

HOUSE COMMITTEE ON WATER AND ENVIRONMENT

March 31, 1999 Hearing Room HR D

1:00 P.M. Tapes 88 - 91

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

Danielle Hamilton, Administrative Support

MEASURE/ISSUES HEARD: HB 2638 Public Hearing

HB 2639 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 88, A

004

Chair Welsh

Calls meeting to order at 1:15 and opens public hearing on HB 2638 and HB 2639.

HB 2638 AND HB 2639 PUBLIC HEARING

008

Kristina McNitt

Reads summary of HB 2638 and HB 2639.

015

Larry George

Oregonians in Action (OIA). **(EXHIBIT A, B)** Testifies in support of HB 2638 and HB 2639.

065

George

Continues testimony in support of HB 2638 and HB 2639.

115

George

Continues testimony in support of HB 2638 and HB 2639.

165

George

Continues testimony in support of HB 2638 and HB 2639.

215

George

Continues testimony in support of HB 2638 and HB 2639.

265

George

Continues testimony in support of HB 2638 and HB 2639.

277

Rep. Taylor

Asks if there is a way to allow houses to be built in farm use zone.

282

George

Answers yes, explains the options.

284

Rep. Taylor

Asks if income is the only standard.

285

George

Explains "lot of record."

292

Rep. Taylor

Asks George what size farms he would suggest be allowed on high value farm land.

297

George

Answers that there needs to be a plan in the rural areas.

320

Rep. Taylor

Notes that there are acres zoned for rural residential development.

327

George

Agrees that there are areas zoned for rural residential, but they are only about 2% of the total zoned land.

348	Rep. Devlin	Asks if the standard is reduced would we not be opening the Willamette Valley to more partialization and loss of prime farm land.
379	George	States that rural Oregon should be divided up and planned.
412	Rep. Devlin	Asks how the erosion of Oregon's farmland could be prevented.
TAPE 89, A		
007	George	Replies that policy makers should fix the income standard and then talk about planning rural Oregon.
034	Rep. Gianella	Asks if George has a suggestion for a better income standard, besides the \$80,000 dollars.
039	George	Answers that income is not a good standard, but if regulation must be done using an income standard, the it should be averaged within the individual counties.
060	Rep. Gianella	Asks if George has computed an income standard for Yamhill county.
065	George	Answers yes.
067	Rep. Merkley	Asks George if his fundamental issue is to allow people to live the rural lifestyle in farm use areas.
073	George	Clarifies his point.
	Rep. Merkley	Asks George for further clarification on his objectives.
	George	Responds that plans must be made for rural residences, start-up farms and large operations.
118	Rep. Merkley	Asks if it would be unusual to have more than 10% profit on an investment in farming.
123	George	Responds there are people who make a profit in farming.
125	Rep. Merkley	Asks why the \$80,000 dollar income limit is not reasonable.
135	George	Discusses diversity of farming activities.

182	Kent Goar	Local resident, Silo (EXHIBIT C, D). Testifies in support of HB 2638 and HB 2639.
240	Kent Goar	Continues testimony in support of HB 2638 and HB 2639.
265	Jan Goar	Local resident, Silo. Testifies in support of HB 2638.
294	Rep. Gianella	Asks Goar if he has a home on his 26 acre farm.
302	K. Goar	Answers no.
302	Rep. Gianella	Asks Goar if he is not allowed to build a home on his farm.
306	K. Goar	Answers no, he is not permitted to build a home on his farm. Notes his farm is 43 acres, but only 26 acres is farmable.
311	Rep. Gianella	Asks if a home is built on the non-farmable land.
314	K. Goar	Answers no.
320	Rep. Taylor	Asks the Goars if they would be able to build a house if they were able to meet the \$80,000 dollar gross income test.
325	K. Goar	Answers yes.
327	Rep. Taylor	Asks if the Goars could be compensated for their loss under present law.
337	K. Goar	Answers no.
340	Rep. Devlin	Asks amount of projected gross income if the nursery on the new farm site were in operation.
351	K. Goar	Answers that there are two sides to his farm and explains the two different operations.
363	Rep. Devlin	Asks if it would be six to eight years before he would meet the \$80,000 dollar income level.
367	K. Goar	Answers eight to ten years.
372	John Lindsey	Linn County Commissioner. (EXHIBIT E) Testifies in support of HB 2638.

