

HOUSE COMMITTEE ON WATER AND ENVIRONMENT

March 14, 2001
8:30 am

Hearing Room E
Tapes 44 - 46

MEMBERS PRESENT: **Rep. Betsy Close, Chair**
 Rep. Laurie Monnes Anderson, Vice-Chair
 Rep. Susan Morgan, Vice-Chair
 Rep. Mark Hass
 Rep. Bob Jenson
 Rep. Deborah Kafoury
 Rep. Al King
 Rep. Jeff Kruse
 Rep. Jan Lee

STAFF PRESENT: **Megan Palau, Administrator**
 Shannon Relaford, Committee Assistant

MEASURE/ISSUES HEARD:
 HB 2804 Public Hearing
 HB 2890 Public Hearing

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 44, A		
003	Chair Close	Convenes meeting at 8:37 a.m. opens public hearing on HB 2804.
<u>HB 2890 PUBLIC HEARING</u>		
007	Rep. Tootie Smith	District 28, presents testimony in support of the bill allowing a farmer to pass his farm to a family member and to site a second residence on the same property, (EXHIBIT A) .
083	Chair Close	Asks for comments on the -1 amendments.
085	Smith	Addresses the amendments and explains there are errors and would like to make changes and collaborate with the other members.
098	Chair Close	Asks if she will be including the \$80,000 income level in her amendments.
100	Smith	Replies she will not be.
104	Rep. Lee	Questions removing lines 3 and 4 on page two would that be a problem if it was always going to be a farm use and not a non-farm use.
109	Smith	States she would not have a problem with that, the bill is to perpetuate the family farm.
118	Rep. Monnes	States her support for preservation of family farms and expresses

	Anderson	fears that farmlands are disappearing and we don't want to make it easier.
126	Smith	Concurs with the fear but the focus of the bill is to perpetuate farming. Continues with explanation of the bill.
160	Rep. Wayne Kreiger	District 48, presents testimony in support of HB 2804.
193	Rep. Monnes Anderson	Asks what happens in ten years if the family decides they do not want to farm can they parcel out the land and have non-farmers buy.
206	Rep. Kreiger	Replies no.
211	Rep. Smith	Explains 10 year limit.
221	Rep. Lee	Asks if he would be opposed to removing 10 year exception.
224	Rep. Kreiger	Responds he would not be opposed.
236	Wayne Simmons	Farmer in Eola Hills, presents testimony in support of the bill.
290	Chair Close	Asks for definition of a parcel.
293	Simmons	Replies he cannot recite but explains the difference between a tract of land and a parcel.
298	Chair Close	Asks if you would be paying taxes on the parcel separately.
300	Simmons	Concurs. Continues with testimony.
368	Rep. Monnes Anderson	Asks if Salem and Polk County have an urban growth boundary.
373	Simmons	Replies yes and describes his property and where the urban growth boundary runs through his land. Continues with testimony.
403	Marilyn Fiscus	Presents testimony in support of HB 2804. (EXHIBIT B)
465	Rep. Lee	Asks if the property is within an irrigation district.
471	Fiscus	Explains there are water rights from two separate districts.
475	Rep. Lee	Follows by asking if she would have land left over that is not irrigated and does not have water rights where she could build.
480	Fiscus	Explains the home site and irrigation.
TAPE 45, A 046	Don Schellenberg	Associate Director of Governmental Affairs, Oregon Farm Bureau expresses concern for removal of income test and suggests other ways of changing tests. Expresses support of expanded families definitions. States concern for dwellings becoming non-farm dwellings and suggest tax penalties. (EXHIBIT C)
134	Jim Welsh	Oregon Family Farm Association expresses testimony in support of bill.
167	Larry Debates	Yamhill County, states he is not in support of the bill.
191	Rep. Morgan	Asks for comments on the concept of penalty for taking the farm out of the farm use category.
197	Debates	States there is no enforcement for penalties.
204	Ron Eber	Farm Forest Land Specialist, Department of Land Conservation and Development states support for family definition, but has issues with other changes in the bill. (EXHIBIT D)
247	Chair Close	Requests comments on previous testimony stating at the local level there are so many administrative rules that the counties can't get involved in individual cases and asks about devaluation of property and owners not being able to borrow from the bank.
258	Eber	Addresses the issues explaining that individual decisions are made at the county level and it varies by counties. States under Oregon law a deed foreclosure is exempt from partitioning statute, thus a landowner can use a portion of their land for collateral.

