

# HOUSE COMMITTEE ON AGRICULTURE & FORESTRY

April 26, 2001  
3:00 PM

Hearing Room 50  
Tapes 82 - 85

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

**MEMBER EXCUSED:** Rep. Elaine Hopson

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

**MEASURE/ISSUES HEARD:** HB 3975 – Public Hearing and Work Session  
HB 3834 – Public Hearing and Work Session  
HB 3961 – Public Hearing  
HB 3571 – Work Session  
HB 3363 – Work Session  
HB 3924 – Public Hearing  
HJM 33 – Public Hearing and Work Session

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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.

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| TAPE/#                                 | Speaker                  | Comments  |
|--|--------------------------|---|
| <b>TAPE 82, A</b>                      |                          |   |
| 003                                    | Chair Kropf              | Calls meeting to order at 3:05 p.m. Opens public hearing on HB 3975.  |
| <b><u>HB 3975 – PUBLIC HEARING</u></b> |                          |   |
| 011                                    | Ray Kelly                | Committee Administrator. Explains HB 3975.  |
| 014                                    | Dave Nelson              | Oregon Tall Fescue Commission, Oregon Fine Fescue Commission. Testifies in support of HB 3975. Explains provisions of HB 3975.  |
| 041                                    | Mike Dewey               | Oregon Wheat Growers League, Oregon Potato Commission. Testifies in support of HB 3975. Explains financial investments in commodity commissions and argues that investors should have an interest in the development of products. |
| 066                                    | Jean Underhill-Wilkinson | Oregon Farm Bureau (OFB). Testifies in support of HB 3975.  |
| 080                                    | Chair Kropf              | Asks if appropriate legal issues have been addressed.   |
| 082                                    | Nelson                   | Answers that HB 3975 was written by the Attorney General's Office, so legal issues were addressed.  |
| 092                                    | John McCulley            | Oregon Processed Vegetable Commission, Oregon Clover Commission, Oregon Orchard Grass Commission. Submits and summarizes prepared testimony in support of HB 3975   |

**(EXHIBIT A).**  
 131 Chair Kropf Asks if it is cheaper to import broccoli from Mexico than to grow it in the Willamette Valley.  
 133 McCulley Answers yes, that broccoli production has been reduced in Oregon in recent years.  
 144 Chair Kropf Asks if HB 3975 is good for Oregon farmers and commodity commissions.  
 146 McCulley Answers yes.  
 153 Chair Kropf Closes public hearing on HB 3975. Opens work session on HB 3975.

**HB 3975 – WORK SESSION**

157 Rep. King **MOTION: Moves HB 3975 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways and Means.**  
**VOTE: 7-0**  
**EXCUSED: 2 - Hopson, Krieger**  
**Hearing no objection, declares the motion CARRIED.**  
 173 Chair Kropf Closes work session on HB 3975. Opens public hearing on HB 3961.  
 174 Chair Kropf

**HB 3834 – PUBLIC HEARING**

180 Kelly Explains –1 amendments **(EXHIBIT B)**.  
 198 Ken Evans Sustainable Energy Development. Testifies in support of HB 3834 and –1 amendments.  
 216 Mike Grainey Oregon Office of Energy. Testifies in support of HB 3834 and –1 amendments.  
 238 Chair Kropf Closes public hearing on HB 3834. Opens work session on HB 3834.

**HB 3834 – WORK SESSION**

252 Rep. Nolan **MOTION: Moves to ADOPT HB 3834-1 amendments dated 4/26/01.**  
**VOTE: 7-0**  
**EXCUSED: 2 - Hopson, Krieger**  
**Hearing no objection, declares the motion CARRIED.**  
 256 Chair Kropf **MOTION: Moves HB 3834 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.**  
 257 Rep. Nolan  
**VOTE: 7-0**  
**EXCUSED: 2 - Hopson, Krieger**  
**Hearing no objection, declares the motion CARRIED.**  
 262 Chair Kropf Closes work session on HB 3834. Opens public hearing on HB 3961.  
 263 Chair Kropf

**HB 3961 – PUBLIC HEARING**

270 Kelly Explains HB 3961.  
 284 Jim Bernau President, Willamette Valley Vineyards, Chair of Oregon Wine Growers Association Committee. Submits and reads prepared testimony in support of HB 3961 **(EXHIBIT C)**.  
 342 Jesse Lyon Legal Counsel, Oregon Wine Growers Association. Submits and summarizes prepared testimony in support of HB 3961 **(EXHIBIT D)**.  
 359 Paul Romain Oregon Beer and Wine Distributors Association (OBWDA). Explains potential problems with HB 3961.  
 424 Jesse Lyon Continues summary of prepared testimony.

