

JOINT COMMITTEE ON STREAM RESTORATION
AND SPECIES RECOVERY

March 9, 1999 Hearing Room 50

4:30 PM Tapes 48 - 49

MEMBERS PRESENT: Sen. Ted Ferrioli, Co-Chair

Rep. Ken Messerle, Co-Chair

Sen. Ginny Burdick, Vice-Chair

Rep. Bob Jenson, Vice-Chair

Sen. Joan Dukes

Sen. David Nelson

Sen. Veral Tarno

Rep. Al King

Rep. Jeff Kruse

Rep. Susan Morgan

Rep. Bruce Starr

Rep. Terry Thompson

MEMBERS EXCUSED: Rep. Randy Leonard

Rep. Lynn Lundquist

STAFF PRESENT: Judith Callens, Administrator

Stephen Kosiewicz, Administrative Support

MEASURE/ISSUES HEARD: HB 2101 Public Hearing

HB 2103 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 48, A		
004	Chair Messerle	Calls the committee to order at 4:45 p.m. Opens the public hearing on HB 2101.
<u>HB 2101 in PUBLIC HEARING</u>		
015	Kay Brown	Habitat Division Acting Director, Department of Fish and Wildlife. Submits written testimony (EXHIBIT A) and explains the provisions of HB 2101.
037	Rep. Morgan	Asks if the \$100,000 limit is the total program limit for the year.
039	Brown	Responds that it is for the biennium.
040	Rep. Morgan	Asks for clarification that if this limit is reached, the program ends.
042	Brown	Responds that this is correct. Notes that HB 2101 amends the current limit to \$500,000, but states ODFW would like the committee to amend the amount back to \$100,000. Notes that the tax credit program is part of the Oregon Plan.
055	Rep. Jason Atkinson	House District 51. Testifies in support of HB 2101.
083	Rep. Morgan	Asks how the program was advertised in the past.
085	Brown	Responds that the program has not been well advertised.
089	Rep. Morgan	Asks if the program would be better advertised if it were included in ODFW's fishing synopsis.
091	Brown	Responds that their concern in doing this would be in regard to the lack of space in the synopsis due to the cost of adding materials to the book.
098	Joe Rohleder	Assistant to the Director, Department of Fish and Wildlife. Notes that they have been approached to add some informational items, in addition to this program, to the fish synopsis. Notes that ODFW might be able to accommodate some ideas of this program.
108	Rep. Atkinson	Notes that there are separate synopses for hunting and fishing. Comments on the distribution of these synopses.
119	Brown	Notes that in 1996 ODFW had requests for projects in excess of \$100,000. States

		that they want to be careful in advertising. Notes that they can advertise the program through their web site.
125	Chair Messerle	Expresses desire for the program to be successful.
129	Rep. King	Asks for an explanation of how the tax credit program works.
135	Brown	Explains how an individual gets a 25% credit of the total cost of their project.
145	Rep. King	Asks for clarification that the credit is 25% of a person's investment, not including their time.
148	Brown	Responds that the project costs are agreed to by ODFW, and it may include some of an individual's time, but generally it is just the cost of the equipment and services for the project.
152	Rep. King	Asks for clarification that the value of the project could be higher, but if it is an agreed to cost that they have put money into, they can still get the full amount as credit.
154	Brown	Responds that this is correct.
154	Rep. King	Asks why the program is not being increased if it is effective, or ended if it is ineffective.
157	Brown	Responds that it is a good program, but ODFW is concerned with the cost to the state of running it.
161	Rep. King	Notes that the program could be impacting ODFW financially.
166	Brown	States that there is some cost involved in terms of ODFW's time and effort, but they feel it is worthwhile to undertake these costs in running the program
171	Sen. Burdick	Asks what happens if the amount of tax credit exceeds the amount of taxes due.
176	Rohleder	Responds that he does not know.
178	Rep. Jenson	[Response inaudible]
182	Sen. Burdick	Asks for clarification that if a person owed \$10,000 in taxes and had a \$15,000 tax credit, they would only be able to apply \$10,000 of the tax credit.

