

PUBLIC HEARING AND WORK SESSION: HB 2157

PUBLIC HEARING: HB 2612-A

TAPES 061-062, A

SENATE REVENUE COMMITTEE

March 5, 2001 — 8:30 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Lizabeth Martin-Mahar, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Chuck Craig, Deputy Director, Oregon Department of Agriculture

Jake Eaton, Potlatch Corp.

Rob Miller, Mt. Jefferson Farms

John Phillips, Department of Revenue, Property Tax Division

TAPE 061, SIDE A

005 Chair Ferrioli Meeting called to order 8:38 a.m.

Richard Yates Discussed HB 2157, which increases maximum length of rotation cycle from 10 to 12 years for short-rotation hardwood stands.

Questions and answers interspersed.

OPENED PUBLIC HEARING ON HB 2157

065 Chuck Craig Testified in support of HB 2157. Explained that the 1995 legislature extended the period of time that hybrid poplar trees could be grown to harvest from 10 to 12 years without being subject to the Oregon Forest practices Act, in effect continuing the status of these trees as an agricultural crop for an additional two years. (Exhibit 5.) HB 2157 is a housekeeping measure because the harvest-rotation period in the corresponding tax statutes was not changed.

Further comments, and questions and answers interspersed.

180 Jake Eaton Testified in support of HB 2157. Potlatch farms over 17,000 acres of hybrid poplar near Boardman, Oregon.

Several questions and answers interspersed.

279 Rob Miller Testified in support of HB 2157. Mt. Jefferson Farms

- Has sold over \$100,000 worth of poplar logs for veneer production between 1990 and 2000.
- Is in second harvest, meaning it is possible to produce three harvests of veneer logs in one lifetime.
- Is planting poplar seedlings in two counties with crew of 10 people.
- Has sold in excess of 10 million poplar starts to five states and two countries.
- Has planted in excess of 400,000 poplars on its own farm for stream bank

restoration projects alone and has developed an industry creating highly engineered products for stream bank restoration. Poplar is fast rooting and replaces rock in stream bank restoration.

Questions and answers interspersed.

345 Sen. Minnis Stated that having this knowledge available for students taking environmental science classes would be important in formulating industry-based solutions to environmental problems. Industry-based solutions, as opposed to questionable practices from the far left, make more sense for Oregon. Even though environmental science classes are becoming more popular, a lot of the teachers teaching the classes may not have much of this current information.

362 Chair Ferrioli Pointed out the irony. Here is an industry-based solution utilizing a tree that is just beginning to be studied for values and abilities. Value is created in society from the production of products and solutions. Yet the environmental community has spent a lot of time and energy condemning the production of plantation farming of hardwoods. Headlines were made about the tremendous potential for these trees; but then it was announced the trees were a terrible blight on the landscape and possibly damaging to the environment. It was nothing more than propaganda.

Further comments, and questions and answers.

CLOSED PUBLIC HEARING ON HB 2157

OPENED WORK SESSION ON HB 2157

450 Sen. L. Beyer MOTION:

MOVES HB 2157 TO THE SENATE FLOOR
WITH A DO PASS RECOMMENDATION.

456 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE MOTION
PASSES: 7 — 0 — 0

Sen. L. Beyer will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON HB 2157

TAPE 062, SIDE A

OPENED PUBLIC HEARING ON HB 2612-A

041 Lizbeth Martin-
Mahar Discussed HB 2612-A, which allows the Board
of Property Tax Appeals to hear reductions in
real market and assessed values when the
property has been damaged or destroyed and
reassessed as of July 1. It also allows an appeal
of maximum assessed value if the property has
been damaged or destroyed due to fire or Act of
God and the assessment date is July 1.

Questions and answers interspersed.

094 Sen. Minnis Asked if this bill should pertain to damages to
property caused by illegal acts, such as
operating a meth lab in a home. Stated the value
adjustment should not be allowed where the
destruction or damage was the result of criminal
conduct or activity.

154 John Phillips Gave information regarding history of the bill
and its intent. Only properties damaged or
destroyed due to Act of God or fire could have
their maximum assessed value reduced. Under
this bill, if a person destroyed property through
a criminal act, and they decided to ask for a
property tax reduction, they could ask the
assessor for a re-determination as of July 1. It
would then allow an appeal on that decision.

Stated the law did limit that a reduction in
assessed value would not be allowed if arson
was the cause of destruction or damage. In
other words, if a person was responsible for

burning down their house, that is a criminal act, and they should not have their taxable value reduced.

Questions and answers interspersed.

272 Chair Ferrioli Stated that Sen. Minnis would like to have amendments drafted relative to criminal acts in destroying real property.

Further questions and answers interspersed.

CLOSED PUBLIC HEARING ON HB 2612-A

346 Chair Ferrioli Meeting was adjourned at 9:27 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2157, Yates, ORS references, 1 pp.
2. HB 2157, Yates, Staff Measure Summary, 1 pp.
3. HB 2157, Yates, Revenue Impact Statement, 1 pp.
4. HB 2157, Yates, Fiscal Impact Statement, 1 pp.
5. HB 2157, Craig, Written testimony dated March 5, 2001, 1 pp.
6. HB 2612-A, Martin-Mahar, Staff Revenue Summary, 1 pp.
7. HB 2612-A, Martin-Mahar, Revenue Impact Statement, 1 pp.
8. HB 2612-A, Martin-Mahar, Fiscal Impact Statement, 1 pp.