

Work Session HB 2438, HB 2057 HB 2240, HB 2439, HB 2441,  
HB 2442,HB 2614 Tapes 53-54 A/B

HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE  
SUBCOMMITTEE ON INCOME  
TAXATION

MARCH 11, 1993 8:30 AM HEARING ROOM C STATE CAPITOL  
BUILDING

Members Present: Representative John Schoon, Chair Representative Ron Adams  
Representative Tony Federici Representative Delna Jones, Ex Officio  
Representative Gail Shibley Representative Greg Walden  
Witnesses Present: Gil Riddell, Association of Oregon Counties (AOC)  
Dave Schmidt, Association of Oregon Counties Joe Misek, Department of  
Forestry (DOF)  
Julie Brandis, Oregon Small Woodlands Association (OSWA)  
Staff: Richard Yates, Legislative Revenue Office  
Mary Gottlieb, Committee Assistant

TAPE 053 SIDE A

001 CHAIR SCHOON called the meeting to order at 8:53.

007 CHAIR SCHOON opened the work session on HB 2240, which removes the  
sunset date for continuous funding of Western Oregon Small Tract Optional  
Tax (WOSTOT) forest land special assessment program from the Western Oregon  
Timber Tax Account. (WOST)

010 DAVE SCHMIDT testified in opposition of HB 2240 stating that Western  
Oregon Severance Tax (WOST) provides important revenues to offset local  
property taxes. If the Subcommittee intends to pass this bill, AOC requests  
that HB 2240 be amended to hold harmless the portion of WOST collections  
that offset the general government levies.

055 GIL RIDDELL offered comments on the 85/15 percent split of WOST for  
school financing.

Questions and discussion.

195 GIL RIDDELL commented on HB 2614, page 3, lines 23-49, stating that this  
is an exception to the rule and would like it deleted.

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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Questions and discussion on HB 2240.

320 DICK YATES stated that, in the past, the value of the land and timber  
were not separated on the tax rolls. This method of taxing became  
burdensome and, as a result, the state applies property tax on the land and  
severance tax on the timber. Land and timber are valued differently.

385 CHAIR SCHOON invited JOE MISEK to testify.

TAPE 054 SIDE A

001 JOE MISEK testified that in administrating the WOSTOT program, the  
service foresters physically inspect every five years. If land currently is  
not meeting standards and the owner wants to be under the WOSTOT program,  
DOF adopts a treatment plan for this landowner.

Questions and discussion.

067 JOE MISEK responded to a question from REP. ADAMS by stating the he had

encouraged landowners to participate in the public hearings and to work with the legislators to ensure that the state will continue to have good timber and land policies.

Questions and discussion with regard to WOST.

150 DAVE SCHMIDT responded to a question by CHAIR SCHOON by stating that many consultants would be happy to have the opportunity to inspect timber lands.

159 JOE MISEK stated that DOF has seen a gradual reduction in forestry management. However, WOST continues to be a benefit for management planning.

Questions, discussion, and comments.

296 JOE MISEK responded to REP. SHIBLEY's question that funding for WOST is not in the Governor's mandated budget.

Questions and discussion with JOE MISEK's testimony.

TAPE 053 SIDE B

001 Discussion continues with JOE MISEK's figures with regard to timber values and underproductive lands.

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021 CHAIR SCHOON closed the work session on HB 2240 and opened the work session on HB 2442.

032 JULIE BRANDIS (with JOE MISEK) clarified certain definitions in HB 2442. Discussion and questions.

078 CHAIR SCHOON conducted administrative business.

Questions and discussion.

136 CHAIR SCHOON closed the work session on HB 2442.

144 CHAIR SCHOON recessed at 9:58 and adjourned at 10:30 a.m.

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Office Manager

#### EXHIBIT SUMMARY

1. Testimony on HB 2240, Gil Riddell, Association of Oregon Counties.
2. Proposed Amendments to HB 2442, Dick Yates, Legislative Revenue Office.
3. Fiscal Analysis of Proposed Legislation, HB 2240, Legislative Fiscal Office.

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meeting.

Text enclosed in quotation marks report the speakers exact words. For complete context of proceedings, please refer to the tape recording.