

HOUSE COMMITTEE ON
ENVIRONMENT AND LAND USE

March 13, 2003 Hearing Room HR E
8:30 AM Tapes 35 - 36

MEMBERS PRESENT: **Rep. Bill Garrard, Chair**
 Rep. Dennis Richardson, Vice-Chair
 Rep. Cliff Zauner, Vice-Chair
 Rep. Robert Ackerman
 Rep. Dan Doyle
 Rep. Mitch Greenlick
 Rep. Diane Rosenbaum

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

MEASURES HEARD: **HB 2545 – Public Hearing and Work Session**
 HM 1 – 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 35, A		
003	Chair Garrard	Calls the meeting to order at 8:40 A.M. and opens a public hearing on HB 2545.
<u>HB 2545 – PUBLIC HEARING</u>		
010	Chair Garrard	Announces the -1 amendments to HB 2545 (EXHIBIT A).
015	Harlan Levy	Oregon Association of Realtors (OAR). Submits (EXHIBIT B) and introduces HB 2545. Speaks in favor of adopting the -1 amendments, thus dropping the Department of Veteran Affairs from the present statute.
062	Rep. Greenlick	Speaks to mineral rights and asks Levy if he would be amenable to an amendment addressing an unusual case.
079	Levy	Speaks to the mineral rights provision and states that the likelihood of any transgression occurring is very minimal, but agrees that he would be amenable to such an amendment.
090	Rep. Greenlick	Asks for confirmation of the issues inherent in such an amendment.
095	Levy	Confirms that that type of amendment would be acceptable and states that OAR has no intention to take from the state.
102	Jim Hall	Submits (EXHIBIT C) and (EXHIBIT D) in support of HB 2545 and offers his personal anecdote detailing problems with the Division of State Lands (DSL) with regard to mineral rights.
224	John Totten	Oregon Appraisal Institute. Recommends the passage of HB 2545 as the Oregon lands subject to this bill have no mineral value. Asserts that there is little fiscal impact if any in this bill

		and that it solves a myriad of problems.
349	Rep. Greenlick	Asks a theoretical question regarding mineral rights and the church appraisal.
356	Totten	States the effect under the hypothetical situation.
363	Rep. Greenlick	Asks Totten to affirm the fair market value and what it includes.
370	Totten	Affirms the bases for market value in this case.
384	Cory Neu	Submits (EXHIBIT E) and testifies in favor of HB 2545 in that no state agency should benefit at the expense of Oregon consumers.
TAPE 36, A		
003	Steve Purchase	Assistant Director for Field Operations, Division of State Lands (DSL). Submits (EXHIBIT F) and testifies in opposition to HB 2545. Addresses the -2 amendments.
041	Rep. Doyle	Asks if this issue relating to mineral rights is new.
043	Purchase	States that it is not, and that mineral rights have been an issue since statehood.
055	Rep. Doyle	Asks why it has taken such a long time to work out the issue.
058	Purchase	Notes the process, which they are presently trying to streamline.
066	Rep. Doyle	Expresses consternation that it has taken so many years to deal with this issue.
071	Rep. Richardson	Asks for the figure charged for appraisal.
075	Purchase	Addresses the appraisal process and the reasons for the costs.
085	Rep. Richardson	Confirms DSL's appraisal process and its effects on the land owner. Asks if it would be better to relieve DSL from this process.
099	Purchase	Agrees with Rep. Richardson. Cites State Attorney General's report and speaks to concerns with the process.
104	Rep. Richardson	Asks Purchase how he would right the administrative rule.
106	Purchase	Responds with DSL's plan and notes that those changes have already been submitted to OAR.
131	Rep. Richardson	States that this might be a good chance to lessen some of the complexities in the system.
144	Rep. Rosenbaum	Asks Purchase's opinion about the Realtors' opinion of the inability to mine on these properties.
157	Purchase	Explains mineral rights in light of the fact that we are not a mineral-rich state.
184	Rep. Rosenbaum	Asks why rights would be waived.
192	Purchase	Asserts that DSL is concerned with that issue.
200	Rep. Rosenbaum	Asks if DSL is involved with the Department of Veteran's Affairs.
205	Purchase	Speaks to the jurisdictions of DSL and the Department of Veteran's Affairs and the services they provide.
224	Chair Garrard	Notes that this bill deals with land of less than three acres and asks if it would even be possible to mine on such land.
234	Purchase	Affirms that it would not.
238	Chair Garrard	Asserts that this is an additional reason why HB 2545 is a good idea.
241	Purchase	Agrees with Chair Garrard. Adds that there might be some varying circumstances, however which warrant further study.
255	Rep. Zauner	Asks about the process for administrative rule-making.
260	Purchase	Asserts that the public is heavily involved and review is important in the process.
276	Rep. Ackerman	States concern as to administrative rules.
286	Purchase	Informs as to criteria contained in the administrative rules.

301 Rep. Ackerman Confirms his reading of the meaning of parcel with regard to mineral rights.

305 Purchase States DSL's definition of isolated and states their position.

315 Charles Gehley Administrator of DAS Veteran Services. States support for the -1 amendments removing Veteran Services from the process.

334 Chair Garrard Closes the public hearing on HB 2545 and opens a work session on HB 2545.

HB 2545 – WORK SESSION

341 Rep. Zauner **MOTION: Moves to ADOPT HB 2545-1 amendments dated 3/12/03.**

344 **VOTE: 7-0**

346 Chair Garrard **Hearing no objection, declares the motion CARRIED.**

350 Rep. Zauner **MOTION: Moves HB 2545A to the floor with a DO PASS AS AMENDED recommendation.**

360 **VOTE: 7-0**

366 Chair Garrard **Hearing no objection, declares the motion CARRIED.**

HM 1 - PUBLIC HEARING

380 Sue Kupillas Jackson County Commissioner. Speaks in favor of HM 1.

395 Rep. Richardson Testifies on the behalf of HM 1 in order to complete the construction of Elk Creek Dam.

TAPE 35, B

011 Kupillas Gives background regarding the Elk Creek Dam and its importance in the area, which is especially important in times of drought.

025 Rep. Richardson Introduces 11-minute video promoting the completion of the Elk Creek Dam, as critical to Jackson County.

165 Kupillas Speaks to Rick Holt's role in the video and propagation in DC.

180 Chair Garrard Asks why the Corp of Engineers originally halted the building of the dam.

190 Kupillas Replies that a law suit brought forth by Oregon Natural Resources Council derailed the project.

200 Chair Garrard Asks Kupillas if the Environmental Impact Statement concerns are being addressed.

202 Kupillas Responds that they are.

205 Rep. Richardson Announces that this bill needs one amendment to the bill and urges passage of HM 1.

222 Chair Asks how long he needs for the amendment to come forth.

230 Rep Richardson States that the amendment should be able to be completed by Tuesday.

235 Jim Welsh Oregon State Grange. Speaks in favor in HM 1 as it provides comprehensive multiple-use benefits.

268 Chair Garrard Closes the public hearing on HM 1. Announces that HB 2431, the wetland bills will be moved to the water committee and adjourns the meeting at 9:59.

EXHIBIT SUMMARY

A – HB 2545, -1 amendments, staff, 1 p.

B – HB 2545, written testimony, Harlan Levy, 7 pp.

C – HB 2545, written testimony, Jim Hall, 2 pp.

D – HB 2545, written materials, Jim Hall, 2 pp.

E – HB 2545, written testimony, Cory Neu, 1 p.

F – HB 2545, written testimony, Steve Purchase, 2 pp.