

HOUSE COMMITTEE ON AGRICULTURE & FORESTRY

February 01, 2001
3:30 PM

Hearing Room 50
Tapes 20 - 23

MEMBERS PRESENT: **Rep. Jeff Kropf, Chair**
 Rep. Al King, Vice-Chair
 Rep. Donna Nelson, Vice-Chair
 Rep. Dan Doyle
 Rep. Elaine Hopson
 Rep. Wayne Krieger
 Rep. Mary Nolan
 Rep. Tootie Smith

MEMBER EXCUSED: **Rep. Robert Ackerman**

STAFF PRESENT: **Ray Kelly, Committee Administrator**
 Michael Reiley, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2047 – Public Hearing and Work Session**
 HB 2157 – Public Hearing and Work Session
 HB 2158 – Public Hearing and Work Session
 HB 2159 – Public Hearing and Work Session
 HB 2160 – Public Hearing and Work Session
 HB 2161 – Public Hearing and 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 20, A		
003	Chair Kropf	Calls meeting to order at 3:37 p.m. Opens public hearing on HB 2047.
<u>HB 2047 - PUBLIC HEARING</u>		
009	Ray Kelly	Committee Administrator. Summarizes HB 2047.
029	John McCulley	Oregon Fairs Association (OFA). Testifies in support of HB 2047. Submits and summarizes prepared testimony (EXHIBIT A).
086	Mike McArthur	Judge, Sherman County. Testifies in support of HB 2047.
095	Rep. Nelson	Asks if there is organization to keep county fairs operating efficiently.
107	McCulley	Answers that support of state is important to every fair. Discusses OFA's activities helping fairs.
119	Rep. Nelson	Asks if there is a review to evaluate performance of county fairs.
124	McCulley	Gives history of evaluating performance of county fairs. Expresses hope that should HB 2047 pass, there would be organizations established to help county fairs operate more effectively.
138	Senator Bev Clarno	Senate District 27. Testifies in support of HB 2047. Describes

164	Bill Bellamy	benefits of county fairs. Jefferson County Commissioner. Testifies in support of HB 2047. Expresses importance of county fairs to local communities. Discusses expense of maintaining fair grounds.
268	Representative Betsy Johnson	House District 1. Testifies in support of HB 2047. Describes management and budget issues expressed to her by county officials regarding fairs. Argues that there should be standardized accountability for money being spent on county fairs.
328	Representative Tom Butler	House District 60. Testifies in support of HB 2047. Gives personal account of experience with county fairs.
TAPE 21, A		
029	Representative Greg Smith	House District 59. Testifies in support HB 2047. Points out that fair is an “economic development tool” that helps youth and communities.
057	Lora Mickelsen	Canby High School. Testifies in support of HB 2047. Gives her personal history with 4-H and FFA.
072	Shirine Salem	Clackamas County. Testifies in support of HB 2047. Gives her personal history with 4-H and FFA.
080	Mickelsen	Argues for importance of county fairs.
112	Salem	Argues for importance of county fairs.
136	Greg Flakus	Winning Ticket Strategies, Inc. Testifies in support of HB 2047. Submits and reads prepared testimony (EXHIBIT B).
162	Ken Miller	Portland, Oregon. Testifies in support of HB 2047. Gives personal experience of travelling to all county fairs in Oregon.
214	Cleve Dumdi	Junction City. Testifies in support of HB 2047. Gives overview of Lane County Fair. Argues that every county should have a business plan on which to operate county fairs.
240	Chair Kropf	Summarizes written testimony from Columbia County Fair & Rodeo supporting HB 2047 (EXHIBIT C).
247	Rep. King	Asks to hear about accountability issue raised by Rep. Johnson.
253	McCulley	Discusses Rep. Johnson’s mention of accountability. Discusses additional legislation potential to address accountability issue.
273	Chair Kropf	Closes public hearing on HB 2047. Opens work session on HB 2047.

