

**SENATE REVENUE COMMITTEE**  
**May 22, 2003 1:00 PM STATE CAPITOL BUILDING**

Members Present: Senator Ryan Deckert, Chair  
Senator Ted Ferrioli, Vice Chair  
Senator Tony Corcoran  
Senator Lenn Hannon  
Senator Charlie Ringo  
Senator Bruce Starr

Witnesses Present: Clint Bentz, Small Woodland Owner  
Link Cannon, Oregon Forest Industries Council  
Kristina McNitt, Oregon Small Woodlands Association  
Norm Miller, Department of Revenue

Staff Present: Paul Warner, Legislative Revenue Office  
Richard Yates, Legislative Revenue Office  
Tara Lantz, Committee Assistant

**TAPE 126, SIDE A**

004 Chair Deckert Calls meeting to order at 1:14 pm.

**OPENS WORK SESSION ON HB 2197 A**

030 Richard Yates Explains HB 2197 A which establishes an optional small tract forestland program. Discusses the proposed –A6 amendments (Exhibit 2) and –A7 amendments (Exhibit 3).

104 Sen. Ringo Asks how the revenue impact numbers were determined and whether the bill could be crafted to not have a negative revenue impact.

115 Yates States that small wood lot owners argue that the bill is revenue neutral, but that he used his own assumptions about the behavior of the wood lot owners to determine the revenue impact. Explains that by raising the harvest tax up to cover costs, the incentive to enter the program is lost.

134 Sen. Ringo Expresses concern over the negative fiscal impact.

142 Yates Responds that if everyone eligible opted into the program it would raise revenue.

155 Clint Bentz States that this program would allow land owners to control when they pay property taxes and that he is optimistic that most land owners would opt into the program even though they would end up paying more.

198 Sen. Ringo Asks what could have been changed to make the bill revenue neutral.

202 Bentz Responds that the assumption was that anyone harvesting within the next five years will not opt in, but points out that most land owners don't harvest every year.

Discussion follows.

220 Sen. Ferrioli Points out that this bill comes after five years of work and that it has been well thought out. Expresses concern over not letting people opt in and opt out but expresses support for the amendments if it will allow the program to happen.

262 Sen. Hannon Asks if the –A5 and –A6 are consistent with each other.

265 Sen. Deckert Responds negatively.

268 Sen. Hannon Asks which amendment is preferred.

272 Bentz Responds that the –A6 amendments are preferred and explains the reasoning. Discusses concerns that could be addressed in the future.

305 Link Cannon Discusses the reasoning for the –A7 amendments.

324 Sen. Deckert States that the problem with the –A5 amendments is that they don't allow for the transfer of property.

331 Kristina McNitt Offers support for the bill and the amendments.

340 Sen. Hannon MOTION: MOVES HB 2197-A6 AMENDMENTS DATED 5/22/03 BE ADOPTED.

345 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 5-0-1.  
SENATORS ANSWERING AYE: HANNON, RINGO, STARR, FERRIOLI, DECKERT.  
SENATORS EXCUSED: CORCORAN.

349 Sen. Hannon MOTION: MOVES HB 2197-A7 AMENDMENTS DATED 5/22/03 BE ADOPTED.

353 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES.  
SENATORS EXCUSED: CORCORAN.

356 Sen. Hannon MOTION: MOVES HB 2197 A TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.

361 Sen. Ringo States that he is a no because of the negative fiscal impact.

368 Sen. Deckert Points out that the Governor has built the fiscal impact into the budget.

373 Sen. Hannon States that this is an important bill to promote the reforestation of the state.

382 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-1-1.  
SENATORS ANSWERING AYE: HANNON, STARR, FERRIOLI, DECKERT.  
SENATORS ANSWERING NO: RINGO.  
SENATORS EXCUSED: CORCORAN.  
Sen. Ferrioli will carry the bill on the Senate Floor.

OPENS PUBLIC HEARING ON HB 2188

400 Yates Explains HB 2188, which cleans up statutes made obsolete by Legislation in 2001 (Exhibit 4), and explains conflicts with the bill that need to be fixed.

**TAPE 127, SIDE A**

005 Sen. Deckert Asks if they will need to hold the bill until they see what happens to HB 2197.

008 Yates Responds affirmatively.

013	Norm Miller	Testifies in support of HB 2188 because it eliminates unnecessary work for the Department of Revenue and taxpayers. Refer to written testimony (Exhibit 6).
036	Sen. Ringo	Asks if this bill saves 2 full time employees.
039	Miller	Responds affirmatively.
040	Clint Bentz	Offers support for HB 2188.
048	Sen. Hannon	Asks if they want to hold off HB 2188 until HB 2197 passes.
052	Miller	Responds affirmatively.

CLOSES PUBLIC HEARING ON HB 2188

064	Sen. Deckert	Adjourns meeting at 1:47 pm.
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Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 2197 A, Richard Yates, Proposed –A5 Amendments, 1p.
2. HB 2197 A, Richard Yates, Proposed –A6 Amendments, 1p.
3. HB 2197 A, Richard Yates, Proposed –A7 Amendments, 1p.
4. HB 2188, Richard Yates, Staff Measure Summary, 1p.
5. HB 2188, Richard Yates, Fiscal Impact Statement, 1p.
6. HB 2188, Norm Miller, Written Testimony, 1p.
7. HB 2197 A, David Adams, Written Testimony, 1p.