beyer, Hunt, Nelson, Wirth, Kropf NAY: 2 - Gilman, Smith P.
071	Chair Kropf	The motion CARRIES.
073	Chair Kropf	Closes the work session on HB 3252 and opens a work session on HB 3549.

HB 3549 – WORK SESSION

076	Chair Kropf	Submits the -2 amendments (EXHIBIT I) to HB 3549 and introduces the bill as one which creates an agricultural task force or work group to work during the interim.
092	Chuck Craig	Deputy Director, Department of Agriculture. Testifies in support of HB 3549.
099	Rep. Gilman	MOTION: Moves to ADOPT HB 3549-2 amendments dated 4/15/03.
108	Rep. Nelson	Questions the fiscal impact of HB 3549.
112	Chair Kropf	States that he is willing to work on the language in Ways and Means.
115		VOTE: 7-0
116	Chair Kropf	Hearing no objection, declares the motion CARRIED.
121	Rep. Gilman	MOTION: Moves HB 3549 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
124		VOTE: 7-0
129	Chair Kropf	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
134	Chair Kropf	Closes the work session on HB 3549. Announces an unscheduled meeting on Friday, April 18, at 9:30 AM. Adjourns the meeting at 3:57.

EXHIBIT SUMMARY

A – HB 2769, written material, Rep. Floyd Prozanski, 26 pp.
B – HB 2893, -1 amendments, Rep. Phil Barnhart, 1 p.
C – SB 291, written testimony, Lavelle Underhill, 5 pp.
D – SB 291, proposed amendments, Buck Underhill, 2 pp.
E – SB 291, written testimony, George Dern, 1 p.
F – HB 3126, -2 amendments, staff, 4 pp.
G – HB 3252, -1 amendments, Rep. Donna Nelson, 19 pp.
H – HB 3549, -2 amendments, staff, Rep. Jeff Kropf, 2 pp.