

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.

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Work Session HB 3017, HB 2775, 2329  
Public Hearing HB 2269 A, 2275, 2329  
Tapes 155 A & B, 156 B

House Committee on  
State and School Finance  
April 12, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

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APRIL 12, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

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Members Present: Rep. John Schoon, Chair  
Rep. Lee Beyer  
Rep. Tony Federici, Vice Chair  
Rep. Tim Josi  
Rep. Jane Lokan (excused 9:15 am late arrival)  
Rep. Anitra Rasmussen (9:15 am excused late arrival)  
Rep. Ken Strobeck  
Rep. John Watt  
Rep. Jim Welsh

Witnesses Present: Rep. Liz VanLeeuwen, District 37  
Rep. Bill Markham, District 46  
Mike Miller, Associated Oregon Loggers  
Teri Moffett, Junction City, Moffett Logging  
Russ Sapp, Philomath, Sapp Brothers Logging  
Greg Gaston, Canyonville, Huffman Wright Logging  
Rintha Renoud, Sweet Home, Moore Logs, Inc.  
Jim Gahlsdorf, Salem, Gahlsdorf Logging  
Gary Betts, Sweet Home, Moore Logs, Inc.  
Bob Luoto, Carlton, Luoto Logging  
Gil Riddell, Associated Oregon Counties  
Tom Linhares, Oregon State Association of County Assessors  
Doris Reddekopp, Douglas County  
Bob McKellar, Oregon Forest Products Transportation Association  
John Foster, Estacada

Staff: James Scherzinger, Legislative Revenue Officer  
Rhonda Wehler, Committee Assistant  
Steve Meyer, Legislative Revenue Office

TAPE 155 SIDE A

004 Chair Schoon -calls the meeting to order at 8:40 am  
-recesses meeting  
008 Vice Chair Federici -reconvenes meeting at 9:10 am  
-OPENS PUBLIC HEARING ON HB 2269A

HB 2269A

022 Rep Strobeck -MOVES HB 2269A BE SENT TO HOUSE FLOOR WITH A DO PASS  
RECOMMENDATION  
-ROLL CALL VOTE, MOTION PASSED 9-0, MEMBERS VOTING AYE: BEYER, JOSI, LOKAN,

RASMUSSEN, STROBECK, SCHOON, WATT, WELSH, FEDERICI, MEMBERS EXCUSED: LOKAN,

RASMUSSEN, WELSH, FEDERICI, SCHOON (See tape log, TAPE 158 SIDE A, 087)

Vice Chair Federici -CLOSES PUBLIC HEARING ON HB 2269A  
-OPENS PUBLIC HEARING ON HB 2663

HB 2663

028 Steve Meyer -explains bill eliminates property tax for loggers  
032 Rep. Markham -supports HB 2663, refers to Exhibit A, Written Testimony  
-explains history of passing bill to exempt farm equipment due to seasonal  
nature and because assessments of equipment fail to represent true market  
value  
-asserts logging industry represents same uncertain future as farmers  
-notes 400 logging industries have gone out of business  
108 Rep. Hayden -speaks in support of HB 2663  
154 Rep VanLeeuwen -speaks in support of HB 2663  
-emphasizes large number of timber businesses which have gone out of

