

HOUSE COMMITTEE ON AGRICULTURE AND FORESTRY

February 4, 1999 Hearing Room D

8:30 AM Tapes 13 - 14

MEMBERS PRESENT: Rep. Larry Wells, Chair

Rep. Jeff Kropf, Vice-Chair

Rep. Terry Thompson, Vice-Chair

Rep. Roger Beyer

Rep. Ryan Deckert

Rep. Jim Hill

Rep. Elaine Hopson

Rep. Jerry Krummel

Rep. Judy Uherbelau

STAFF PRESENT: Judith Callens, Administrator

Stephen Kosiewicz, Administrative Support

MEASURE/ISSUES HEARD: HB 2111 Public Hearing

HB 2113 Public Hearing and Work Session

HB 2114 Public Hearing and Work Session

HB 2116 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 13, A		
004	Chair Wells	Calls the committee to order at 8:34 a.m. Explains the committee will be dealing with forestry-related bills today. Opens the public hearing on HB 2111.

HB 2111 n PUBLIC HEARING

018	Judith Callens	Committee Administrator. Explains the provisions of HB 2111.
039	Chair Wells	Comments on the definition of forest harvester.
047	Ted Lorensen	Forest Practices Director, Department of Forestry (ODF). Submits written testimony (EXHIBIT A) and testifies in support of HB 2111.
070	David Morman	Forest Practices Policy Analyst, Department of Forestry. Explains why ODF introduced the bill.
103	Chair Wells	Asks how big of a problem this is and why we need HB 2111.
104	Lorensen	Responds that land use changes are fairly common.
116	Chair Wells	Asks how a builder can come in and cut down a lot of trees and then build houses on the area under current law.
120	Lorensen	Responds that the only exemption to reforestation would be for the portion of the area that would be a bonafide land use change.
133	Rep. Beyer	Referring to line 7 on page one of HB 2111, regarding the use of the term "operator", states that the language appears to be incorrect for this purpose. Referring to lines 14 and 23 on page one of the bill, notes that requiring a landowner to provide a written plan of the proposed changes goes further than what current statute requires and questions why they would do this.
151	Morman	Notes that use of the term "operator" is consistent with language throughout the Forest Practices Act. Comments that using the process of the written plan gets something documented that outlines the coordination with other agencies.
173	Rep. Uherbelau	Asks if there are other types of uses for people seeking a conversion of forestland.
178	Lorensen	Responds that ODF gets requests for conversions for uses such as resort sites, campgrounds, churches, and other major developments.
196	Rep. Uherbelau	Asks why ODF doesn't require that the new use be authorized under the Clean Water Act or similar laws.
207	Lorensen	Responds that going to a written plan approach accomplishes the cooperation Rep. Uherbelau mentioned.

221	Rep. Uherbelau	Expresses concern that a loophole is being left if they only require authorization under local land use laws. Asks why HB 2111 does not require written notices to effected people, such as neighbors.
234	Lorensen	Responds that notifying local government starts the process and local government becomes responsible for notifying affected people.
252	Rep. Hill	Asks if ODF has adopted rules to implement ORS 527.730.
255	Lorensen	Responds that they have not.
256	Rep. Hill	Asks for clarification that ODF has no administrative rules to deal with a landowner that wants to convert forestland to another use.
260	Lorensen	Responds that the only thing a landowner has to look at right now is the plain language in ORS 527.730.
267	Rep. Hill	Asks for clarification that the language in HB 2111 could allow the State Forester to deny a conversion.
277	Morman	Responds that ODF can only get involved in whether the landowner needs to meet their requirements in their forest practice rules.
296	Rep. Hill	Asks if ODF would have jurisdiction over forestland surrounding an area that somebody had cleared to build a hotel.
315	Lorensen	Responds that in this situation they would tell the landowner that they do not need a waiver from ODF.
339	Rep. Hill	Asks for clarification that ODF would still have jurisdiction on riparian ways and would still have a management role along waterways.
352	Lorensen	Responds that they are going to accommodate the land use to the extent that it meets water quality standards.
366	Rep. Hill	Asks if ODF has water quality responsibility under statute.
370	Lorensen	Responds that they do.
390	Rep. Hill	Asks if HB 2111 is meant to allow ample notice to the landowner that by changing the use of the land there are still obligations they must meet. Asks to be given an example of where a landowner changed the use and thought they were free from other restrictions concerning water quality.

