

HOUSE COMMITTEE ON WATER AND ENVIRONMENT

January 25, 1999 Hearing Room D

1:00 pm Tapes 9 - 10

MEMBERS PRESENT: Rep. Jim Welsh, Chair

Rep. Jackie Taylor, Vice-Chair

Rep. Jason Atkinson

Rep. Richard Devlin

Rep. Juley Gianella

Rep. Deborah Kafoury

Rep. Jeff Kruse

Rep. Jeff Merkley

Rep. Susan Morgan

MEMBER EXCUSED:

STAFF PRESENT: Kristina McNitt, Administrator

Gene Newton, Administrative Support

MEASURE/ISSUES HEARD: Introduction of Committee Bills:

LC 2492

LC 2495

LC 2496

HB 2103 Public Hearing

HB 2356 Public Hearing

HB 2357 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 9, A		
005	Chair Welsh	Calls meeting to order at 1:07 pm.

INTRODUCTION OF COMMITTEE BILLS: LC 2492; LC 2495; LC 2496

015	Chair Welsh	Introduces committee bills and explains the process involved. States that it is a nonpartisan process. Explains that the Legislative Council (LC) drafts will be dropped and then go through the process to determine if they will be heard. Introduces LC 2492, LC 2495, LC 2496. States that the Chair is providing the motion.
034	Rep. Taylor	Asks who is proposing the bills.
036	Chair Welsh	States that all three bills were presented by Oregonians in Action.
040	Rep. Devlin	Asks for clarification that, if a member votes to accept the LC draft as a committee bill, that it is not necessarily an endorsement of the bill.
043	Chair Welsh	Responds in the affirmative and underscores that this is just another avenue of obtaining a printing of the bill.
045	Rep. Devlin	Asks if members not in favor of the contents of specific bills introduced by other committees, would still vote in support of their adoption and subsequent printing.
047	Rep. Merkley	Asks why the practice of committee adopted bills exists rather than bills being introduced by individuals.
050	Chair Welsh	Explains again that this is just another means of getting a bill printed. Elaborates on the process.
054	Rep. Merkley	Asks if this implies that the entire committee worked on the bill to prepare the draft.
055	Chair Welsh	States that there is no implication that the committee worked the bill.
056	Rep. Kruse	Explains committee bills further and the rationalization behind them.
068	Chair Welsh	MOTION: Moves LC's:

		2492, 2495, 2496 BE INTRODUCED as committee bills.
		VOTE: 9-0
070	Chair Welsh	Hearing no objection, declares the motion CARRIED.
071	Rep. Kruse	Distributes copies of Department of Land Conservation and Development (DLCD) Memorandum Of Understanding (MOU) documents (EXHIBIT A). Explains that DLCD had provided information to him at his request during a previous hearing.
<u>HB 2103 PUBLIC HEARING</u>		
085	Kristina McNitt	Explains HB 2103.
091	Joe Rohleder	Assistant to the Director for Government Affairs of Oregon Department of Fish and Wildlife (ODFW). Introduces Kay Brown from the Fish Division of ODFW and states that she will speak in support of HB 2103 for the ODFW. Passes out testimony in support of HB 2103 (EXHIBIT B).
095	Kay Brown	Oregon Department of Fish and Wildlife. Testifies in support of HB 2103. Defines the bill. Describes the funding of the Fish Endowment account.
117	Brown	Explains that the money in the Wildlife Fund is essentially generated equally from fisheries and wildlife revenues. Explains that the 1989 Legislature enacted two pieces of legislation to provide funding for long term maintenance of Department fish hatcheries: surcharges on fishing licenses, and establishment of the Fish Endowment Account. Explains the Fish Endowment Account and how revenues are projected. States that revenues have been less than projected.
136	Brown	Explains figures and current spending by ODFW for state funded hatcheries. Describes a \$30