HB 2047 – WORK SESSION

275	Rep. Nelson	MOTION: Moves to ADOPT HB 2047-1 amendments dated 1/24/01.
		VOTE: 6-1
		AYE: 6 - Hopson, King, Krieger, Nelson, Smith T, Kropf
		NAY: 1 – Nolan
		EXCUSED: 2 – Ackerman, Doyle
		The motion CARRIES.
286	Chair Kropf	MOTION: Moves HB 2047 to the floor with a DO PASS AS
291	Rep. Nelson	AMENDED recommendation and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue by prior reference.
310	Rep. Nolan	Asks if each county will receive equal portion of funding.
319	Ray Kelly	Answers that funding will be divided into equal parts for all counties that have fair programs.
330	Rep. Nolan	Speaks against HB 2047. States that she would like to see funding divided up among county fairs on a per capita basis.

346	Rep. King	Speaks in favor of HB 2047.
360	Rep. Hopson	Speaks in favor of HB 2047.
377	Rep. Nelson	Speaks in favor of HB 2047.
396		VOTE: 6-1
		AYE: 6 - Hopson, King, Krieger, Nelson, Smith T, Kropf
		NAY: 1 - Nolan
		EXCUSED: 2 - Ackerman, Doyle
407	Chair Kropf	The motion CARRIES.
413	Chair Kropf	Closes work session on HB 2047. Opens public hearing on HB 2157.

HB 2157 – PUBLIC HEARING

425	Chuck Craig	Deputy Director, Oregon Department of Agriculture. Testifies in support of HB 2157. Submits and gives overview of prepared testimony (EXHIBIT D).
437	Chair Kropf	Asks if HB 2157 increases the time that a hybrid poplar grower can grow timber without “falling under” Forest Practices Act.
443	Craig	Answers yes.
TAPE 20, B		
031	Rep. Nolan	Asks what current annual forgone revenue is.
038	Craig	States that he does not have information.
041	Chair Kropf	Explains that fiscal impact has yet to be determined.
043	Rep. Nolan	Expresses concern about considering HB 2157 without knowing financial impact.
048	Rep. King	Points out that original intent was to not include this issue in harvest tax in the first place. Explains severance tax legislation passed in previous legislative session.
056	Chair Kropf	Points out that bill will be subsequently referred to another committee and revenue impact statement will be completed at such time as the proper referred committee hears this bill. Closes public hearing on HB 2157. Opens work session on HB 2157.

HB 2157 – WORK SESSION

073	Rep. Hopson	MOTION: Moves HB 2157 to the floor with a DO PASS recommendation and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue by prior reference.
075	Chair Kropf	Declares potential conflict of interest.
077		VOTE: 7-0
		AYE: 7 - Hopson, King, Krieger, Nelson, Nolan, Smith T, Kropf
		EXCUSED: 2 - Ackerman, Doyle
084	Chair Kropf	The motion CARRIES.
086	Chair Kropf	Closes work session on HB 2157. Opens public hearing on HB 2158.

HB 2158 – PUBLIC HEARING

097	Craig	Testifies in support of HB 2158. Submits and reads prepared testimony (EXHIBIT E).
175	Rep. Krieger	Asks about animals that are marked, turned loose and claimed by landowners.
183	Craig	Answers that feral hogs would be defined in rule so that landowners would know which animals can be dealt with and how. Points out that it is currently illegal to allow swine to “run at large.” Explains that legal mechanisms are in place to deal