|     |               |  |
|-----|---------------|--|
| 049 | Bernau        | States that there are changes that need to be made and there will be amendments coming.  |
| 060 | Romain        | Emphasizes importance of assuring that HB 3961 is constitutional.  |
| 085 | Chair Kropf   | Asks how NAFTA/GATT agreements affect HB 3961.   |
| 089 | Romain        | Notes that the alcoholic beverage industry has “buried their head in the sand” regarding NAFTA/GATT issues.                                |
| 108 | Rep. T. Smith | Asks if Oregon wine is distributed in the same manner as out-of-state wine by OBWDA.   |
| 111 | Romain        | Answers that OBWDA distributes “anything we can get our hands on.”   |
| 112 | Rep. T. Smith | Asks if OBWDA has a financial interest in their argument.  |
| 114 | Romain        | Answers that they have a financial interest in that they would like to see wine promoted.  |
| 123 | Chair Kropf   | Asks how foreign wines subsidized by governments will affect the ability of Oregon wine growers to compete.                                |
| 129 | Bernau        | Answers that Oregon wine producers face financial barriers in foreign markets.   |
| 158 | Rep. Doyle    | Asks for clarification of the fiscal analysis of HB 3961.  |
| 167 | Bernau        | Clarifies fiscal analysis.   |
| 187 | Romain        | Takes issue with fiscal analysis.  |
| 201 | Rep. Ackerman | Asks for example where tax credits are given in such a way as is being proposed in HB 3961.  |
| 208 | Lyon          | Cites example of energy conservation practices.  |
| 219 | Rep. Ackerman | Asks if tax paid is limited to where the wine is sold.   |
| 223 | Bernau        | Answers that the tax is paid on the wine sold in Oregon.   |
| 231 | Rep. Ackerman | Clarifies meaning of “qualified marketing activities,” as to whether it addresses product sold outside Oregon.                             |
| 239 | Bernau        | Explains the process for getting wine-marketing plans qualified.   |
| 251 | Rep. Ackerman | Asks for clarification about testimony regarding potentially declining sales and production.   |
| 261 | Bernau        | Clarifies figures cited in his testimony. Notes that the major issues faced are production issues.   |
| 285 | Rep. Nelson   | Asks if they have been to the Department of Economic and Community Development.  |
| 289 | Bernau        | Answers yes. Describes aid that has been provided by the department.   |
| 298 | Rep. Nelson   | Asks if the tax is going “into a pot” to be used for marketing and if it is why the Economic Development Department is not helping.        |
| 316 | Chair Kropf   | Speculates that it is because voters have opted to take the economic development money from the lottery and spend it “on everything else.” |
| 319 | Bernau        | Notes that it is the reason the bill should go to Ways and Means.  |
| 326 | Rep. Nelson   | Concurs. Expresses concern that government agencies are not helping as much as they could.   |
| 335 | Rep. Krieger  | Notes that fiscal impact is not accurate.  |
| 346 | Rep. Nelson   | Notes that the definition of a “winery” may need to be examined before proceeding.   |
| 361 | Rep. Doyle    | States that he has worked on the issue and expresses desire that amendments will come and the bill will work.                              |
| 378 | Rep. Nelson   | Expresses concern that business development has not been as prevalent in the legislative session as it should be.                          |
| 403 | Chair Kropf   | Closes public on HB 3961. Opens work session on HB 3571.   |

**HB 3571 – WORK SESSION**

410 Kelly Explains the –1 amendments (**EXHIBIT E**).  
441 Rep. Nelson **MOTION: Moves to ADOPT HB 3571-1 amendments dated 4/6/01.**

445 Rep. Ackerman Expresses objections to HB 3571 and the –1 amendments.  
**TAPE 82, B**  
034 Chair Kropf Asks if the –1 amendments conform to the current relating clause.  
036 Kelly Answers that he will call Legislative Counsel and get their interpretation.  
040 Chair Kropf Recesses work session on HB 3571. Opens work session on HB 3363.

