

HOUSE REVENUE COMMITTEE
MARCH 4, 2003 8:30 AM STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
Representative Wayne Scott, Vice Chair
Representative Joanne Verger, Vice Chair
Representative Phil Barnhart
Representative Vicki Berger
Representative Pat Farr
Representative Mark Hass
Representative Elaine Hopson
Representative Max Williams

Members Excused:

Witness Present: Ozzie Rose, Confederation of Oregon Administrators
Clark Seeley, Department of Forestry
Steve Hobbs, Oregon State University, College of Forestry
Forest Research Laboratory

Staff Present: Paul Warner, Legislative Revenue Officer
Mazen Malik, Legislative Revenue Office
Dick Yates, Legislative Revenue Office
Kathy Tooley, Committee Assistant

TAPE 66, SIDE A

004 Chair Shetterly Calls meeting to order at 8:35 a.m.

OPENED PUBLIC HEARING ON HB 2650

018 Steve Meyer Provided background information on HB 2650, Revenue Impact (Exhibit 1), Chart HB 2650 (Exhibit 2), -1 amendment (Exhibit 3).

074 Chair Shetterly Clarified, HB 2650 is basically a technical amendment to the shift established in special session. It has an emergency clause because it has to be done for accrual to occur in May.

076 Ozzie Rose Spoke in favor of HB 2650.

103 Questions and discussion regarding options available to a district.

117 Chair Shetterly Are you satisfied with the technical aspects of HB 2650, and that they work?

120 Rose Answered affirmatively.

127 Chair Shetterly Closed public hearing. This is a must have in order for accrual to work for school districts. Deadline is May for distribution and accrual.

OPENED WORK SESSION ON HB 2650

135 Rep. Hass **MOTION: MOVED -1 AMENDMENT INTO HB 2650.**

137 Chair Shetterly **HEARING NO OBJECTION, THE CHAIR SO ORDERS. ALL MEMBERS**

PRESENT.

139 Rep. Hass **MOTION: MOVED HB 2650 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION**

ROLL CALL: MOTION PASSED 9-0-0

REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams, Chair Shetterly.

***Refer to Tape 67A, Meter 267 for reconsideration.**

Rep. Barnhart will carry the bill.

153 Rep. Hass Strongly opposed the shift, but it is necessary.

156 Rep. Barnhart Also opposed the shift, will carry the bill, and so comment on the House floor. This bill is necessary to put into effect what the legislature did.

OPENED PUBLIC HEARING ON HB 2195

167 Chair Shetterly This bill is reviewed every two years, with a subsequent referral to Ways and Means, because it fits within the budget.

174 Dick Yates Provided background information on HB 2195, (Exhibit 4).

190 Chair Shetterly This tax supports the Oregon State University Forest Research Lab and the Department of Forestry administration of the Forest Practices Act.

205 Clark Seely Spoke in support of HB 2195, (Exhibit 5).

283 Rep. Verger How do fires influence harvest projections? In your research are you looking at what happens after a huge fire like the Biscuit fire and what can be done with salvage timber?

295 Seely Discussed nature of private vs. federal lands salvage harvest.

340 Seely Discussion of federal lands harvest and development of impact summary and will provide to the Committee.

365 Rep. Berger What are OFLPF and OFRI?

370 Seely Oregon Forest Land Protection Fund; describes function.

390 Seely Oregon Forest Resources Institute; describes function.

375 Berger If the rate is set by statute, what mechanism funds and by what rate?

380 Seely Discussed rates. (Attachment 2, Exhibit 5).

473 Chair Shetterly Discusses funding addressed by HB 2195.

477 Yates The rate is not necessarily fixed. The State Forester can to lower it to 0, if the balance in the Forest Land Protection Fund meets the minimum balance. The State Forester can also raise the rate if the Forest Fund is exhausted.

028	Scott	What is the projected end balance and what causes that to occur?
031	Seely	Projecting \$1 million ending balance in harvest tax revenue for this biennium.
		Discusses statutory connection between harvest tax and general fund.
035 065	Seely Hobbs	Testified in support of HB 2195.
102		Questions and discussion about funding ratio.
150	Rep. Verger	Perhaps harvest levels could be greater? For 2005 and the future, is Oregon capable of harvesting the amount of trees necessary to keep this program going?
164	Seely	Discussed biological potential and sustainable yield and modern forestry. Oregon is within biological capability.
190	Seely	Discussed landowner and government management objectives.
200	Verger	People should do what they do best. One of the things Oregon does best is grow trees.
216	Chair Shetterly	Closed public hearing HB 2195.

OPENED WORK SESSION ON HB 2195

218	Rep. Berger	Why did HB 2195 come to the Committee and then go to Ways and Means?
230	Chair Shetterly	Because it involves an imposition of a tax. The amount of the tax is determined according to budget requirements coordinated by Ways and Means, and tradition.
229	Rep. Berger	The Committee does not set the rate, what is our role?
231	Chair Shetterly	Provides for a biennial policy discussion on the imposition of the tax, supporting the programs that it funds. In this case the dollar amount is set by Ways and Means because it has to coordinate budgets between the Forestry Department and the OSU program.
246	Chair Shetterly	MOTION: MOVES HB 2195 BE REFERRED TO THE FLOOR WITH A DO PASS RECOMMENDATION WITH A SUBSEQUENT REFERRAL TO WAYS AND MEANS.
255		ROLL CALL: MOTION PASSED 9-0-0 REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams, Chair Shetterly.

WORK SESSION HB 2650

267	Chair Shetterly	*MOTION: REQUEST UNANIMOUS CONSENT TO RECONSIDER THE VOTE BY WHICH HB 2650 (AS AMENDED) WAS PASSED TO THE FLOOR WITH A DO PASS RECOMMENDATION.
269	Chair Shetterly	ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. MEMBERS PRESENT: Barnhart, Berger, Farr, Hass, Hopson, Scott,

Verger, Williams, Chair Shetterly.

- 270 Chair Shetterly Clarifies bill before the committee requires a motion with subsequent referral by prior referral to the Ways and Means Committee.
- 272 Rep. Williams Is it supposed to go to Ways and Means?
- 275 Paul Warner Clarifies HB 2650 (as amended) goes to Ways and Means because calculation will influence the final budget for 2003-2005. It is part of the state school fund appropriations process.
- 280 Chair Shetterly Will send memo to co-chairs and Ken Rocco, asking for early action because of the time requirements.

WORK SESSION HB 2195

- 292 Chair Shetterly **MOTION: MOVES HB 2195 WITH A DO PASS RECOMMENDATION AND REQUEST A SUBSEQUENT REFERRAL TO WAYS AND MEANS.**
- 297 Chair Shetterly **ROLL CALL: MOTION PASSED 9-0-0
REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams, Chair Shetterly.**
- 305 Chair Shetterly Close Hearing on HB 2650. Meeting adjourned at 9:25 a.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. Meyer, "Revenue Impact HB 2650", 1 page
2. Meyer, "HB 2650", 1 page
3. Meyer, "HB 2650-1", 3 pages
4. Yates, "Staff Measure Summary HB 2195", 2 pages
5. Seely, "Testimony HB 2195", 4 pages
6. Hobbs, "Testimony HB 2195", 1 page