

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.

HOUSE COMMITTEE ON AGRICULTURE, FORESTRY & NATURAL RESOURCES

April 2, 1991                      Hearing Room F 8:15 A.M.                      State Capitol Tapes  
56 - 57

MEMBERS PRESENT: REP. WALT SCHROEDER, Chair REP. LIZ VANLEEUWEN,  
Vice-Chair REP. SAM DOMINY REP. BILL DWYER REP. TIM JOSI REP. JOHN MEEK  
REP. CHUCK NORRIS

STAFF PRESENT: BETH PATRINO, Administrator EDWARD C. KLEIN, Assistant

MEASURES CONSIDERED: HB 2253 - WORK SESSION HB 2245 - WORK SESSION HB  
2883 - PUBLIC HEARING HB 2768 - PUBLIC HEARING

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TAPE 56, SIDE A

003 CHAIR SCHROEDER: Calls the meeting to order at 8:19 A.M.

WORK SESSION ON HOUSE BILL 2253

Witness: Richard Angstrom, Managing Director, Oregon Concrete and  
Aggregate Producers Association

CHAIR SCHROEDER: Opens the Work Session.

011 RICHARD ANGSTROM, Managing Director, Oregon Concrete and Aggregate  
Producers Association: Aggregate is a public resource.

-Sixty percent of the aggregate in the state is used by government  
bodies.

-Because of a minimum of government interference the price of gravel  
only inflates about 1.5 percent a year.

-We feel it's important to maintain a minimum increase in the cost of  
our base commodity.

-We support HB 2253 as introduced.

-The amendments substantially increase the fees over what our board has  
approved.

-The reasons for the increase are related to three things:

-1. Inflationary cost.

-2. A staff person has been added during the interim.

-3. Approximately \$60,000 of backfilling of General Fund money.

-We want to work with the department and support as much of an increase as we can.

-We don't feel it's fair the users pay backfilling costs.

-The intent of the cuts are to bring efficiency to state government and to control spending.

-We encourage the committee to forward the bill to the Committee on Ways and Means with no change and we will work with them on any compromise.

052 CHAIR SCHROEDER: The bill shows an increase of \$31 for each permit. The amendments would increase the fees another \$35.

070 MOTION: REP. DWYER: Moves HB 2253 to the Floor of the House with a do pass recommendation.

080 REP. NORRIS: Was under the impression anything to do with fees was referred to Ways and Means.

CHAIR SCHROEDER: REP. VAN VLIET, is supposed to contact me whether or not this needs to go to the Committee on Ways and Means. We'll hold off until then.

-He closes the Work Session.

WORK SESSION ON HOUSE BILL 2245 -- EXHIBITS A & B

Witnesses: Leo Wilson, Administrator, Forestland Protection Fund Jim Brown, State Forester Gary Carlson, Oregon Small Woodlands Association Ray Wilkeson, Oregon Forest Industries Council

CHAIR SCHROEDER: Opens the Work Session.

092 BETH PATRINO: Describes HB 2245-3, Proposed Amendments to House Bill 224 5, dated 3/27/91.

105 REP. MEEK: Refers to page 3, lines 43 and 44, Hand-Engrossed HB 2245 (EXHIBIT B).

-That's where it talks about maintaining the \$15 million. How do those ORS's correspond?

PATRINO: My understanding is that the language on lines 43 and 44 deal with the reserve base of the fund. The new language after line 37, deals with how much money can come out of the fund on a particular year that the landowners contribute.

REP. MEEK: If they can only collect \$10 million and can only spend \$10 million, what's the purpose of the language on lines 40, 43 and 44?

121 LEO WILSON, Administrator, Forestland Protection Fund: The \$15

million is the reserve base. All sources of revenue cut off when that amount is reached.

- \$10 is the limitation that landowners contribute on any given year.

- That matches the insurance cost plus the deductible.

- Any cost above \$10 million dollars would be paid for by the insurance policy.

- The \$15 million reserve base would allow us to build up the fund past \$10 million. In a disastrous year we would have \$5 million in the fund so we wouldn't have to borrow any money.

REP. MEEK: Understands the mechanism.

- Is there a \$10 million cap under ORS 321.015?

- You can't expend more than \$10 million.

- We were told the new language limits the amount of revenue you can collect to \$10 million.

WILSON: The revenue cutoff is determined by the \$15 million reserve base.

- If the balance is \$15 million or more, we notify the county assessors not to collect the sources.