**HB 3363 – WORK SESSION**

056 Kelly Explains –2 amendments.  
068 Glen Stonebrink Oregon Cattlemen’s Association. Explains intentions for –2 amendments.  
090 Chair Kropf Asks if the –2 amendments satisfy the governor’s office.  
092 Stonebrink Answers that he believes it does.  
103 Rep. T. Smith **MOTION: Moves to ADOPT HB 3363-2 amendments dated 4/26/01.**

108 Chair Kropf Asks if Rep. Ackerman is satisfied with the changes.  
**VOTE: 8-1**  
115 Chair Kropf **Noting Rep. Ackerman’s objection, declares the motion CARRIED.**  
117 Rep. T. Smith **MOTION: Moves HB 3363 to the floor with a DO PASS AS AMENDED recommendation.**

122 Rep. Ackerman Speaks against HB 3363.  
153 Rep. Doyle Argues that the –2 amendments address Rep. Ackerman’s concerns about HB 3363.  
176 Rep. Krieger Notes that wolves have been absent from Oregon for over 100 years and expresses concern about re-introduced species.  
**VOTE: 5-2**  
**AYE: 5 - Doyle, Krieger, Nelson, Smith T, Kropf**  
**NAY: 2 - Ackerman, Nolan**  
**EXCUSED: 2 - Hopson, King**  
196 Chair Kropf **The motion CARRIES.**  
**REP. GREG SMITH will lead discussion on the floor.**  
201 Chair Kropf Closes work session on HB 3363. Reopens work session on HB 3571.

**HB 3571 – WORK SESSION**

207 Brendan McCarthy Legislative Counsel. Explains language in HB 3363 and notes that the relating clause is not ideal but it is satisfactory.  
**VOTE: 6-1**  
**EXCUSED: 2 - Hopson, King**  
238 Chair Kropf **Noting Rep. Ackerman’s objection, declares the motion CARRIED.**  
239 Rep. Nelson **MOTION: Moves HB 3571 to the floor with a DO PASS AS AMENDED recommendation.**

246 Chair Kropf Acknowledges the validity of Rep. Ackerman’s objections.  
**VOTE: 5-3**  
**AYE: 5 - Doyle, Krieger, Nelson, Smith T, Kropf**  
**NAY: 3 - Ackerman, King, Nolan**  
**EXCUSED: 1 - Hopson**

268

Chair Kropf

**The motion CARRIES.**

**REP. ZAUNER will lead discussion on the floor.**

Written testimony submitted by Eileen Stark, Anti-Cruelty Education Director, Animal Legal Defense Fund, against HB 3571 (**EXHIBIT F**).

Written testimony submitted by Kelly Peterson, The Humane Society of the United States, against HB 3571 (**EXHIBIT G**).

271

Chair Kropf

Closes work session on HB 3571. Opens public hearing on HB 3924.

**HB 3924 – PUBLIC HEARING**

278

Kelly

Explains HB 3924.

294

Rep. Donna Nelson

House District 29. Submits and reads prepared testimony (**EXHIBIT H**).

**TAPE 83, B**

030

Rep. Krieger

Commends Rep. Nelson for sponsoring HB 3924.

039

Rep. T. Smith

Expresses support for HB 3924.

046

Rep. King

Asks how to place context on the term “promotion.”

068

Rep. Nelson

Answers that the intent is not to reduce the size of farmland and maintain some common sense.

097

Chair Kropf

Points out how much farmland has been taken out of production in the Willamette Valley and Eastern Oregon since AgriFrozen has gone out of business.

130

Rep. King

Notes that learning about farming is part of the farming operation. Suggests that a broader definition of farming might be used to help with the interpretation of “promotion.”

144

Rep. T. Smith

Asks about the sale of secondary products in a farm stand.

148

Rep. Nelson

Answers that the bill does not include it.

156

Rep. Nolan

Asks why the limitation of 25% of sales was eliminated from HB 3924. Asks what is to prevent a store from selling a small amount of farm product and a large amount of non-farm related products.

202

Rep. Nelson

Answers that she wants to place fewer restrictions on farmers.

232

Rep. Nolan

Asks what language in HB 3924 keeps land in farm use.

241

Rep. Nelson

Answers that HB 3924 addresses the fact that it is farm product promotion.

248

Rep. King

Asks about addressing the issue as “farm-related” products to achieve the desired intent.

267

Rep. Nelson

Explains how HB 3924 addresses the issue.

