

## HOUSE REVENUE COMMITTEE

JUNE 11, 1999 ñ 8:15 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

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Members Present: Rep. Ken Strobeck, Chair

Rep. Anitra Rasmussen, Vice Chair

Rep. Deborah Kafoury

Rep. Jeff Merkley

Rep. Diane Rosenbaum

Rep. Lane Shetterly

Rep. Jim Welsh

Rep. Max Williams

Rep. Bill Witt

Staff: Paul Warner, Legislative Revenue Officer

Richard Yates, Economist, Legislative Revenue Office

Barbara Guardino, Committee Assistant

Witnesses: Elizabeth Harchenko, Director, Oregon Dept. of Revenue

Ray Wilkeson, Oregon Forest Industries Council

### TAPE 211, SIDE A

005      Chair Strobeck              Called meeting to order at 8:25 a.m. Recessed meeting until noon.

010      Chair Strobeck              Reconvened meeting at 12:39 p.m. Opened work session on HB 3575.

**WORK SESSION n HB 3575**

- 014 Richard Yates Reviewed HB 3575-7 amendments (**EXHIBIT 1**). Same as n4 amendments with one change: To extend the phase-out period from two years to three years. Reduces rates each year. This delays the period in which small owners are forced into the new program, although they can still opt out and move into alternative programs designed by future legislatures.
- 035 Elizabeth Harchenko Directed members' attention to letter from Gov. Kitzhaber (**EXHIBIT 2**). Governor and forestland owners are comfortable with n7 amendments. Governor's Forestland Taxation Task Force will continue to work on this issue during the interim so 2001 legislative session can address land values, appeals process, and the option to which smaller owners will be able to move into new tax deferral programs.
- 058 Chair Strobeck Summarized, Governor is in agreement with policy direction to tax timber land at 100% ad valorem taxes.
- 074 Ray Wilkeson Expressed support for HB 3575-7 amendments on behalf of Oregon Forest Industries Council (OFIC). Measure achieves objective of making timber taxes fair.
- 087 Rep. Shetterly Thanked Governor's Office, Dept. of Revenue and forest industry for their hard work. Would have preferred shorter phase-in period.
- 107 Vice Chair Rasmussen **MOVED -7 AMENDMENTS TO HB 3575 BE ADOPTED.**
- 110 Chair Strobeck **ASKED FOR ANY OBJECTIONS TO MOTION. HEARING NO OBJECTIONS, THE CHAIR SO ORDERED.**
- 115 Vice Chair Rasmussen **MOTION: MOVED HB 3575, AS AMENDED, TO THE COMMITTEE ON WAYS AND MEANS WITH A DO PASS AS AMENDED RECOMMENDATION.**
- 118 Chair Strobeck This bill marks an important turning point in Oregon's treatment in taxation of forestland.
- 127 **VOTE** **ROLL CALL VOTE: MOTION PASSES 9-0-0**
- REPRESENTATIVES VOTING AYE: KAFOURY, MERKLEY, ROSENBAUM, SHETTERLY, WELSH, WILLIAMS, WITT, VICE CHAIR RASMUSSEN, CHAIR**

**STROBECK.**

140      Chair Strobeck      Adjourned meeting at 12:50 p.m.

Submitted by, Reviewed by,

Barbara J. Guardino Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 3575, Yates, Proposed Amendments to House Bill 3575 (HB 3575-7), 66 pp.
2. HB 3575, Harchenko, letter from Governor John A. Kitzhaber, M.D., 1 p.
3. HB 3575, Yates, Staff Measure Summary, 1 p.
4. HB 3575, Yates, Proposed Amendments to House Bill 3575 (HB 3575-6), 1 p.