TAPE 14, A		
004	Lorensen	Responds that the Miller Creek example is one where the landowner thought a waiver of the forest practices rule meant he was in complete compliance.
013	Rep. Hill	Asks what the land use was in the Miller Creek example and what was it converted to.
022	Lorensen	Responds that it was a conversion from forestland to farmland.
031	Rep. Uherbelau	Asks for clarification that if a landowner cuts down trees on land they own and then remove the stumps, ODF loses jurisdiction over the land.
037	Morman	Responds that it is a case by case basis of where ODF draws the line and says the activities being done are no longer a commercial forest operation.
051	Rep. Uherbelau	Explains the reason for her question. Questions why HB 2111 is needed.
055	Lorensen	Comments on the types of situations where this bill would come into play.
079	Rep. Krummel	Referring to line 21 on page one of HB 2111, asks for clarification that city or county councils would be the "other state or local agency that has jurisdiction."
084	Lorensen	Responds that ODF saw this as more of a specific target towards a landowner who was coming to them for a conversion to a quarry, for example, where the Department of Geology and Mineral Industries has an interest.
090	Rep. Krummel	Asks for clarification that ODF would be able to tell a landowner what agencies they need to approach.
093	Lorensen	Responds that this is the role of the written plan.
100	Rep. Hill	Asks if the assumption can be made that if ODF approves the land use change, the landowner has met all the requirements.
110	Morman	Responds that the worst scenario of the current process is that a landowner runs up against another agency's requirement and is told they are in non-compliance. Notes that ODF is trying to setup a process where before a tree is cut, everyone understands all the aspects of the conversion.
137	Jenifer Robison	Special Assistant to the Director, Division of State Lands (DSL). Submits written testimony from Paul Cleary (EXHIBIT B). Testifies in support of HB 2111.

172	Rep. Hill	Asks where in the state can someone go out and build a house or hotel without having their plans approved by the county or some jurisdiction.
178	Robison	Responds that she doubts this is possible, but a local land use permit does not guarantee that the landowner has complied with state standards.
183	Rep. Hill	Notes that at some point responsibility is passed to the local jurisdiction, and asks why they don't include a requirement that notice be done for all land use conversion changes.
204	Robison	Responds that there is basic requirement that people have to comply with state laws.
221	Ray Wilkeson	Oregon Forest Industries Council (OFIC). Testifies in support of HB 2111.
265	Rep. Hill	Asks if a state agency, by failing to respond to the notice, gives up its rights after the fact.
292	Wilkeson	Responds that he would assume that there is some obligation for the state agencies to communicate with the landowner.
304	Pete Test	Associate Director of Governmental Affairs, Oregon Farm Bureau (OFB). Testifies on OFB's concerns with HB 2111.
357	Test	Continues testimony on OFB's concerns.
370	Chair Wells	Asks what happens if a landowner wants to convert their forestland to agricultural use, and then doesn't follow through on the conversion.
392	Test	Responds that he can not imagine a person clearing land to use it for agricultural purposes, and then not do anything with it.
TAPE 13, B		
001	Chair Wells	Asks Mr. Wilkeson to comment on this type of situation.
005	Wilkeson	Comments that a situation like this would be a concern to OFIC.
022	Test	Comments that if a person were going into a range operation and they had an agriculture/water quality management plan on the ground, they would not be allowed to do this.
038	Chair Wells	Asks Mr. Test what needs changed in HB 2111.

040	Test	Responds that he would like to visit more with his forestry people to see if something can be done to change their opposition to the bill.
050	Chair Wells	Asks ODF to give the committee suggestions for dealing with the bill.
056	Lorensen	Suggests they sit down with Mr. Test and other interested parties to see if they can create an understanding of the issues.
074	Rep. Uherbelau	Comments that HB 2111 does not accomplish what Mr. Lorensen is suggesting in the conclusion of his submitted testimony. Suggests that ODF put the language about state regulatory programs into the bill.
093	Rep. Krummel	Expresses concern about Subsection D of the bill and suggests that the responsibility for explaining to the landowner what agencies they will have to talk to should fall on ODF.
118	Chair Wells	Closes the public hearing on HB 2111 and opens the public hearing on HB 2113.
<u>HB 2113 n PUBLIC HEARING</u>		
125	Callens	Explains the provisions of HB 2113.
147	Ray Craig	Assistant State Forester, Department of Forestry. Submits written testimony (EXHIBIT C) and testifies in support of HB 2113.
161	Mike Bordelon	Department of Forestry. Shows the committee an artist's rendition of the interpretive center.
172	Chair Wells	Asks how much the interpretive center will cost.
176	Craig	Responds that the total funding for the project is \$12.5 million in FY 2002 dollars.
182	Chair Wells	Asks how many acres are in the Tillamook State Forest.
183	Craig	Responds that there are approximately 350,000 acres.
195	Chair Wells	Closes the public hearing and opens the work session on HB 2113.
<u>HB 2113 n WORK SESSION</u>		
198	Rep. Hopson	MOTION: Moves HB 2113 to the floor with a DO PASS

