

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

Work Session HB 2255, 2261
Public Hearing HB 2255

House Committee on
State and School Finance
March 21, 1995 Page

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MARCH 21, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair
Rep. Tim Josi
Rep. Jane Lokan (8:55 am excused late arrival, left at 9:25 am)
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Witnesses Present: Avis Rana, Sierra Club
John Peterson, Crane High School
Joe Misek, Department of Forestry
Wally Rutledge, Department of Forestry
Vern Cook, Former Senator
Steve Jacky, Department of Forestry

Staff: James Scherzinger, Legislative Revenue Officer
Dick Yates, Legislative Revenue Office
Rhonda Wehler, Committee Assistant

TAPE 122 SIDE A
004 Chair Schoon -calls the meeting to order at 8:41 am and conducts
administrative business
021 John Peterson -introduces students from Crane High School
046 Chair Schoon OPENS WORK SESSION ON HB 2275
-notes Republican caucus endorsed additional \$180 million to Governor's
budget for school funding
087 Rep Josi -MOVES \$180 MILLION BE ADDED TO HB 2275 AS AMOUNT OF ADDITIONAL

MONEY OVER GOVERNOR'S BUDGET TO PROVIDE EQUITY AND BE DISTRIBUTED TO
SCHOOLS
093 Rep Rasmussen -MOVES 1/3 DISTRIBUTION FIRST YEAR, 2/3 DISTRIBUTION SECOND

YEAR
101 All -discussion regarding distribution of funds
130 Chair Schoon -RESTATES MOTION AS AMENDED

ROLL CALL VOTE: MOTION PASSES 8-0, MEMBERS VOTING AYE: ADAMS, BEYER, JOSI,
LOKAN, RASMUSSEN, STROBECK, WELSH, VICE CHAIR FEDERICI, CHAIR SCHOON,
ABSENT: LOKAN
137 Chair Schoon -CLOSES WORK SESSION ON HB 2275
147 -OPENS PUBLIC HEARING ON HB 2173, 2179, 2181, 2637, 2720
152 -MOVES TO SUSPEND RULES TO ALLOW REP LOKAN TO VOTE ON AMENDMENT TO HB
2275
-THERE BEING NO OBJECTION THE CHAIR SO ORDERED
158 Rep Lokan -VOTES AYE
160 Chair Schoon -RETURNS TO PUBLIC HEARING
HB 2720
161 Avis Rana -refers to Exhibit A, opposing HB 2720
TAPE 123 SIDE A
007 All -questions and discussion regarding enforcement process of timber
riparian areas
221 Vice Chair Federici -addresses students from Crane regarding political
proceedings
-CLOSES PUBLIC HEARING ON 2720
241 -OPENS PUBLIC HEARING AND POSSIBLE WORK SESSION ON 2173, 2179, 2181,
2637

HB 2173
 258 Dick Yates -explains number of funding resources for research at Oregon
 State University, now need 45 cents for forest products harvest tax
 295 Rep Josi MOVE HB 2173 WITH CONCEPTUAL AMENDMENT, CHANGING NUMBER, LINE 7,
 FROM .35 TO .45
 314 Chair Schoon THERE BEING NO OBJECTION THE CHAIR SO ORDERED
 324 Rep Josi -MOVES HB 2173 AS AMENDED WITH DO PASS RECOMMENDATION
 340 -ROLL CALL VOTE: MOTION PASSED 7-0. MEMBERS VOTING AYE: ADAMS, BEYER,
 JOSI, RASMUSSEN, STROBECK, WELSH, VICE CHAIR FEDERICI MEMBERS ABSENT:
 CHAIR SCHOON, LOKAN
 378 Jim Scherzinger -clarifies House Rules requiring revenue impact be in
 their possession before bill is passed out
 TAPE 122 SIDE B
 022 Rep. Adams -MOVES TO RECONSIDER HB 2173
 045 -ROLL CALL VOTE: MOTION FAILED 6-1, MEMBERS VOTING AYE: ADAMS, MEMBERS
 VOTING NAY: BEYER, JOSI, RASMUSSEN, STROBECK, WELSH, FEDERICI, ABSENT:
 LOKAN, SCHOON
 HB 2179
 049 Yates -explains industrial fire protection 100% funded by forest products
 harvest tax, additional 7 cents for cumulative effects study

