

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

DATE: May 24, 1993 TAPES: 163 -164 PLACE: Hearing Room CTIME: 8:00 AM

MEMBERS PRESENT: Senator Ron Cease, Chair Senator Jim Bunn, Vice-Chair Senator Joyce Cohen Senator Bob Kintigh Senator Bob Shoemaker Senator Gordon Smith Senator Shirley Gold

STAFF PRESENT: Peter Green, Administrator Chris Warner, Research Associate Kus Soumie, Committee Assistant MEASURES H~.ARD: SB 1011 PUB SB 1067 WRK HB 2210 PAW SB 2212 PAW HB 3228 PUB

THESE MINUTES CONTAIN MATERIALS WHICH PARAPHRASE AND/OR SUMMARIZE STATEMENTS MADE DURING THIS SESSION. ONLY TEXT ENCLOSED IN QUOTATION MARKS REPORTS A SPEAKER'S EXACT WORDS. FOR CO1\, I PLETE CONTENTS OF THE PROCEEDINGS! PLEASE REFER TO THE TAPES.

TAPE 163 SIDE A 005 CHAIR CEASE CALLS MEETING TO ORDER 8:00 AM PUBLIC HEARING WORK SESSION ON SB 1011

WITNESSES: Bob Martin, Metro Earnest Mann, Nursery Supplies West George Anderson, Anderson Die Manufacturing Donald Cruickshank, Associated Business for Legislative Action Mike Grainey, Oregon Department of Energy Bill Nesmith, Oregon Department of Energy Bob Danko, Director, Solid Waste Division, DEQ Rob Guttridge, Associated Oregon Recyclers Ken Yates, Oregon Food Processors Council

013 BOB MARTIN, METRO, offers testimony on SB 1011, and presents overview of METRO's Senate Agriculture and Natural Resources May 24, 1993 Page 2

position on plastics recycling compliance and fees. - amount of plastic has been stable at 5 - 6 tons per year -1987 and thereafter the level of recycling for plastic is not increasing - plastic is put in the landfill by those who thought they would be able to recycle - everything that comes into the landfill is weighed and noted - we survey all business recycling in the Willamette valley

118 EARNEST MANN, Nursery Supplies West, offers testimony on SB 1011, and presents overview of recycling at his business. - 4.5 million pounds of recyclable material used by us last year 154 GEORGE ANDERSON, Anderson Die and Manufacturing Company, offers testimony on SB 1011, and presents overview of his opposition to the proposes legislation. - 50 percent of our plastic containers are shipped out of the US - virgin material allows us to sell our product around the world - 3 - 5 million pounds of virgin resin used each year in Oregon - less than 500,000 pounds of recycled materials used per year - we use only virgin material to insure product quality

TAPE 164 SIDE A

005 ANDERSON: - continues testimony on SB 1011.

035 CHAIR CEASE: What you were told is wrong, if you heard that the state will develop markets, the state has created a marketing commission.

060 DONALD CRUICKSHANK, ABLA, offers testimony in opposition to SB 1011. - Oregon manufacturers can't pass this extra cost to customers - The tax is unfair to Oregon producers 118 SEN J BUNN: What is the tax

going to actually cost? 124 CRUICKSHANK: The cost would be significant and manufacturers won't be allowed to pass it on. 130 SEN J BUNN: I'm not convinced the tax will work in industry. 136 CRUICKSHANK: It's a substantial cost. We don't feel that the funding is broadly based and we don't see that a tax is a solution to this fundamental problem. 143 SEN SHOEMAKER: The alternative to taxing industry would be to tax plastics sold in Oregon.

159 CRUICKSHANK: - overview of language from proposed legislation

These minutes contain material 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. Senate Agriculture and Natural Resources May 24, 1993 Page 3

179 SEN COHEN: Some of the manufacturers have already started to implement this recycling effort while others haven't invested a thing. This is an effort level the field. The good guys should not have to foot the bill for plastic recycling alone. 203 CRUICKSHANK: Our point is that Oregon companies are competing with out of state product manufacturers and this would put them at a competitive disadvantage, we feel that all who are creating the problem should pay for a solution. 294 MIKE GRAINEY, ODOE, offers testimony on SB 1011, and overview of EXHIBIT A. - Gives overview of proposed amendments 371 BILL NESMITH, ODOE, offers testimony on SB 1011, and overview of EXHIBIT A.

385 GRAINEY: We think this could free up some tax credit money to go to conservation.

390 SEN SHOEMAKER: Could you explain "consolidate all recycling tax credits exclusive of plastics recycling".

395 GRAINEY: The recycling tax credit for plastics was set up as a separate program independent of the pollution control tax credit. The plastic recycling tax credit would be unchanged by this bill.

