

SENATE COMMITTEE ON
AGRICULTURE, NATURAL RESOURCE AND THE ENVIRONMENT

April 7, 1995Hearing Room 343
1:00 P.M.Tapes 68-69

MEMBERS PRESENT:

Sen. Bob Kintigh, Chair
Sen. Bill Dwyer
Sen. Tom Hartung
Sen. Rod Johnson, Vice-Chair

MEMBER EXCUSED:

Sen. Bill Bradbury
Sen. Marilyn Shannon STAFF PRESENT:
Bruce McIntosh, Committee Administrator
Catrina Victor, Committee Assistant

MEASURES HEARD:

SB -749 - Work Session
SB -159 - Public Hearing
SB -1039 - Public Hearing

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 68-A

03 CHAIR KINTIGH: Calls the meeting to order at 1:10 p.m.

Onens WORK SESSION on SB -749.

15 CHAIR KINTIGH: Explains the -1 proposed amendments earlier presented by Senator Dukes

MOTION: CHAIR KINTIGH: Moves the committee adopt the -1 amendments to SB 749.

VOTE: Hearing no objections, the motion carries.

EXCUSED: SENATORS BRADBURY AND SHANNON

MOTION: CHAIR KINTIGH: Moves SB -749 to the floor, as amended, with a DO PASS recommendation.

VOTE: CHAIR KINTIGH: Requests roll call vote.

ROLL CALL: CATRINA VICTOR:

SENATORS: DWYER aye

HARTUNG aye

JOHNSON aye

CHAIR KINTIGH aye

EXCUSED: SENATORS BRADBURY AND SHANNON

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MOTION CARRIES. CARRIER:

SENATOR JOHNSON

Closes WORK SESSION on SB 749.

QDens PUBLIC HEARING on SB 159.

60 JIM BROWN, Department of Forestry: Presents written testimony and testifies in favor of SB

159. (EXHIBIT A - Written Testimony and Interim Progress Report). Presents proposed amendments (-1).

-Comments regarding "under-productive land."

-In 1991, we were able to map this land to determine location.

(EXHIBIT B - Packet of letters from constituents)

(EXHIBIT C - Letter from Secretary of State Kiesling)

90 SEN. JOHNSON: How far along has this program gotten since it was approved
2 years ago?

100 BROWN: Refers to Interim Progress Report (Exhibit A attachment). -
Appointed an advisory committee to complete administrative rules process.
-- Identified owners of lands, contacted them and have developed more
interests. -Currently have applications from 13 individuals; 18 who are
interested but are delaying application dependent upon what happens with
this bill.

125 SEN. DWYER: Asks how we are indemnifying against loss? What is the
risk?

134 BROWN: The State carries the risk against natural disasters or pests.

163 WALLY RUTLEDGE, Director, Forestry Assistance Program: Those issues
were developed in statute and debated last legislative session. He explains
the statute.

180 DWYER: We need to insure against risk.

196 BROWN: That issue was debated last session, its a policy issue and not
presented as part of this bill.

198 SEN. JOHNSON: Lottery money was given as "start up." Then the 3.5
million dollars is
carried

over. Asks if they are asking for additional funds.

220 RUTLEDGE: Indications are that if this bill passes, we expect to get
additional monies this
biennium.

240 SEN. JOHNSON: If we support the program, we need to pass this bill. If
we don't support the
program, we need to let it "fade away."

250 JIM FISHER, Private Citizen, HillSB oro: Test)files, addressing Sen.
Dwyers concerns.

284 DWYER: Don't you think it's reasonable to be insured? To insure the
trees would protect everyone.

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report ~ ~ ~ words. For ~ codenle ofthe proceedings lease refer to ~ tapes.

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302 FISHER: I would be losing valuable trees and my land valuable would
decrease. I would be glad

to do what is fair and equitable for the state. There needs to be
protection for everyone. This is

good for the landowners to put their property back into productive land.

375 DWYER: We need to be creative in our approach to this bill.

390 FISHER: If I am willing to take a loss the State should too. Just as I
shouldn't reap all of the money from the harvest.

TAPE-69A.

08 MARY RAE THOMPSON, Small Woodland Owner: Test)files in support of SB 159.
(EXHIBIT D) - Written Testomony. Wants the first mortgage clause changed to

a first lien

position.

85 CHAIR KINTIGH: Reminds the committee that all of the senators passed this out the first time.

101 JERRY LAUDER, Marion County Landowner: Testifies in support of SB 159. (EXHIBIT E) - Written testimony. Explains views as a landowner and a small woodland owner.