210	Roy Elicker	with those who let such animals loose, but no mechanism exists to deal with populations of animals themselves. Legislative Coordinator, Oregon Department of Fish and Wildlife (ODFW). Testifies in support of HB 2158. Submits and gives overview of prepared testimony (EXHIBIT F).
234	Chair Kropf	Asks if Mr. Elicker is proposing amendment based on information he mentioned in testimony.
238	Elicker	Answers yes if it would be prudent to HB 2158, or he would also support clarifying definition of “wildlife” in subsequent legislation this legislative session.
249	Kelly	Reads relating clause in HB 2158.
253	Chair Kropf	Asks if it is possible to amend definition of “wildlife” in HB 2158.
257	Kelly	Answers that Legislative Counsel would need to be asked.
273	Rep. Nelson	Asks what control program is in place to control feral swine.
278	Lindsay Ball	Captain of Wildlife Division, Oregon State Police. Answers that classifying feral swine as predators would allow people to take animals by “most any means.” States that most feral swine are shot.
296	Katie Cate	Administrative Officer, Oregon’s Cattlemen’s Association. Also representing landowners in Central Oregon. Testifies in support of HB 2158. Submits and reads prepared testimony (EXHIBIT G).
368	Rep. Krieger	Asks, if feral swine are classified as predators and no longer privately owned, could environmental community move through the initiative process to prohibit taking them under certain circumstances.
376	Cate	Answers that it would be possible, but probably not likely.
388	Jerod Broadfoot	Assistant to Director, Oregon Sportsman’s Defense Fund. Testifies in support of HB 2158.
403	Chair Kropf	Asks what is happening with wild horses in Oregon.
411	Broadfoot	Answers that wild horses are protected under federal law. Explains wild horse management objectives in Oregon.
TAPE 21, B		
008	Jeff Cherry	Landowner from Redmond, Oregon. Testifies in support of HB 2158. Discusses property damage done by feral swine.
043	Chair Kropf	Asks if Mr. Cherry has land that has been impacted by feral swine.
045	Cherry	Answers that he does have land that has been slightly affected. Describes other landowners that have been more significantly affected.
052	Rep. Nelson	Asks who released feral swine that Mr. Cherry is discussing.
056	Cherry	Answers that he does not know. Explains that they have been introduced for hunting.
076	Hilary Abraham	Director of Government Relations, Nature Conservancy of Oregon. Testifies in support of HB 2158. Submits and gives overview of prepared testimony (EXHIBIT H).
095	Al Elkins	Oregon Hunter’s Association. Testifies in support of HB 2158.
106	Chair Kropf	Closes public hearing on HB 2158. Opens work session on HB 2158.

HB 2158 – WORK SESSION

113 Rep. Nelson

MOTION: Moves HB 2158 to the floor with a DO PASS recommendation.

VOTE: 5-1

AYE: 5 - Hopson, Nelson, Nolan, Smith T, Kropf

NAY: 1 - Krieger

EXCUSED: 3 - Ackerman, Doyle, King

The motion CARRIES.

REP. HOPSON will lead discussion on the floor.

128 Chair Kropf

134 Chair Kropf

Closes work session on HB 2158. Opens public hearing on HB 2159.

HB 2159 – PUBLIC HEARING

145 Grattan Kerans

Director of Government Relations, Oregon University System. Testifies in support HB 2159.

162 Clark Seely

Assistant State Forester, Department of Forestry. Testifies in support of HB 2159. Submits and reads prepared testimony **(EXHIBIT I)**.

230 Bart Thielges

Associate Dean and Associate Director, College of Forestry and Forest Research Laboratory, Oregon State University (OSU). Testifies in support of HB 2159. Submits and reads prepared testimony **(EXHIBIT J)**.

273 Chair Kropf

Clarifies that all that is being proposed in HB 2159 is to continue a tax that is already in place and that all interested parties have agreed to continue.

279 Rep. Nelson

Asks where other \$6 from other sources mentioned in Mr. Thielges's testimony comes from.

285 Thielges

Answers that they get some money from the federal government, but most of the money comes from projects that are competed for with federal government agencies, as well as private industries and other sources.

303 Rep. Nelson
307 Thielges

Asks if grants are continuous.

Answers that they generally work on projects that last 2-5 years; some are renewable, some are not.

336 Kristina McNitt

State Issues Coordinator, Oregon Small Woodlands Association (OSWA). Testifies in support of HB 2159. Submits and reads prepared testimony **(EXHIBIT K)**.