280	Chair Close	Inquires if the bank looks at their land and puts a value on it isn't that influenced by the zoning and land class.
285	Eber	Concurs.
287	Chair Close	Continues by asking if the land would not be used as collateral if it were low value land.
291	Eber	Asks for clarification.
293	Chair Close	Replies it has a higher value if it has houses on it than if it were bare land that can't produce anything.
295	Eber	Supposes there would be a difference in value, but the land they're referring to is being farmed.
294	Clif Kenagy	Presents testimony in opposition to the bill. (EXHIBIT E)
434	Rep. Kruse	Asks about the size of his farm and how many parcels.
437	Kenagy	Replies 300 acres and describes parcels.
440	Rep. Kruse	Asks how many parcels produce \$80,000.
441	Kenagy	Replies all of them except the forest lands.
458	Carrie Kuerschner	Presents testimony in opposition to the bill. (EXHIBIT F)
TAPE 44, B		
094	Rep. Monnes Anderson	Requests a definition of what constitutes a family.
099	Kuerschner	Replies they're neutral to a point on this issue.
109	Rep. Jenson	Asks for information on worth of houses used in examples in her testimony.
114	Kuerschner	Replies by asking if he means the appraisal values and she will provide the information.
125	Rep. Kruse	Asks how many are farm houses or not farm houses in the EFU zones are given as examples in her testimony.
130	Kuerschner	Replies she will get the information.
140	Mitch Rohse	Oregon Chapter of American Planning Association presents testimony in opposition to the bill.
183	Rep. Kruse	Comments that LUBA has more business than just the appeals from DLCD and one could assume that since most appeals are from land owners the counties are pretty much following what LUBA has said they have to do. Flexibility isn't happening. Everyone is following the rules that LUBA has set down.
191	Rohse	States he's not sure he can answer and continues with testimony.
240	Chair Close	Recesses the hearing on HB 2804. Opens public hearing on HB 2890.

HB 2890 PUBLIC HEARING

249	Don Schellenberg	Oregon Farm Bureau presents testimony in support of bill. (EXHIBIT G) Requiring the farm income standard be used to determine whether dwelling is customarily provided in conjunction with farm use to be adjusted to current year dollars.
360	Chair Close	Comments that counties with poor soil lands have a problem meeting income standard levels and asks for comments.
374	Schellenberg	Replies that administrative rules provide that if the medium income is less than \$40,000 or \$80,000 then that income becomes the test.
393	Chair Close	Asks where in the rules that is found.
399	Schellenberg	Explains the administrative rule.
403	Chair Close	Asks how often that is applied if at all.
406	Schellenberg	Replies he has no technical information but suggest DLCD might.
408	Chair Close	Comments she has never heard of it.
423	Dick Joyce	Joyce Farms in Washington County, presents testimony in

support of the bill. (**EXHIBIT H**)

TAPE 45, B

073	Chair Close	Requests comments on people finding loopholes and ways to get around the rules.
075	Joyce	Shares comments and continues with testimony.
123	Scott Ashcom	Oregon Association of Nurserymen presents testimony in support of the bill and presents proposed amendments.
228	Rep. Kruse	Comments that this is an improvement but small farmers still won't qualify because of the income test.
242	Ashcom	Concurs that use of an income test is not the best but wonders what is better.
344	Rep. Jenson	Asks if they've talked with the Farm Bureau regarding the amendments.
347	Ashcom	Replies yes and states amendments are consistent with Farm Bureau policy.
359	Rep. Jenson	Follows by asking if they are acceptable.
363	Ashcom	States he cannot speak for the Farm Bureau but they have indicated that they support the amendment.
368	Ron Eber	Oregon Department of Land Conservation and Development presents testimony in opposition to the bill. (EXHIBIT I)
427	Chair Close	Asks for research to be done and reported back to the committee on how many counties use the consumer price index.
435	Eber	Responds he will try to do that.
449	Chair Close	Requests comments on the medium income issue.
450	Eber	Responds by explaining the different income standards.
471	Chair Close	Asks to be shown how many times in each county it has been used in the last five years. Continues by stating the committee wants to know how the \$80,000 standard was arrived at.

TAPE 46, A

034	Eber	States he will do that. Comments on HB 3089.
138	Chair Close	Closes public hearing on HB 2890, Reopens the public hearing on HB 2804.

HB 2804 PUBLIC HEARING

149	Harlan Levy	Oregon Association of Realtors, presents testimony in support of HB 2804, but not the amendments. Fears income tests for farm dwellings artificially deflate farm values.
200	Dave Hunnicutt	Oregonians in Action presents testimony in support of HB 2804.
237	Chair Close	Asks who has the responsibility establishing a fair income test.
243	Hunnicutt	Responds the legislature has the responsibility.
270	Chair Close	Closes public hearing on HB 2804 and reopens the public hearing on HB 2890.
275	Carrie Kuerschner	1000 Friends of Oregon states they are neutral on the bill.
310	Chair Close	Closes public hearing on HB 2890 and adjourns meeting at 10:40 a.m.

Submitted By,

Reviewed By,

Shannon Relaford,
Committee Assistant

Megan Palau,
Administrator

EXHIBIT SUMMARY

- A – HB 2804, written testimony, Rep. Tootie Smith, 5 pp.**
- B – HB 2804, written testimony, Marilyn Fiscus, 4 pp.**
- C – HB 2804, written testimony, Don Schellenberg, 2 pp.**
- D – HB 2804, written testimony, Ron Eber, 3 pp.**
- E – HB 2804, written testimony, Clif Kenagy, 8 pp.**
- F – HB 2804, written testimony, Carrie Kuerschner, 3 pp.**
- G – HB 2804, written testimony, Don Schellenberg, 3 pp.**
- H – HB 2804, written testimony, R.K. Joyce, 2 pp.**
- I – HB 2804, written testimony, Chuck Craig, 1 p.**