		million backlog of projects for state funded facilities. Explains that HB 2103 requests the state to extend the period that moneys are transferred into the Fish Endowment Account beyond June, 1999.
142	Rep. Atkinson	Asks for clarification of the \$30 million in backlog of projects.
146	Brown	Explains backlog projects.
155	Rep. Atkinson	Inquires if hatcheries are running to capacity at this time.
158	Brown	Explains that they are operating to the extent that funding is available and are generally filled to capacity. Indicates the backlog is for maintenance at the hatcheries.
162	Rep. Atkinson	Asks if placing money in the Endowment Fund is taking away money that is needed for the agency.
172	Rohleder	Explains that the Fish Endowment Fund is comprised of half of the interest on the amount of money that is collected in the Wildlife Fund.
184	Rep. Atkinson	Asks what the projected revenue of the fund is.
186	Rohleder	Further explains the fund and how it was established. Reiterates that half of the interest from the Wildlife Fund has been placed in the Endowment Fund. Explains that the drop in interest rates has lowered revenue projections. States that the concept of the fund is a good one and should be continued.
206	Rep. Taylor	Asks if the anticipated projections were affected by the fact that fewer fishing licenses are sold.
216	Brown	States that it is not related to a drop in license fees. Explains why the fund has had a shortfall.
225	Rep. Gianella	Asks if costs of the Endowment Fund would cause a rise in fishing and hunting licenses.

230	Brown	Replies that the Endowment Fund would not cause an increase in either.
235	Rep. Gianella	Asks, other than lower interest rates, what other factors have caused a decline in the revenue for the Wildlife Fund.
239	Brown	Explains that the agency no longer carries as large an ending balance in their budget so there is not a large amount of unexpended dollars accruing interest.
245	Rep. Kruse	Asks if they are accumulating money until the fund reaches \$9 million, at which point it will be used as an investment vehicle.
257	Brown	States that they have not been given an ability in their budget to spend any of the money in the fund at this point and it is simply accruing interest.
265	Rep. Kruse	Concludes that even if the "sunset" is extended to 2005, the projected rate of growth would be less than the \$9 million so the "sunset" would need to be extended again.
274	Brown	Reiterates that the fund would not be spent.
283	Rep. Kruse	Concludes that this fund has fallen far short of its original expectation. Questions the wisdom of bundling this amount of money into this source to deal with hatcheries at a future date when there is an immediate need to respond to a variety of fish crisis. States that money could be better used to take care of some of the backlog projects, especially infrastructure and technology.
309	Rep. Devlin	Asks for clarification of the earnings.
315	Brown	States that earnings are accrued on interest.
335	Phil Donovan	Association of Northwest Steelheaders, Northwest Sportfishing Industry Association and Oregon Guides and Packers Association. Testifies in support of HB 2103. Explains the importance

		of supporting the hatcheries for the sports fisherman in Oregon. States that there is a decline of certain kinds of fish and hatchery fish represent an opportunity to replenish these species. Explains that hatcheries need maintenance money to continue their work.
367	Donovan	Explains the advantages of using hatchery fish. Explains that there is a program to help the genetic gene pool of a species to stay in a particular river. Urges the continuation of the funding.
395	Rep. Kruse	States that he is a supporter of hatchery programs but expresses concerns regarding this method of funding. Asks if the Association of Northwest Steelheaders would have supported the money from the Endowment Fund going directly into the hatchery programs.
TAPE 10, A		
006	Donovan	Responds no. States that this is a long-term funding source which is why there is support for it from his members.
011	Rep. Kruse	Asks if it is Mr. Donovan's perspective that it would be better to wait 10 years for a potential \$500,000 a year endowment rather than putting money into the system at this time.
015	Donovan	Replies that he believes that it would be better to wait.
017	Rep. Atkinson	States concern regarding whirling disease. States that there are concerns that this disease is being introduced into streams through hatchery fish. Asks Mr. Donovan's members are being educated regarding this disease.
025	Donovan	Replies that he will return with that information regarding the question.
031	Rod Harter	Executive Director of the Oregon Sportsman's Defense Fund. Testifies in opposition to HB 2103. States that hunters are being asked to make up a shortfall in the fisheries program.