274

Rep. Nolan

Expresses concern that the intent of HB 3924 may not be achieved with the language.

300

Rep. Nelson

Asks if it would be sufficient to use the language, “including the sale of retail incidental items if not sold separate from the farm product.”

341

Rep. Ackerman

Gives suggestions for amendments.

406

Rep. T. Smith

Asks why wineries are treated differently under the law than farms.

432

Rep. Nelson

Answers that she does not know.

**TAPE 84, A**

009

Rep. Krieger

Gives example of farm in Maine and its benefits and suggests that it is the type of operation that should be promoted.

035

Jim Welsh

Oregon Family Farm Association (OFFA). Testifies in support of HB 3924.

095

Bob Rindy

Department of Land Conservation and Development (DLCD). Submits and summarizes prepared testimony (**EXHIBIT I**).

176

Rep. T. Smith

Expresses concern that DLCD has not been as supportive as they should be.

189 Rindy Responds that no administrative rules are adopted behind closed doors. Expresses hope that HB 3924 can be passed so that it will not result in unwanted consequences.

214 Rep. T. Smith Asks why DLCD treats vineyards and wineries different under the law.

220 Rindy Answers that the provisions were under statute passed in a previous legislative session, not administrative rule.

244 Chair Kropf Asks about wineries that operate with banquet facilities.

256 Rindy Answers that statute provides many opportunities for wineries to operate as they do.

269 Rep. King Expresses hope that the desired goals can be achieved with HB 3924.

312 Rep. Nolan Asks if wineries can operate bowling alleys and if there is language in HB 3924 that would “definitively preclude” a bowling alley being operated incidental to a farm stand.

317 Rindy Answers that wineries cannot operated bowling alleys and there is nothing in statute that would prevent it.

340 Rep. Nelson Expresses support for Oregon agriculture.

377 Rindy Notes that there was work done earlier in the legislature with a “Buy Oregon” focus.

Written testimony submitted by Carrie Kuerschner, Staff Attorney, 1000 Friends of Oregon, against HB 3924 **(EXHIBIT J)**.

390 Chair Kropf Closes public hearing on HB 3924. Opens public hearing on HJM 33.

**HJM 33 – PUBLIC HEARING**

401 Kelly Explains HJM 33.

405 Chair Kropf Explains legislative history of the country-of-origin meat labeling issue.

413 Glen Stonebrink Oregon Cattlemen’s Association. Submits and summarizes prepared testimony **(EXHIBIT K)**.

430 Jim Welsh OFFA. Testifies in support of HJM 33.

435 Wilkinson Submits and summarizes testimony in support of HJM 33 **(EXHIBIT L)**.

**TAPE 85, A**

015 Rep. Nelson Asks why it cannot be done.

017 Stonebrink Answers that he has addressed the question in his prepared testimony. Explains which groups oppose the issue.

032 Chair Kropf Notes that there are many countries that have country-of-origin requirements. Closes public hearing on HJM 33. Opens work session on HJM 33.

**HJM 33 – WORK SESSION**

**041 Rep. Krieger MOTION: Moves HJM 33 be sent to the floor with a BE ADOPTED recommendation.**

**VOTE: 8-0**

**EXCUSED: 1 – Hopson**

**045 Chair Kropf Hearing no objection, declares the motion CARRIED. REP. T. SMITH will lead discussion on the floor.**

048 Chair Kropf Adjourns meeting at 5:23 p.m.

Submitted By,

Reviewed By,

Michael Reiley,  
Committee Assistant

Ray Kelly,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – HB 3975, written testimony, John McCulley, 1 p.**
- B – HB 3834, -1 amendments, staff, 1 p.**
- C – HB 3961, written testimony, Jim Bernau, 3 pp.**
- D – HB 3961, written testimony, Jesse Lyon, 2 pp.**
- E – HB 3571, -1 amendments, staff, 1 p.**
- F – HB 3571, written testimony, Eileen Stark, 1 p.**
- G – HB 3571, written testimony, Kelly Peterson, 2 pp.**
- H – HB 3924, written testimony, Rep. Donna Nelson, 6 pp.**
- I – HB 3924, written testimony, Bob Rindy, 1 p.**
- J – HB 3924, written testimony, Carrie Kuerschner, 1 p.**
- K – HJM 33, written testimony, Glen Stonebrink, 2 pp.**
- L – HJM 33, written testimony, Jean Underhill-Wilkinson, 3 pp.**