TAPE 163 SIDE B

005 SEN COHEN: This is just a very small tax credit that was not used in the passed and is just now beginning to be used. 018 SEN COHEN and SEN SHOEMAKER: - discussion on available uses for the tax credit. 035 SEN GOLD: I think you want to use the vehicle that we have in place in revenue committee to carry out this tax incentive. Are we talking about new, less or same tax credits 040 CHAIR CEASE: We are talking about the same tax credit whichever vehicle is used. 048 BOB DANKO, Director, Solid Waste Division, DEO, offers testimony on SB 1011, and presents overview of EXHIBIT A. Presents overview of the tax credits for the industry. 070 ROB GUTTRIDGE, Association of Oregon Recyclers, offers testimony on SB 1011, and presents overview of EXHIBIT B. - my company recycles all materials - many companies do not deal with recycling issues - SB 1011 is an alternative to SB 66 (1991) mandates - plastics industry has been urged to solve this problem and work together on a solution - market development needs funding

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116 CHAIR CEASE: Could there be an argument that since the glass and paper industries have move ahead on this issue that plastics could be at a competitive disadvantage?

120 GUTTRIDGE: Plastics sees this as a competitive edge over paper and glass industry. Short term it's cheaper to use virgin resin for creating plastic.

145 SEN SHOEMAKER: This tax credit is attached to the business income tax? That means the rest of us is forced to pay for this research in the plastic industry 150 CHAIR CEASE: The tax credit is just one piece of various avenues. We're not talking about adding to the total amount of money that would be available. 184

GUTTRIDGE: We hope to make the credit easier to use. 189 CHAIR CEASE: There are some serious arguments here. Why can the paper and glass industries do it and the plastic industry not? You're right, some of these companies are putting their heads in the sand and telling us to just leave them alone.

204 SEN SMITH: There are many products that don't have an alternative to plastic. For instance when you are doing frozen foods you can't use glass. There is an infrastructure entirely dependent on plastic.

246 SEN GOLD: The revenue committee is being very careful about tax credits in general. 267 KEN YATES, Exec Dir, Oregon Food Processors' Council, offers testimony in opposition to SB 1011, and presents overview of EXHIBIT C.

PUBLIC HEARING ON SB 2210

WITNESSES: Phil Ward, Oregon Department of Agriculture Lana Butterfield, Northwest Propane Gas Association

388 PHIL WARD, ODOA, offers testimony on HB 2210, and presents overview of EXHIBIT D. overview of metering types and procedures and costs for propane industry - technology changes for testing propane meters

TAPE 164 SIDE B

028 LANA BUTTERFIELD, Northwest Propane Gas Association, offers testimony in support of HB 2210, and presents overview of EXHIBIT E.

WORK SESSION ON HB 2210

045 MOTION: Sen J Bunn moves HB 2210 TO THE FLOOR DO PASS . . . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation rnarlcs report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. Senate Agriculture and Natural Resources May 24, 1993 Page 5 VOTE: Roll Call 7 - 0 ACTION: HB 2210 to the Floor DO PASS (Sen. Bunn will carry) PUBLIC HEARING ON HB 2212

065 LORNA YOUNGS, ODOA, offers testimony on HB 2212, with overview of EXHIBIT F.

101 SEN J. BUNN: Why the term "fish like"?

104 YOUNGS: "Fish like" was put in over concerns about dolphins and whales.

WORK SESSION ON HB 2212

110 MOTION: Chair Cease moves language changes "fish like" to "aquatic mammal". VOTE: Hearing no objection MOTION CARRIES
ACTION: AMENDMENTS ADOPTED MOTION: Chair Cease moves HB 2210 as amended TO THE FLOOR DO PASS VOTE: Roll call vote 7 - 0 ACTION: HB 2210 as amended TO THE FLOOR DO PASS (Sen Cohen will carry)

WORK SESSION ON HB 1067

153 CHRIS WARNER, Committee Staff, offers testimony on HB 1067, and presents overview of EXHIBIT G (proposed amendments). 160 SEN ROD JOHNSON, Senate District 23, offers testimony on SB 1067. - overview of bill's intent - overview of -8 amendments - national trend toward reduction of airports could mean the end of airports

PUBLIC HEARING ON HB 3328

216 KEN BEARLY, Wetlands Program Manager, Division of State Lands, offers testimony favoring HB 3328, and presents overview of EXHIBIT H.

230 JERRY SCHMIDT, Oregon Association of Realtors, offers testimony in favor of HB 3328, and presents overview of EXHIBIT J. 270 MARILYN DELL, Legislative Aid to Rep. Maribn Dell, House District 29, offers testimony in favor of HB 3328, and presents overview of EXHIBIT K.
295 CHAIR CEASE ADJOURNS MEETING AT 10:00 AM

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EXHIBIT LOG:

A - Testimony on amendments to SB 1011 - St aff/Grainey -1 page B - Testimony on SB 1011 - Guttridge - 1 page C - Testimony on SB 1011 - Yates - 2 pages D - Testimony on Ward - 2 pages HB 2210 E - Testimony on HB 2210 - Butterfield - 1 page F - Testimony on SB 1067 - Youngs - 1 page G - Testimony on SB 1067 - Staff- 5 pages H - Testimony on SB 1067 - Glenn Taylor - 1 page I - Testimony on HB 3328 - Bearly - 2 pages J - Testimony on HB 3328 - Jerry Schmidt - 2 pages K - Testimony on HB 3328 - Rep Dell - 1 page

Submitted by: Reviewed by:

Ku Soumie Peter Green Assistant Administrator

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