

PUBLIC HEARING: HB 2473

PUBLIC HEARING & WORK SESSION: HB 2452

TAPES 053 - 054 A/B

TAPE 055 A

HOUSE REVENUE COMMITTEE

FEBRUARY 17, 1999 ñ 8:30 A.M. - HEARING ROOM A - STATE
CAPITOL BUILDING

Members Present: Rep. Ken Strobeck, Chair

Rep. Anitra Rasmussen, Vice Chair

Rep. Jeff Merkley

Rep. Diane Rosenbaum

Rep. Max Williams

Rep. Bill Witt

Members Absent: Rep. Deborah Kafoury

Rep. Lane Shetterly

Rep. Jim Welsh

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Russ Beaton, Willamette University/Marion County

Sarah Doll, Oregon Environmental Council

Jeff Allen, Oregon Environmental Council

Joe Cortwright, Oregon Environmental Council

Susan Browning, Department of Revenue

Jeff Watkins, Sierra Club, Oregon Chapter

John Ledger, Associated Oregon Industries

Jim Craven, American Electronics Association

Don Schellenberg, Oregon Farm Bureau

Terry Lamers, Oregon Small Woodlands Association

Lincoln Cannon, Oregon Forest Industries Council

TAPE 053, SIDE A

009 Chair Strobeck Meeting called to order at 8:39 a.m.

OPENED PUBLIC HEARING ON HB 2473

017 Paul Warner Provided background and described what HB 2473 does.

060 Rep. Witt HB 2473 would provide for the creation of an Environmental Tax Study Commission. Discussed the charge and structure of the Commission.

094 Russ Beaton Spoke in support of the measure.

162 Sarah Doll Presented testimony in support of measure. (Exhibit 1)

227 Joe Cortwright Spoke in support of the measure.

314 Jeff Allen Spoke in support of the measure and submitted testimony on behalf of John Emrick. (Exhibit 2)

350 Discussion and questions interspersed.

425 Continued discussion and questions regarding the charge and structure of the Commission.

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024 Continued discussion and questions relating to the structure of the Commission and types of environmental taxes.

040 Rep. Shetterly Are the charges in B3 of the bill realistic?

054 Doll The intent is to create the framework; the Commission would select some of the listed areas for a closer analysis.

067 Rep. Welsh Was a decision made in 1995 on inclusion of environmental taxation?

079 Cortwright Does not recall any legislation for environmental taxation, however economists are uniform in their support of the concept.

091 Discussion and questions regarding the staffing of the Commission and how the work loads would be organized.

141 Questions and discussion regarding the incentive/disincentive effect and establishment of stable revenue stream through taxation of a commodity/product to be eliminated.

214 Jeff Watkins Spoke in support of the measure. Distributed fact sheet. (Exhibit 3)

256 Susan Browning Spoke to the measure. (Exhibit 4)

323 Discussion and questions regarding clarification of the Department of Revenues role to the Commission and extension of the timeframe.

438 Rep. Witt Have national academic studies been done interfacing environmental health and tax policy or is it really a new field?

TAPE 053, SIDE B

- 023 Browning Studies may exist, but the Department of Revenue staff is not aware of any.
- 029 Vice Chair Spoke to concern with the current language, would it delegate authority to the
Rasmussen Commission to rearrange the Department of Revenue's priorities, and possibly
supersede the Department of Revenue Director's authority? Requested clarification
within the bill as to where resources would be allocated or demanded.
- 043 John Ledger Spoke in opposition to the measure.
- 179 Discussion and questions regarding intent of the bill and how it would be perceived by
businesses.
- 237 Rep. Shetterly Would Associated Oregon Industries support the bill if the directive were more in the
nature of a study/report without the component for implementation?
- 253 Ledger The bill is very broad; implementation is only one of the problems. Associated
Oregon Industries would participate in continued discussion, but would oppose
appointing a commission.
- 269 Rep. Welsh Concurred with Mr. Ledger; this is more the work for a task force not an appointed
commission.
- 290 Discussion and questions of individuals imposing costs upon society that are not
assessed and residential use of environmental waste produced by household products.

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TAPE 054, SIDE B

- 014 Jim Craven Spoke in opposition to the measure.
- 118 Geo-nomics Consulting entered testimony for the record. (Exhibit 5)
- 122 Chair Strobeck Recessed until 10:10 a.m.

122 Chair Strobeck Reconvened at 10:10 a.m.

OPENED PUBLIC HEARING ON HB 2452

132 Richard Yates Described the bill and the changes in the eastern and western Oregon privilege taxes. The substantive change would have the tax apply to only harvest from forestland.

Referenced staff measures summary, revenue impact and fiscal impact statements.
(Exhibit 6)

275 Yates Continued with presentation of bill.

309 Rep. Shetterly Summarized the intent of the bill. The bill does not need to be complicated with collateral issues.

349 Don Schellenberg Spoke in support of the measure.

379 Terry Lamers Spoke in support of the measure.

455 Rep. Merkley If this is treated as a tax on a crop has it been challenged in court?

483 Lamers The privilege tax is a deferred tax on the land, not the timber. The double taxation that is occurring does not carry out the intent of the 1991 Legislature.

TAPE 055, SIDE A

OPENED WORK SESSION ON HB 2452

023 Rep. Merkley Why did the clause in B1 (c), page 1, line 11-12 of HB 2452 remain if the goal was to disconnect it from property taxes in 1991?

051	Yates	The above language was not in the 1991 legislation. Provided background to the language in the current statute.
074	Rep. Shetterly	MOTION: MOVED HB 2452 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
075	Vice Rasmussen	Chair Does HB 2452 or existing statutes provide clear language for recovery of deferred taxes for forestland that is reclassified as farmland prior to harvest?
090	Lincoln Cannon	Spoke to what current law allows.
118	Vice Rasmussen	Chair What are the relationship between HB 2452 and the Governorís Task Force on Timber Taxation or is the bill outside of the Task Force process?
123	Cannon	Advised of the activities of the Task Force. HB 2452 does not conflict with the work of the Task Force, but was intended to begin the debate as to whether or not the privilege tax is a deferred land tax.
153	Rep. Shetterly	Commented on the impact of HB 2452 on pending litigation; this bill should have no impact on pending litigation. HB 2452 clarifies the legislative intent; the issue of double taxation needs to be addressed.
211	VOTE	<p>ROLL CALL VOTE: MOTION PASSES 8-1-0</p> <p>REPRESENTATIVES VOTING AYE: REP. KAFOURY, ROSENBAUM, SHETTERLY, WELSH, WILLIAMS, WITT, VICE CHAIR RASMUSSEN, CHAIR STROBECK</p> <p>REPRESENTATIVES VOTING NAY: REP. MERKLEY</p> <p>Rep. Shetterly will carry the bill.</p>
223	Chair Strobeck	Meeting adjourned at 10:43 a.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2473, Doll, Written testimony, 3 pages
2. HB 2473, Allen, Written Testimony submitted for John Emrick, 1 page
3. HB 2473, Watkins, Fact sheet, 1 page
4. HB 2473, Browning, Written testimony, 1 page
5. HB 2473, Nelson, Written testimony, 1 page
6. HB 2452, Yates, Staff measure summary, revenue impact statement and fiscal impact statement, 7 pages