		Addresses the Goaris testimony and clarifies statements made by K. Goar.
TAPE 88, B		
025	Lindsey	Continues discussing the Goaris case.
075	Lindsey	Continues overview of the Goaris property. Discusses the overhead costs of farming. Provides examples.
094	Rep. Merkley	Notes that according to Lindsey's example, the farm would have a net income of \$4,000 dollars a year at 5%.
095	Lindsey	Continues testimony in support to HB 2638 and HB 2639.
145	Lindsey	Continues testimony in support to HB 2638 and HB 2639. Suggests amendments to HB 2638 and HB 2639, EXHIBIT E .
195	Lois Kenagy	Resident, Benton County. Testifies in opposition to HB 2638 and HB 2639.
200	Peter Kenagy	Resident, Benton County. Explains the characteristics of his family's farm.
245	L. Kenagy	Continues testimony in opposition to HB 2638 and HB 2639.
260	P. Kenagy	Testifies in opposition to HB 2638 and HB 2639. States that there are too many houses in farm use zones.
300	Mike McCarthy	Resident, Hood River County. (EXHIBIT F) Testifies in opposition to HB 2638 and HB 2639.
350	McCarthy	Continues testimony in opposition to HB 2638 and HB 2639.
400	McCarthy	Continues testimony in opposition to HB 2638 and HB 2639.
TAPE 89, B		
001	Fritz Vonhublae	Testifies in opposition to HB 2638 and HB 2639.
042	Rep. Merkley	Asks if Vonhublae could think of any situation in which the \$80,000 test would be unreasonably high.
044	Vonhublae	Answers no.

057	Rep. Merkley	Asks about the earlier suggestion that the test needs to be lower than \$80,000 dollars in order to get started in farming.
060	Vonhublae	Answers that to by a farm and put a house on the property at the same time would be very difficult for a start up farmer.
064	Rep. Devlin	Asks Vonhublae if the acreage in his area runs between \$8 ñ 10 thousand dollars an acre without a house.
067	Vonhublae	Answers that could be a low estimation.
069	Rep. Devlin	Asks if the price of acreage has inflated in the last ten years and if that inflation is due to farm income or rural residential development.
073	Vonhublae	Answers yes the price of acreage has gone up and it is due to the residential development.
075	Rep. Devlin	Asks farmers have sold out to non-farming operations due to the grow in value.
080	Vonhublae	Answers yes.
100	Sydney Blaine	Testifies in opposition to HB 2638 and HB 2639. Discusses the difficulty of farming with rural residential homes adjacent to farms.
153	Rep. Merkley	Asks if there are a problems with spraying orchards when houses are adjacent to farms.
158	Blaine	Answers yes.
161	Rep. Merkley	Asks Blaine if it would have been helpful to her children to live on the farm when starting out.
168	Blaine	Provides an example of her son who does not live on his farm.
174	Rep. Devlin	Asks Blaine how many acres she farms.
179	Blaine	Answers 1160 acres.
182	Rep. Devlin	Asks Blaine if she thinks the growth in rural residential development and the rise in the price of farmland, has made it more difficult for farmers to stay in farming.
184	Blaine	Answers yes.