If they will change the law from a first mortgage to a lien position he would be a participant. This

bill would also help to put displaced loggers back to work.

169 JODY MAHONEY, Small Woodland Owner: Testifies in support of SB 159. See exhibit H.

In favor of SB -749. There is a general attitude of disappointment towards the government and this

would help their reputation. If this program changes they would sign up in a minute.

229 SEN. DWYER: Again brings up the problem of no insurance and risk.

267 FRAN HOPKINS, Land Owner and Insurance Agent: States the cost of insurance of insurance could be a great deal more than the stand is worth. A lien on the timber is fair, but not on the land itself

386 SEN. JOHNSON: Requests she find out if there is any insurance companies out there?

TAPE 68-B

30 MARK FARMS, Forester: In his dealings with people, he has proven that folks would

participate if the lien problem was changed. Gives his explanation of the low risks in comparison to Sen. Dwyers concerns.

48 CLINT BENTZ, CPA, Tree Farmer: Testifies in support of SB -159. (EXHIBIT F) - Written testimony. Only the timber should be secured. Many people already

have a first mortgage and are unable to take another position.

97 CHAIR KINTIGH: Questions the lending industry if the lien vs. mortgage is satisfactory.

100 PATRICK NORRIS, First Interstate Bank of Oregon: With a mortgage on property there

would be some issue to settle with the bank about further encumbrance.

Banking industry in

general will find lien on timber much more acceptable.

materials which paraphrase and/or restate during this session. Only the closed in quotation marks

upon ~ ~ exact words. For complete contents of the proceedings, I please

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April 7, 1995 - Page 4 -The probability of loss is very small. -Feels finding insurance would be tough.

180 SEN. JOHNSON: Addresses Sen. Dwyers concern with potential lawsuits after a disaster.

190 BROWN: The program as a whole is indemnified. The landowners rate is and could be a little higher to cover the potential loss.

220 CHAIR KINTIGH: Do landowners get reimbursed for their work?

225 RUTLEDGE: By doing their own work they will be asking to borrow less.

Closes PUBLIC HEARING on SB -159

Opens PUBLIC HEARING on SB -1039

259 SHARON WATERMAN, Land/timber owner: Testifies in support of SB 1039.

(EXHIBIT G) - Written testimony. -- She was a victim of timber theft; explains her story. -- Suggests an amendment in line 11.

TAPE 69-B

10 SEN. JOHNSON: Reads from ORS 105.810 and explains prima facie evidence and proof of evidence. Says he would support amending the existing law that would require attorney's fees provisions that would go both ways, and require damages to be paid to include the cost of re inforestation, however, does not support the first paragraph of her proposed amendment.

61 RAY WILKESON, Oregon Forest Industries Council: Testifies in support of section 2 of the bill. (EXHIBIT H) - Testimony on SB 1039.
- Recommends the committee look into the use of the word "wrongfully." It might not be defined anywhere and should be defined.
- Says he is in agreement with the inclusion of amendments mentioned by Sen. Johnson (cost of damages, reforestation, etc.)

Closes PUBLIC HEARING on SB -1039

158 CHAIR KINTIGH: States that the committee will work on amendments and come back for a work session.

165 SEN. JOHNSON: States we need to define where this item is to be placed into the statutes.

190 CHAIR KINTIGH: Suggested working this issue out with Legislative Counsel.

The meeting was adjourned at 2:45 p.m.

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| Submitted by, | Reviewed by, |
| Catrina Victor | Bruce McIntosh |
| Committee Assistant | Committee Administrator |
| Assisted by: lji | |
| Dar' Woodrum, | |
| Committee Assistant | |

EXHIBIT SUMMARY:

A- Testimony/Interim Progress Report on SB 159-James Brown-5 pages
B -- Packet of letters Re: SB 159 -- James Brown -- 9 pages
C -- Letter from Sec. of State Kiesling on SB 159-James Brown-2 pages
D- Testimony on SB 159-Maryrae Thomson - 1 page
E- Testimony on SB 159-Jerry Lowder -- 2 pages
F- Testimony on SB 159-Clinton J. Bentz -- 2 pages
G- Testimony on SB 1039-Sharon Waterman-3 pages
H - Testimony on SB 1039 -- Ray Wilkeson -- 1 page

Submitted for the record:

I- Forest Resource Trust Security Instrument Modification on SB 159 -- John Hatch-1 page

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