 Yates -refers to Exhibit O, 3/20/95, stressing no additional funding unless
 this bill is passed
 118 Steve Jacky -clarifies line 6 is combination of basic forest practices
 administration, forest practices monitoring and industrial fire prevention
 program
 -when industrial fire protection shifted from General Fund to Forest
 Products Harvest Tax, tax was joined
 -intent at expanding monitoring was to determine if Forest Products Harvest
 Tax was doing what is was meant to do
 157 All -questions and discussion
 274 Vern Cook -introduces foreign exchange students in audience
 338 Ward Armstrong -suggests referring bill to Ways and Means without
 specific moneys noted
 375 Chair Schoon -suggests clarifying language of bill, deferring action
 395 Rep Beyer -suggests referring with no recommendation
 TAPE 123 SIDE B
 012 Yates -explains excess revenue would be carry-over, harvest tax next year
 would be lower due to excess
 -rates in effect until Jan 1, 1996
 -excess rate for this year is \$1.7 million
 041 Chair Schoon -CLOSES WORK SESSION ON HB 2179
 044 -OPENS WORK SESSION ON HB 2181
 HB 2181
 047 Yates -explains bill increases sunset
 061 Joe Misek -refers to Exhibit B, amendments to HB 2181
 -language change would allow landowners to aggressively market, allow them
 to continue Western Oregon Small Tract Option Tax (WOSTOT) after trees
 reach 90 years of age
 094 Wally Rutledge -affirms with thinning practices, some trees do continue
 to grow after 90 years
 123 Misek -explains elimination of grandfather ownerships
 -explains language to deter landowners from harvesting without paying
 severance tax
 223 Rep Josi-expresses support of not changing WOSTAT program because it
 encourages sustained yield and maintains agreement made in early '60's to
 landowners
 250 Rep. Adams -notes incentives may not be necessary now with increased
 supply and demand
 284 Misek -affirms need to consider productivity of stands involved, cost for
 not providing level of assistance in addressing administrative costs of
 WOSTOT
 353 Rep Beyer -recommends another interim study while maintaining WOSTOT
 program
 373 All -questions and discussion

 TAPE 124 SIDE A
 020 Rep. Adams -asks where \$ generated
 025 Misek -replies severance tax revenues pay for WOSTOT program
 100 Rep Welsh -MOVES HB 2181 BE SENT TO THE FLOOR WITH A DO PASS
 RECOMMENDATION
 -ROLL CALL VOTE: MOTION PASSED 8-0. MEMBERS VOTING AYE: ADAMS, BEYER,
 JOSI, RASMUSSEN, STROBECK, WELSH, FEDERICI, SCHOON, ABSENT: LOKAN
 116 Chair Schoon -asks Rep Welsh to carry bill to floor
 HB 2637
 119 Chair Schoon -OPENS WORK SESSION ON HB 2637
 125 Yates -explains HB 2637, exempts short rotation hardwood from all taxes
 which apply to forest products since they are considered agricultural
 product
 -HB 2637-1 amendment makes exemption retroactive to dates in which
 operations were exempt from severance tax
 142 Vice Chair Federici -MOVES ADOPTION OF HB 2637-1 AMENDMENTS
 143 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
 145 Vice Chair Federici -MOVES HB 2637 AS AMENDED BE SENT TO THE FLOOR WITH A
 DO PASS RECOMMENDATION
 ROLL CALL VOTE: MOTION PASSED 8-0, MEMBERS VOTING AYE.: REPS: ADAMS, BEYER,
 JOSI, RASMUSSEN, STROBECK, WELSH, FEDERICI, SCHOON, ABSENT: LOKAN
 156 Chair Schoon -asks Vice Chair Federici to carry bill to floor
 HB 2720

165 Yates -explains revenue impact of HB 2720 offering tax credit for
landowner of riparian area who does not harvest any timber in that area
- \$35 million impact per year value of trees not harvested, \$22 million tax
paid in taxes
217 Chair Schoon -suggests setting aside HB 2720 until ending balances are
received
222 Rep Strobeck -suggests setting standard for land allowed, to benefit only
owners most seriously affected
218 All -general questions & discussion
271 Chair Schoon -adjourns meeting at 10:53 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

- A. HB 2720, Rana, Written Testimony, 3/21/95
- B. HB 2181, Misek, WOSTOT Summary, 3/20/95
- C. HB 2181, Yates, Fiscal Impact, 3/20/95