184	Rep. Jenson	States that this is the way he read the statute.
186	Rep. Kruse	States he would like to see the administrative rules ODFW has for excepting applications.
191	Brown	States that she has a set of the rules that ODFW has that cover this program. Notes what the rules say in terms of eligibility criteria
203	Rep. Kruse	Asks if the type of project is described in rule, or is this left open to interpretation.
209	Brown	Responds that ODFW looks at them on a project-by-project basis and are looking for those that enhance the fish habitat.
216	Rep. Jenson	Asks if the funding of this program would be possible under Measure 66.
225	Brown	Responds that under Measure 66 there are some habitat projects that could apply to GWEB for approval, but these would be different than this program which provides a tax credit.
232	Rep. Jenson	Asks if one landowner could use the full \$100,000 on a project.
237	Brown	Responds that this is correct.
241	Rep. Morgan	Asks why this program exists separately from the watershed council loop of getting funding.
247	Brown	Responds that this program precedes watershed councils by a number of years and is a different kind of program.
257	Chair Messerle	Explains that there are three systems that provide incentives for landowners to do projects. Notes that no one has taken advantage of the mitigation credits program. States that the mitigation program should be made more useable.
286	Rohleder	Comments on the opportunities that are provided to individuals through the Oregon Plan.
320	Chair Messerle	Asks if there is anything that excludes the mitigation bank and the tax credit program from working together.
325	Rohleder	Responds that nothing appears to prevent the two programs from working together.

329	Rep. Kruse	Expresses interest in hearing reasons why the tax credit program limit should not be increased to \$500,000.
347	Rohleder	States that the Governor's Office felt that the total budget could not handle any more exposure than what the program had been in past biennium.
355	Rep. Kruse	Notes that the Legislature also gets involved in budget discussions. States that the committee should still consider increasing the program's limit.
363	Rep. Starr	Expresses support for the program having a larger limit.
376	Chair Messerle	Asks what the arguments were for the \$500,000 figure.
381	Rohleder	Notes that the \$100,000 limit is for the total exposure of the program for the biennium. Responds that his discussion with the Governor's office was strictly of a fiscal nature.
388	Chair Messerle	Asks how much of the \$100,000 has been used this biennium.
392	Brown	Responds that each year has a \$100,000 cap and there was only one year when this was exceeded. Notes that it is approaching \$100,000 this biennium.
399	Sen. Tarno	Notes that this bill will have to go to Ways and Means.
TAPE 49, A		
001	Chair Messerle	Notes that the committee borrowed the bill from the House Water and Environment Committee.
006	Rep. Jenson	Notes that Ms. Brown made reference to the fact that GWEB would be the keeper of the Measure 66 funds. States that the committee has not made this decision yet.
018	Larry Sowa	Citizen, Oregon City. Comments on his involvement as a legislator in drafting the law that created this program. Testifies in support of the tax credit program.
043	Chair Messerle	Closes the public hearing on HB 2101 and opens the public hearing on HB 2103.
<u>HB 2103 n PUBLIC HEARING</u>		
046	Judith Callens	Committee Administrator. Explains the provisions of HB 2103.

061	Brown	Submits written material and reads written testimony in support of HB 2103 (EXHIBIT B) .
101	Chair Messerle	Asks what the parameters of the interest rate are on the Wildlife Fund. Asks if this is the fund that ODFW runs its operating capital out of, and if so, why has the balance in the fund been reduced.
109	Brown	Responds that the Legislature directed ODFW to carry a balance of between \$1 and \$3 million in the Wildlife Fund. Responds that the interest is based on a daily interest accounting.
121	Chair Messerle	Asks for clarification that there has been a change in policy in regard to the amount of carryover funds.
122	Brown	Responds that this is correct.
123	Chair Messerle	Asks for clarification that the interest rate on the account is low.
124	Brown	Responds that it is the interest rate that is paid on money in the state treasury. Notes that in the past the interest rates were much higher.
128	Chair Messerle	Asks if the low interest rate is the reason why the fund has not met its goal of \$8.5 to \$9 million.
129	Brown	Responds that this is correct.
131	Chair Messerle	Questions if HB 2103 is going to go far enough. Asks if it is going to take a long time to reach the \$9 million goal.
135	Brown	Responds that this is correct.
137	Rohleder	States that he is not aware of any other place ODFW can get more interest on anything they have to help build the fund faster.
141	Rep. Kruse	Comments on the purpose of the fund and the discussions that the House Water and Environment Committee had on HB 2103.
166	Rep. Morgan	Notes that another concern raised in the House Water and Environment Committee is that the interest rate is low. Suggests that if it is desirable to continue this fund, ODFW should look into some more aggressive investment opportunities.
178	Chair Messerle	Asks if the fund is getting a lower interest than the state investment pool.