business in last few years due to federal timber industries  
 -affirms Oregon not lacking in harvestable timber supply  
 -notes timber harvest industry pays above minimum wage for employees,  
 compared to warehouses and businesses given incentives to come into the  
 state  
 214 Rep Beyer -asks if equipment owned by businesses in logging only or would  
 exemption refer to maintenance shop for loggers  
 228 Mike Miller -refers to Exhibit B, Proposed Amendment  
 240 Rep Beyer -summarizes bill extends exemptions for farmers to loggers also  
 269 Rep Hayden -notes logging industry becoming like farming industry  
 -2nd growth timber is defined as crop  
 299 All -questions and discussion  
 371 Rep Lokan -expresses support of bill, loggers can return more to state  
 than cost of tax break  
 400 Chair Schoon -indicates possible discrepancy since all road construction  
 is not related to logging  
 TAPE 158 SIDE A  
 008 Rep Markham -notes certificate could be required to show road  
 construction used for logging  
 025 Rep. VanLeeuwen -adds logging access language could be used to clarify  
 0334 Miller -supports HB 2663  
 -refers to mill closures, Exhibit C  
 Miller -refers to Revenue Impact, Exhibit D (shift of \$726,000 statewide and  
 2% reduction in statewide school funds)  
 087 Vice Chair Federici -CLOSES PUBLIC HEARING ON HB 2663  
 -REOPENS WORK SESSION ON HB 2669A  
 -asks for committee unanimous consent to allow excused Representatives to  
 vote on HB 2669A  
 -HEARING NO OBJECTION THE CHAIR SO ORDERS  
 -ROLL CALL VOTE, EXCUSED MEMBERS VOTING AYE: REP LOKAN, RASMUSSEN, WELSH,  
 SCHOON  
 CLOSING WORK SESSION ON HB 2669A  
 -REOPENS PUBLIC HEARING ON HB 2663  
 101 Russ Sapp -refers to Written Testimony, Exhibit E, supporting HB 2663  
 144 Greg Gaston -refers to Written Testimony, Exhibit F, supporting HB 2663  
 208 Rintha Renoud -refers to Written Testimony, Exhibit G, supporting HB 2663  
 -expresses inequities between farmers and loggers tax exemptions  
 -refers to Exhibit H, letter protesting equipment assessment  
 305 All -questions and discussion  
 347 Terry Moffet -refers to Exhibit I, Written Testimony, supporting HB 2663  
 TAPE 157 SIDE B  
 026 Gary Betts -refers to Exhibit J, Written Testimony, supporting HB 2663  
 035 Bob Luoto -refers to Exhibit K, Written Testimony, supporting HB 2663  
 066 All -comments of appreciation for logging companies  
 080 John Foster -refers to Exhibit L, Written Testimony, supporting HB 2663  
 107 Jim Gahlsdorf -refers to Exhibit M, Written Testimony, supporting HB 2663  
 146 Gil Riddell -refers to Exhibit N and O, opposing HB 2663  
 209 Doris Reddekopp -refers to Exhibit P, Written Testimony, opposing HB  
 2663, due to tax shift and fiscal impact on counties in state  
 -businesses unrelated to farming and forestry are the ones who pick up the  
 cost for offset in imbalance due to exemptions to farmers and loggers  
 -not all timber operators own the land, many in business to harvest timber  
 for other owners, which is dissimilar to farmers  
 254 Tom Linhares -asserts logging industry has received exemption due to  
 Measure 5 and depreciated values that other businesses have not received  
 298 Riddell -suggests involving local communities to determine tax revenues,  
 not handling at state level  
 330 Vice Chair Federici -CLOSES PUBLIC HEARING ON HB 2663  
 -OPENS PUBLIC HEARING ON HB 2203  
 -CLOSES PUBLIC HEARING ON HB 2203  
 -adjourns meeting at 10:30 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

#### Exhibit Summary

A. HB 2663, Markham, Written Testimony, 4/12/95  
 B. HB 2663, Miller, Amendments, 4/11/95  
 C. HB 2663, Miller, Written Testimony, 4/12/95  
 D. HB 2663, Meyer, Revenue Impact, 4/10/95  
 E. HB 2663, Sapp, Written Testimony  
 F. HB 2663, Gaston, Written Testimony, 4/12/95  
 G. HB 2663, Renoud, Written Testimony  
 H. HB 2663, Renoud, Letter, 10/6/93  
 I. HB 2663, Moffet, Written Testimony, 4/12/95  
 J. HB 2663, Betts, Written Testimony, 4/12/95  
 K. HB 2663, Luoto, Written Testimony, 4/12/95  
 L. HB 2663, Foster, Written Testimony  
 M. HB 2663, Gahlsdorf, Written Testimony, 4/12/95  
 N. HB 2663, Riddell, Written Testimony, 4/12/95  
 O. HB 2663, Riddell, Bills For Tax Expenditures Of Local Revenue Sources,  
 3/29/95  
 P. HB 2663, Reddekopp, Written Testimony  
 Q. HB 2663, Heath, Written Testimony, 4/11/95  
 R. HB 2663, Wiedeman, Written Testimony, 4/12/95  
 S. HB 2663, McCauley, Exempting Logging Equipment From Personal Property Tax  
 T. HB 2203, Bender, Apportionment of the Business Income of Multi-state  
 Businesses, 4/4/95  
 U. HB 2269, Yates, Revenue Impact  
 V. HB 2269, Yates, Emergency Access Charges, 4/11/95