381 Ken Faulk

Oregon Small Woodlands Association. Describes support of OSWA for Forest Research Laboratory and related research projects.

403 Ray Wilkeson

Oregon Forest Industries Council (OFIC). Testifies in support of HB 2159. Describes programs that will be affected by HB 2159. Points out proposed change to switch from calendar year to fiscal year for determining tax rates.

TAPE 22, A

005 Chair Kropf

Asks if research done by OSU has been helpful to industry.

007 Wilkeson

Answers yes.

010 Chair Kropf

Asks if more legislation is necessary to change from calendar year to fiscal year.

013 Wilkeson

Answers that there is request in to Legislative Counsel to achieve change.

015 Chair Kropf

Closes public hearing on HB 2159. Opens work session on HB 2159.

HB 2159 – WORK SESSION

022 Rep. Nolan

MOTION: Moves HB 2159 to the floor with a DO PASS recommendation and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue by prior reference.

VOTE: 6-0

AYE: 6 - Hopson, Krieger, Nelson, Nolan, Smith T, Kropf
EXCUSED: 3 - Ackerman, Doyle, King
The motion CARRIES.

028 Chair Kropf
031 Chair Kropf

Closes work session on HB 2159. Opens public hearing on HB 2160.

HB 2160 – PUBLIC HEARING

049 Wallace Rutledge

Director of Forestry Assistance, Department of Forestry. Testifies in support of HB 2160. Submits and reads prepared testimony (**EXHIBIT L**).

069 Chair Kropf

Makes note that OFIC strongly supports HB 2160 and 2161. Closes public hearing on HB 2160. Opens work session on HB 2160.

HB 2160 – WORK SESSION

078 Rep. Krieger

MOTION: Moves HB 2160 to the floor with a DO PASS recommendation.

081

VOTE: 7-0

AYE: 7 - Doyle, Hopson, Krieger, Nelson, Nolan, Smith T, Kropf

087 Chair Kropf

EXCUSED: 2 - Ackerman, King

The motion CARRIES.

REP. KRIEGER will lead discussion on the floor.

089 Chair Kropf

Closes work session on HB 2160. Opens public hearing on HB 2161.

HB 2161 – PUBLIC HEARING

095 Jim Brown

State Forester, Department of Forestry. Testifies in support of HB 2161. Summarizes prepared testimony submitted by Wallace Rutledge (**EXHIBIT M**).

109 Chair Kropf

Clarifies which type of money can be qualified for tax credit.

112 Brown

Explains tax credit. Points out that tax credit would not sunset on December 31, 2001.

120 McNitt

Testifies in support of HB 2161. Submits and reads prepared testimony (**EXHIBIT N**).

143 Rep. Nelson

Asks for explanation of tax credit program.

150 Faulk

Testifies in support of HB 2161. Explains how the tax credit program operates.

185 Rep. Nelson

Asks who determines if criteria of having fully established stand is met.

187 Faulk

Answers that it is the Service Forester, Oregon Department of Forestry.

188 Rep. Nelson

Asks if tax credit comes in same year as planting is completed.

195 Faulk

Answers yes. Clarifies how tax credit program works regarding projects such as fertilizing or brush control that extend into later years.

200 Rep. Nelson

Asks if there are requirements to have a certain number of acres to qualify for the tax credit.

201 Faulk

Answers that requirement is that “out-of-pocket” expense must be at least \$500. Clarifies that there is five-acre minimum.

213 Rep. Nelson

Asks if tax credit ever ends.

215 Faulk

Answers that it extends throughout the duration of the projects.

218 Rep. Nelson

Asks if there was catastrophic event, could one re-apply for tax credit.