180	Rohleder	Responds that the fund is in the State Treasury Short Term Fund. Notes that ODFW's attorney has informed them that this is the only place the Fish Endowment Fund can go. Reviews the submitted material regarding frequently asked questions about the Fish Endowment Fund.
221	Chair Messerle	Asks if these funds could be put into a higher earning rate through legislation.
224	Rohleder	Responds that he does not know.
226	Rep. Morgan	Expresses interest in pursuing the options that are available in terms of this fund.
236	Rep. King	Notes that there is an ORS cite associated with this, which means legislation could amend what is driving the fund now. Asks if the Restoration & Enhancement (R&E) Program is impacted by the fund.
254	Brown	Responds that the R&E Program is a separate program that is funded through a surcharge on licenses.
257	Rep. King	Notes that the submitted material indicates a June 1999 sunset for this surcharge. Asks if this is non sequitur to the R&E Program.
259	Brown	Responds that this is correct.
260	Sen. Dukes	Asks who has physical possession of this bill.
262	Callens	Responds that the House Water & Environment Committee has possession of these two bills, but they have been loaned to this committee. Notes that recommendations made will be to the Water & Environment Committee.
268	Sen. Dukes	Notes that hatcheries have been underfunded for a long time. Expresses hope that no action is taken on bills like HB 2103 until some committee has a serious discussion about ODFW on the future of the hatcheries and what the agency's plans are for them.
290	Chair Messerle	Notes that this is why these bills were loaned to this committee.
295	Rep. Kruse	Notes that the Legislature's intent in creating this fund was that by this time money would be available to draw from this fund.
318	Rohleder	Explains that ODFW is undergoing a detailed review of its hatchery operations.
378	Sen. Dukes	Notes that this hatchery review will tell them what ODFW is doing today and what the needs are today. Comments that as legislators they are expected to defend hatcheries, and they deserve to be a part of the decision as to what is

		going to be done in the long run.
402	Chair Messerle	Comments that as legislators they are finding themselves uninformed about some of ODFW's activities.
TAPE 48, B		
012	Rohleder	States that this message will be taken back to the director.
016	Rep. Kruse	Comments that it is time to bring the science to the Legislature so they can make a decision based on this, rather than waiting for more studies to be conducted.
030	Sen. Tarno	Asks to receive information on the state and federal hatcheries in Oregon.
039	Chair Messerle	States that he would be interested in receiving information on the STEP hatcheries and the Steelhead hatcheries.
042	Sen. Ferrioli	Notes that the tribes are operating their hatchbox programs on the basis of scientific inquiry. Comments on the divergence in scientific opinion regarding hatchbox programs and the wild fish policy.
081	Rep. King	States that economists should analyze the hatchbox program/wild fish policy issue after the scientists have.
083	Sen. Ferrioli	Notes that there are a lot of different opinions out there, and the legislators are going to have to make the decisions about the money.
091	Chair Messerle	Closes the public hearing on HB 2103. Announces that the committee will not meet on Friday. Adjourns the committee at 5:47 p.m.

Submitted By, Reviewed By,

Stephen Kosiewicz, Judith Callens,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2101, written testimony, Kay Brown, 1 p

B ñ HB 2103, written material, Kay Brown, 2 pp.