HOUSE REVENUE COMMITTEE
MAY 16, 2003 8:30 AM STATE CAPITOL BUILDING

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

Members Excused: Representative, Lane Shetterly, Chair

Witnesses Present: Representative Jackie Dingfelder, District 45
Mark Barsotti, Department of Forestry, (DOF)
Andrew Bowman, Defenders of Wildlife
John Phillips, Department of Revenue (DOR)
Bruce Tindall, DOR
Gil Riddell, Association of Oregon Counties, and League of Oregon Cities
Katie Fast, Oregon Cattlemen's Association
Gail McKewan, Oregon Department of Fish and Wildlife (ODFW)

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

TAPE 167, SIDE A

004	Vice Chair Verger	Calls meeting to order at 8:40 a.m.

OPENED PUBLIC HEARING ON HB 3616-A

044	Rep. Jackie Dingfelder	Spoke in support and provided an overview of HB 3616-A, (Exhibit 1). Bill comes out of recommendations from the Conservation Incentives Work Group, and was approved by the House Water Committee with amendments. Knows of no opposition to the bill.
075	Rep. Dingfelder	Described –A4s, (Exhibit 2) requires the Fish and Wildlife Commission give significant weight to a city or county's argument regarding economic burden.
095	Mark Barsotti	Spoke in support of HB 3616-A, discussed work group from cities, counties, and conservation group, all agreed on incentives as effective tool in meeting resource needs.
105	Barsotti	DOF most interested in stewardship agreements allowing the farmer/ forester to holistically work with regulators and have one plan for their property.
121	Andrew Bowman	Spoke in support of HB 3616-A. Reiterated testimony by Rep. Dingfelder and Barsotti.
145	Rep. Barnhart	Would like to know more about the revenue impact and evaluation issues.
150	Mazen Malik	Discussed revenue impact of HB 3616-A, (Exhibit 3).

192	Rep. Hass	How is this going to work? Who is going to use this? How would it be put into practical use?
203	Bowman	Provided hypothetical example, where land was moved from farm or forest assessment into wildlife habitat special assessment without being hit with higher property taxes, assumes ODFW approval of land for program. Rather than create an incentive, it removes a disincentive.
212	Rep. Hass	Why is that?
215	Bowman	If the landowner was getting a farm or forest use special assessment, and could no longer meet the criteria for the special assessment, they would be disqualified and face back taxes and a higher ongoing property tax bill.
229	Rep. Hass	If someone isn't in a timber or farmland, are those the only practical places this would apply?
232	Bowman	There may be some circumstances where the person is at a market rate assessment. Unable to determine how often it would happen, don't think often. These lands are already in resource zones and probably in the special assessment. Bill provides a safety net for cities or counties to say an economic burden exists and would like to opt out of the program.
246	Rep. Barnhart	What happens to old taxes due for land gone out of assessment for some other reason?
256	John Phillips	Disqualification would be for 10 years, taxes due as if disqualified from open space or under this program.
262	Rep. Barnhart	Value of program is that it prevents back taxes becoming due from a special assessed area if it goes into the habitat program. What happens to taxes otherwise due if it is disqualified from habitat program, but for this bill?
288	Phillips	Provided explanation of back taxes due.
300	Rep. Verger	Requested explanation of cities and counties being able to opt out.
294	Bruce Tindall	Described special assessment disqualifications, going from one special assessment to another, potential tax liability rolls with the land.
321	Rep. Barnhart	What happens if the county/city opts out of the program?
324	Tindall	Those in the special assessment stay in until disqualified or remove themselves; it is not a retroactive removal.
330	Gil Riddell	AOC agrees natural resources policy at this stage is more effective to provide incentives than regulations. Opt in and out provision is important for local buy in. This bill allows counties to try the program, and can petition Fish and Wildlife Commission to opt out. Also supported the –A4 amendments.
360	Katie Fast	Participated in work group, concerns were addressed in the Water Committee with the amendments. Supported flexibility for counties to opt in and out of the program. Supported the Department of Agriculture addition to the stewardship agreement program.
388	Rep. Verger	What is the public process? What it the county commissioners think this is a good idea and haven't been in before, is there a public process?
400	Riddell	Up to the individual county, believes there would be a public process. Cited

		example of individual doing something that makes sense to resource and economy without penalty. Constituents would come to the county and enter into the public process.
439	Malik	ODFW is required by the bill to examine the designation periodically, is that every year, two years, or three years?
450	Gail McKewan	Currently, have a biologist assigned to each county to work with landowners on this program and are required to monitor properties in program at periodic intervals to ensure compliance. Anticipate having an adequate number of staff to keep up with the program.
482	Rep. Berger	How many current projects are going on, and for how long?
487	McKewan	Gave history of program which began as a pilot project in Marion and Polk Counties, discussed expansion.

TAPE 168, SIDE A

039	Rep. Verger	Described emotional reaction from county, where regulatory process defines attitude that might prevent them from being open to this, in spite of the consensus building that has gone into this bill?
053	Barsotti	Described wildlife planning process and stewardship agreement which allows landowner to have access to other funds. Described relationship to ODFW and Soil and Conservation and access to financial and technical resources.
076	Rep. Verger	Closed Public Hearing on HB 3616-A.

OPENED WORK SESSION ON HB 3616-A

082	Rep. Williams	**MOTION: MOVED ADOPTION OF THE –4 AMENDMENTS INTO HB 3616.** **ORDER: HEARING NO OBJECTION, THE CHAIR SO ORDERS. (ALL MEMBERS PRESENT EXCEPT CHAIR SHETTERLY, EXCUSED).**
086	Rep. Williams	**MOTION: MOVED HB 3616, AS AMENDED, TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION** **ROLL CALL: MOTION PASSED 8-0-1** **REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams. EXCUSED: Chair Shetterly.** **Rep. Dingfelder to carry the bill.**
100	Rep. Verger	Adjourned the meeting at 9:15 a.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant

Exhibit Summary:

1. Dingfelder, “Testimony HB 3616-A”, 2 pages

2. Dingfelder, “HB 3616-A4 Amendment”, 1 page
3. Malik, “Revenue Impact HB 3616-A4” 1 page
4. Malik, “Staff Measure Summary HB 3616-A”, 2 pages