219	Faulk	Answers that one would qualify in the event of a catastrophic event, but not if it were only logged.
223	Rep. Nelson	Asks if there is requirement for certain procedure in Forest Practices Act for fertilizing, brush control, or anything else.
228	Faulk	Answers that there is expectation to maintain it until it is “free to grow,” meaning above the brush line.
234	Rep. Krieger	Asserts that this is a worthwhile program.
243	Faulk	Concurs that the program is worthwhile. Expresses desire for program to become permanent statute so that it need not be dealt with every few years.
251	Rep. Nelson	Asks if provisions only cover one’s own land, or land that is rented.
253	Rutledge	Answers that only the owner of the land can receive the tax credit.
266	Phil Adams	Management Forester, Lone Rock Timber Company. Submits and reads prepared testimony (EXHIBIT O).
425	Rep. Nelson	Asks about time period regarding conversion process.
427	Adams	Answers that it is over 45-year period.
435	Rep. Nolan	Asks what happens if acreage doesn’t “pencil out” for reforestation without tax credit.
439	Adams	Answers that for acres not operated on, program would be re-evaluated.
455	Rep. Nolan	Asks what would happen to land not operated on, if they would remain fallow.
461	Adams	Answers yes, that is what is happening now.
TAPE 23, A		
021	Rep. Krieger	Asks if company contracts conversion work.
025	Adams	Answers they are entirely “in-house company,” handling all aspects of the process.
034	Rep. Nelson	Asks what is term of the program.
035	Kelly	Clarifies sunset provision.
041	Rep. Nelson	Asks who can put sunset provision back in.
042	Kelly	Clarifies.
053	Rep. Nolan	Asks if sunset referred to in HB 2161 is from Section 5, Chapter 605, Oregon laws, 1987.
052	Kelly	Answers yes.
060	Chair Kropf	Expresses support for program.
076	Howard Dew	Forestry Consultant, Cascade Timber Consulting. Testifies in support of HB 2161. Submits and gives overview of prepared testimony (EXHIBIT P).
145	Chair Kropf	Asks how many acres have been converted through program that would not have been without it.
150	Dew	Answers that his company has converted 3500 acres when program began in 1992. Speculates that he has probably been responsible for another 1500 acres, but ODF would probably have better statistics.
169	Chair Kropf	Closes public hearing on HB 2161. Opens work session on HB 2161.

HB 2161 – WORK SESSION

175	Rep. Doyle	MOTION: Moves HB 2161 to the floor with a DO PASS recommendation and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue.
178	Rep. Nolan	States that she would be happy to support HB 2161 if sunset

were extended, but she will vote against it with sunset eliminated.

VOTE: 6-1

AYE: 6 - Doyle, Hopson, Krieger, Nelson, Smith T, Kropf

NAY: 1 - Nolan

EXCUSED: 2 - Ackerman, King

The motion CARRIES.

Closes work session on HB 2161. Adjourns meeting at 6:07 p.m.

187 **Chair Kropf**
198 Chair Kropf

Submitted By,

Reviewed By,

Michael Reiley,
Committee Assistant

Ray Kelly,
Committee Administrator

EXHIBIT SUMMARY

- A – HB 2047, written testimony, John McCulley, 3 pp**
- B – HB 2047, written testimony, Greg Flakus, 1 p**
- C – HB 2047, written testimony, Sen. Joan Dukes, 1 p**
- D – HB 2157, written testimony, Chuck Craig, 1 p**
- E – HB 2158, written testimony, Chuck Craig, 9 pp**
- F – HB 2158, written testimony, Roy Elicker, 1 p**
- G – HB 2158, written testimony, Katie Cate, 3 pp**
- H – HB 2158, written testimony, Hilary Abraham, 2 pp**
- I – HB 2159, written testimony, Clark Seely, 4 pp**
- J – HB 2159, written testimony, Bart Thielges, 20 pp**
- K – HB 2159, written testimony, Kristina McNitt, 1 p**
- L – HB 2160, written testimony, Jim Brown, 8 pp**
- M – HB 2161, written testimony, Wallace Rutledge, 5 pp**
- N – HB 2161, written testimony, Kristina McNitt, 1 p**
- O – HB 2161, written testimony, Phil Adams, 11 pp**
- P – HB 2161, written testimony, Howard Dew, 2 pp**