		recommendation.
201	Rep. Krummel	Referencing section one, subsection three of the bill, questions whether the language adequately clarifies that the money is to go to the Tillamook Forest Interpretive Center. Suggests inserting "in the Tillamook Interpretive Center" in line 15 of the bill.
223	Chair Wells	Clarifies that it is called the Tillamook Interpretive Center Fund.
		VOTE: 9-0 AYE: In a roll call vote, all members present vote Aye.
239	Chair Wells	The motion CARRIES. REP. HOPSON will lead discussion on the floor.
247	Chair Wells	Closes the work session on HB 2113 and opens the public hearing on HB 2114.
<u>HB 2114 ñ PUBLIC HEARING</u>		
250	Callens	Explains the provisions of HB 2114. Notes that the bill has a subsequent referral to the House Revenue Committee.
270	Chair Wells	Notes that the technical part of the bill is how the forest industry is taxed.
286	Ray Craig	Assistant State Forester, Department of Forestry. Submits and reviews written material in support of HB 2114 (EXHIBIT D).
341	Craig	Continues reviewing submitted material.
364	Chair Wells	Asks for clarification that ODF is going to amend the bill in the House Revenue Committee.
367	Craig	Responds that this is correct.
368	Chair Wells	States that the House Revenue Committee would be willing to give the committee a presentation on how all the timber taxes are levied.
376	Rep. Hill	Asks for clarification on what aspect of HB 2114 the committee is handling.
380	Chair Wells	Responds that they are looking at the policy of eliminating the sunset and adding another \$.15 to the current harvest tax.

385	Rep. Hill	Asks for clarification that this number is going to change in the House Revenue Committee.
387	Chair Wells	Notes that ODF instigated the change in the tax amount.
389	Rep. Hill	Clarifies that he is trying to ascertain what scope the committee is dealing with so they don't get into a discussion on the taxes.
394	Chair Wells	Notes that the policy issue is whether they agree with the industry that the harvest tax needs increased.
400	Rep. Uherbelau	Asks how the additional \$.15 is going to be utilized.
TAPE 14, B		
001	Craig	Responds that this money would be used to fund part of the Forestry Assistance Program.
020	Chair Wells	Asks how many additional staff this would provide for ODF.
021	Craig	Responds that it would be approximately eight full time equivalents (FTE).
023	Rep. Thompson	Asks for clarification that the harvest tax rate change is a result of not knowing what the price is going to be and how many board feet are going to be cut.
026	Craig	Responds that the issue here is the harvest calculation.
031	Chair Wells	Asks if the 6.75 billion is a biennium figure.
032	Craig	Responds that it is.
034	Rep. Thompson	Notes that the rate is price sensitive.
036	Rep. Beyer	Asks if the eight FTE would be new, or are they just maintaining existing programs.
038	Craig	Responds that it is a combination of both.
044	Rep. Beyer	Asks how many new employees there would be.
048	Wally Rutledge	Forestry Assistance Program Director, Department of Forestry. Responds that

		this would maintain ODF's current service level.
052	Rep. Beyer	Asks how ODF's forestry assistance program coordinates with the OSU's Forestry Extension Program.
057	Craig	Responds that there is a strong degree of coordination between the Extension Program and ODF's program.
076	Rep. Beyer	Asks if all areas of the state that have forestland covered by both programs.
080	Rutledge	Responds that ODF covers most of the state with service foresters, and that OSU has some gaps in the state that they are unable to cover.
090	Chair Wells	Notes that the harvest tax dropped in November due to the salmon listing.
101	Rep. Thompson	Asks how fast ODF can make the adjustments in revenue.
105	Rutledge	Responds that the \$.15 would just maintain current funding and that the transition can be made very easily.
115	Rep. Krummel	Asks if the tax credit involved is a property tax or an income tax credit.
117	Craig	Responds that it is an Oregon income tax credit.
121	Terry Lamers	State Issues Coordinator, Oregon Small Woodlands Association. Testifies in support of HB 2114.
138	Chair Wells	Notes the reasons for the tax credit. Closes the public hearing and opens the work session on HB 2114.
<u>HB 2114 n WORK SESSION</u>		
151	Rep. Thompson	MOTION: Moves HB 2114 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Revenue by prior reference.
		VOTE: 9-0 AYE: In a roll call vote, all members present vote Aye.
160	Chair Wells	The motion CARRIES.

162	Chair Wells	Closes the work session on HB 2114 and opens the work session on HB 2116.
<u>HB 2116 ñ WORK SESSION</u>		
165	Judith Callens	Explains the provisions of HB 2116.
177	Rep. Uherbelau	MOTION: Moves HB 2116 to the floor with a DO PASS recommendation.
		VOTE: 8-1 AYE: 8 - Beyer, Deckert, Hopson, Kropf, Krummel, Thompson, Uherbelau, Wells NAY: 1 - Hill
186	Chair Wells	The motion CARRIES. REP. WELLS will lead discussion on the floor.
187	Chair Wells	Closes the work session on HB 2116. Adjourns the committee at 10:10 a.m.

Submitted By, Reviewed By,

Stephen Kosiewicz, Judith Callens,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2111, written testimony, Ted Lorensen, 3 pp.

B ñ HB 2111, written testimony of Paul Cleary, Jenifer Robison, 1 p

C ñ HB 2113, written testimony, Ray Craig, 5 pp.

D ñ HB 2114, written testimony, Ray Craig, 7 pp.