189	Rep. Devlin	Gives example of a small farm and the costs. Asks if \$48,000 dollars of net income on 80 acres would be a good farm production.
205	Blaine	Asks for clarification.
208	Rep. Devlin	Clarifies his question.
210	Blaine	Answers yes.
216	Dave Foster	Partner in consulting business, Coos Bay. Testifies in support of HB 2638 and HB 2639. Expresses frustrations with the statewide gross income test verses average farm average. Provides examples.
265	Foster	Continues to overview examples of farm crops in the Coos County that fall under \$80,000 dollars. Discusses the different sized farms in Coos County.
325	Foster	Continues testimony in support of HB 2638 and HB 2639.
378	Rep. Taylor	Points out that the committee has heard there are 750,000 acres zoned rural residential.
385	Rep. Morgan	Comments that the diversity in Oregon makes in clear that one policy on the income standard is not going to work for every area in the state.
TAPE 90, A		
007	Foster	Concurs with Rep. Morganis statements.
034	Rep. Kafoury	Asks if there are different income levels depending on the soil type.
039	Foster	Answers that there is flexibility in the system, but it is still mostly one-size fits all.
060	Herb Keller	Resident, Clackamas. Testifies in support of HB 2638 and HB 2639.
104	Susan McAuhiffe	Farmer, Klamath County. Testifies in opposition to HB 2638 and HB 2639.
155	McAuhiffe	Continues testimony in opposition to HB 2638 and HB 2639.
206	McAuhiffe	Reiterates her concerns for protecting agricultural land.

217	Dean McGregor	Resident, Clackamas County. (EXHIBIT I) Testifies in support of HB 2638 and HB 2639.
275	Mark Nofziger	Farmer, Lynn County. Testifies in opposition to HB 2638 and HB 2639. States that the \$80,000 rule does not prevent people from farming. Relates personal experiences.
330	Nofziger	Continues testimony in opposition to HB 2638 and HB 2639.
345	Chair Welsh	Asks Nofziger if the intention of the Constitution was to allow income tests to limit private property rights.
350	Nofziger	Answers no.
365	Dave Vanasche	Commercial Farmer. Testifies in opposition to HB 2638 and HB 2639.
420	Vanasche	Continues testimony in opposition of HB 2638 and HB 2639.
TAPE 91, A		
015	James Monroe	Farmer, Lane County. Testifies in opposition to HB 2638 and HB 2639.
046	Diana Gardener	Farmer, Jackson and Marion County. Testifies in opposition to HB 2638 and HB 2639.
081	Jim Just	Farmer, Lynn County. Testifies in opposition to HB 2638 and HB 2639.
114	David Eischen	Farmer, County. Testifies neutral to HB 2638 and HB 2639. Reads written suggestions (EXHIBIT G) .
165	Eischen	Continues to discuss written suggestions EXHIBIT G .
215	Eischen	Continues to testify on HB 2638 and HB 2639.
260	Chair Welsh	Asks Eischen how he would feel about a reduced income test for smaller farms with a requirement to farm backed up by definition.
268	Eischen	Answers the size of the farm is not important.
287	Chair Welsh	Comments on serious farming.

301	Eischen	Agrees with Chair Welsh's comments.
312	Marge Jacob	Farmer, Dallas Oregon. Testifies in support of HB 2638 and HB 2639.
360	Jacob	Continues testimony in support of HB 2638 and HB 2639.
TAPE 90, B		
005	Jacob	Continues testimony in support of HB 2638 and HB 2639.
018	Willard Gaul	Christmas Tree Farmer. (EXHIBIT H) Testifies in support of HB 2638 and HB 2639.
075	Gaul	Expresses frustration with 1000 Friends of Oregon and Friends of the Gorge.
107	Chair Welsh	Asks if Gaul thinks the younger generation understands.
115	Gaul	Answers he does not know.
120	Chair Welsh	Closes public hearing on HB 2638 and HB 2639 and adjourns at 4:15.

Submitted By, Reviewed By,

Danielle Hamilton, Kristina McNitt,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2638\HB 2639, written testimony, Larry George, 7 pp.

B ñ HB 2638\HB 2639, Chart, Larry George, 1 p.

C ñ HB 2638\HB 2639, written testimony, Kent Goar, 10 pp.

D ñ HB 2638\HB 2639, written material, Kent Goar, 8 pp.

E ñ HB 2638\HB 2639, written testimony, John Linsey, 1 p.

F ñ HB 2638\HB 2639, written testimony, Mike McCarthy, 2 pp.

G ñ HB 2638\HB 2639, written suggestions, Dave Eischen, 1 p.

H ñ HB 2638\HB 2639, written materials, Willard Gaul, 3 pp.

I ñ HB 2638\HB2639, written testimony, Dean McGregor, 4 pp.