049	Rep. Taylor	Asks if the hunters are subsidizing the fishing program.
052	Harter	Replies that at this time it is balanced, but expresses concern that in the future there will no longer be a balance.
057	Rep. Taylor	Asks if it is true that what is good for the fish, is good for the game.
060	Harter	Replies that he does not see how hatcheries help the elk herds. States that if the funds were used for restoration of habitat then a connection could be made.
063	Rep. Taylor	Asks if there is currently a surcharge on licenses.
065	Harter	REplies that there is a \$2.00 surcharge on hunting licenses.
069	Rep. Merkley	Asks if the Commercial Fisheries Fund is a revolving fund.
073	Harter	Replies that he does not know the answer.
085	Chair Welsh	Calls up representatives from ODFW to respond.
090	Brown	Explains that ODFW can not spend funds without permission. Responds also that fish programs are not taking money from wildlife programs. Elaborates on the source of monies in the fund.
102	Rep. Kafoury	Asks how much money is going into the Fish Endowment Fund annually.
107	Brown	Replies that \$500,000 is the current projection.
113	Rep. Morgan	Asks what was the original intent of the fund.
116	Brown	Explains the original intent of the fund.
125	Morgan	Asks how long it will be before the Endowment Fund will be able to support the program as it was originally intended.

130	Brown	Replies that numbers are not available since interest rates vary.
136	Morgan	Asks if the committee is correct in assuming that in another five years the funds would still be unable to support the program.
138	Brown	Replies that this is likely unless interest rates go up substantially or a larger ending balance remains.
139	Rep. Kruse	Concludes that it will take ten years to realize annually the amount of money that is being put into the fund. States that the immediate needs seem to outweigh the long-term benefits of this fund.
154	Brown	Explains the original intent of the program. States that there are other sources to handle the short term funding problems while the Endowment Fund is specific to long term hatchery maintenance needs.
158	Rep. Kruse	Comments regarding the difference of the economy and fish population now as opposed to when the fund was first created.
167	Rep. Gianella	Asks for difference in dollars between wildlife and fish.
172	Brown	States that currently it is \$2 million.
175	Rep. Morgan	Expresses concern regarding the amount of money currently put into the fund in hopes that in ten years the same amount of money will be available to spend on an annual basis.
183	Brown	States that she cannot add anything to what she has already discussed.
188	Chair Welsh	States the responsibility of the committee regarding the bill and summarizes the bill.
194	Rep. Taylor	Observes that it might be necessary to take a long look as well as a short one regarding restoration projects.
206	Brown	States that there are dollars

		available to work on the backlog.
211	Chair Welsh	Closes the Public Hearing on HB 2103.
<u>HB 2356 PUBLIC HEARING</u>		
220	Chair Welsh	Opens Public Hearing on HB 2356.
225	Rep. Thompson	Testifies in support of HB 2356. Explains the bill as a cost shift.
235	Joe Rohleder	Oregon Department of Fish and Wildlife. Defines the history of the bill. States that there was a change in the way taxes on commercial fish landed were treated. Explains the changes. States that the bill would add to the Commercial Fish Fund. Explains the use of the Commercial Fish Fund.
253	Brown	Explains that ODFW cannot support the bill because the revenue shift is not contained in the Governor's budget. States that the governor's budget requires revenue received from confiscated fish be deposited in the Commercial Fish Fund.
272		Rep. Taylor Asks what currently happens to fish that are confiscated.
274	Brown	Replies that they are sold to a wholesale fish dealer and the money goes to the state General Fund.
281	Rep. Thompson	Explains that not all of the fish confiscated are illegal fish. Explains that there are fish caught beyond what the allowable quota is and these fish are also sold.
286	Rep. Taylor	States that she is aware of Senior Programs that have fish provided to them as food and asks if that is a program through ODFW.
294	Brown	Replies that ODFW does provide fish to such programs but they are generally fish that are taken illegally from the sport fishing industry.
300	Rep. Thompson	Explains the reasoning behind selling commercial fish as opposed

		to sport fish.
305	Chair Welsh	Asks if the money from fines is included in the bill.
307	Brown	Replies that those are handled differently through the court system.
314	Rep. Thompson	Explains money figures and how they are derived.
321	Chair Welsh	Closes Public Hearing on HB 2356.
<u>HB 2357 Public Hearing</u>		
334	Chair Welsh	Opens Public Hearing on HB 2357.
339	Kristina McNitt	Briefs the committee on HB 2357.
336	Rep. Thompson	Passes out handout of fiscal impact (EXHIBIT E) and written testimony (EXHIBIT F).
355	Nan Evans	Manager of the Policy and Planning Division, Oregon Parks and Recreation (OPR). Testifies in support of HB 2357. States that OPR does not envision closing any parks at this time. States that this is a "what if" bill.
380	Rep. Thompson	States that with Measure 66 funds there is less chance of closing parks now than during the last session. Explains that HB 2357 ensures that beach access will be left open.
390	Evans	Explains plans for HB 2357. References a list of 21 sites that were identified in 1966 for potential closure. Explains how sites were chosen.
TAPE 09, B		
001	Evans	Explains expenses per site for maintenance. States that OPR estimates that if HB 2357 were to pass it would cost \$56,000 annually to maintain those sites at a basic maintenance level to allow access. Explains the costs.
026	Rep. Thompson	Explains that if the parks are not closed the costs change. Explains

		that the \$114,000 figure is a worst case scenario depending on the number of closures. Outlines some of the scenarios.
034	Rep. Taylor	Asks if all of the coastal parks are included on the list and, if so, why is Fort Stevens not listed.
036	Evans	Explains why Fort Stevens is not on the list. Reiterates that the list is a list of sites that were proposed for closure in 1996.
039	Rep. Thompson	Explains that Fort Stevens is an income generating park due to its camping sites. States that the "day use" parks and beach access parks are of concern for potential closure.
042	Chair Welsh	Asks for definition and specification of "recreation sites".
047	Evans	Explains the classification system used by State Parks. Further defines a "recreation site": small area; often has developed facilities (restrooms and parking areas); and provides access to recreational opportunity. Recreational sites are non-revenue producing sites.
061	Rep. Thompson	Gives examples of recreational sites from his own district.
067	Rep. Kruse	Questions if, given the results of Measure 66, this law is necessary. States that Measure 66 also charges the State Parks to maintain existing system.
088	Rep. Thompson	Explains the necessity of HB 2357. States that the provisions may not be needed immediately but serve as an insurance mechanism.
102	Chair Welsh	Asks if there are any parks on a proposed closing list at this time.
106	Evans	Replies that since Measure 66 passed there have been no planned closures.
111	Rep. Devlin	Asks if there is an alternative to closure that is being overlooked.
120	Rep. Thompson	Explains that OPR must maintain access through the park even if it is

		closed. States that if the state is going to have an open beach law then OPR must provide facilities to access them. References Florence area as an example of necessity to have access areas.
142	Rep. Kruse	Asks theoretical question regarding deeded property and access to beaches. Asks if the state would break the law if it sold state owned property which would, in essence, deny public access.
151	Rep. Thompson	Replies that the state would not give up any access to beaches. Explains that one of the reasons for passage of Measure 66 was to enable Oregon to obtain such properties.
160	Rep. Kruse	States that according to the bill there would need to be an easement built into the sale.
164	Chair Welsh	States that the committee will not move on the bill at this time. Calls Randy Tucker to testify.
172	Randy Tucker	Policy Advocate with 1000 Friends of Oregon. Submits written testimony (EXHIBIT F). Speaks in support of HB 2357. States that 1000 Friends would prefer that parks stay open for access if the parks themselves could not remain open.
180	Chair Welsh	Closes Public Hearing on HB 2357 and adjourns meeting at 2:15 pm.

Submitted By, Reviewed By,

Gene Newton, Kristina McNitt,

Administrative Support Administrator

EXHIBIT SUMMARY

A - Department of Land Conservation and Development handout, Rep. Kruse, 103 pp

B - HB 2103, written testimony, Kay Brown, 1 p

C - HB 2103, written testimony, Phil Donovan, 1 p

D - HB 2356, written testimony, Kay Brown, 1 p

E - HB 2357, written testimony, Nan Evans, 3, p

F - HB 2357, written testimony, Randy Tucker, 1 p