REP. MEEK: The language was supposed to limit the rate increases to \$10 million.

- He is not sure that the language limits the state from collecting those taxes beyond \$10 million.

167 REP. DWYER: It allows them to make an annual expenditure not to exceed \$10 million, but it raises the reserves to \$15 million.

- The bill still limits their expenditure, but it allows them to have a cushion so they don't have a zero balance.

372 JIM BROWN, State Forester: The collection of fees is two-tiered.

- If the balance is zero or below, a lower level of fees are collected and if the balance is above zero another level of fees are collected.

BROWN: All the fees shut off when the balance reaches \$15 million.

- The landowners were concerned they pay no more than \$10 million.

CHAIR SCHROEDER: That's what these amendments do?

BROWN: Correct.

196 REP. JOSI: Page 3 of the Hand-Engrossed bill mentions the \$15 million cap and the provision not to spend over \$10 million.

REP. MEEK: Section 5 of the original bill limited the expenditure to \$10 million, but has been amended.

-The limit is gone and you can now raise up to \$15 million?

WILSON: The \$15 million was in the original bill and limits the amount of revenue that can be raised. It does not limit the expenditures.

-Section 5 limits the expenditure.

-We made this recent change to section 5 on Legislative Counsel's advice. This amendment specifies the landowners' limitation.

CHAIR SCHROEDER: That language qualifies what we were just talking about.

254 REP. NORRIS: If you reach the \$15 million and there was a bad fire year could you spend the cushion?

BROWN: The -3 amendments limits us to spend up to \$10 million.

REP. NORRIS: The \$5 million is a nest egg?

BROWN: The bill was designed to create that nest egg.

REP. NORRIS: Once you spent the \$10 million, the \$5 million sits there?

BROWN: Correct.

275 REP. DWYER: They're insuring the landowner's obligation is \$10 million.

REP. MEEK: Doesn't believe that's true. They can assess a tax and raise the additional \$5 million.

REP. DWYER: You do it now or later.

-It gives them the flexibility to operate, it doesn't change anything. It gives continuity to the process.

294 GARY CARLSON, Oregon Small Woodlands Association: Our legislative committee met this morning and talked about this bill.

-Our concerns are with the minimum lots and the fees involved with this proposal.

-Our committee talked about the concept of creating a third class of landowner within this fee system; a non-forest, non-farm dwelling that pays a fee to the fund.

-There are a number of areas throughout the state where a number of people live near the forest only to enjoy a more rural lifestyle.

-There would have to be a process to identify those people.

-We would like to keep the minimum lot at \$15 and charge more for non-forest, non-farm dwellings.

CHAIR SCHROEDER: What does this bill change the minimum lot to?

CARLSON: In years where the fund has a zero balance, the latest amendments change the minimum lot from \$15 to \$22. Out of that \$22, \$7 would go into the emergency fire fund.

-None of this assessment currently goes to the emergency fund.

359 REP. VANLEEUEWEN: Doesn't see the \$15 on the chart (EXHIBIT I, 3/26/91).

CARLSON: It does not show, because the \$15 goes to the local fire patrol district. The graph only illustrates the emergency fire fund.

-The center bar shows a \$5 lot, which is in addition to the \$15 minimum. That \$5 goes to the emergency fire fund.

REP. VANLEEUEWEN: What are you suggesting?

CARLSON: Leave the minimum lots where they are and create another category that would pay a higher surcharge than a forest or farm managed dwelling.

REP. VANLEEUEWEN: You would double that \$20 fee?

CARLSON: \$45 or \$50.

CHAIR SCHROEDER: There are two categories on this chart; surcharge and minimum lots.

CARLSON: The \$15 minimum doesn't accrue to the emergency fire fund.

REP. MEEK: We're not talking about raising \$10 million, we're raising \$15 million.

CARLSON: The \$15 million is an ultimate balance.

-The taxes are not eliminated until the fund reaches \$15 million.

CHAIR SCHROEDER: If we raised \$10 million one year and only had a \$5 million fire cost, we'd be able to raise another \$10 million until we got to \$15 million.

CARLSON: That's my understanding.

442 REP. DWYER: This gives them a bigger reserve. It would keep them from raising an assessment the following year if the balance is above zero.

-How many of these people do you want us to tax?

CARLSON: Has no idea.

TAPE 57, SIDE A

022 REP. DWYER: Another bill raises this assessment for people who live next to forests. It would be \$44 for an improved lot.

CARLSON: This bill would require a \$44 fee for an improved lot.

REP. DWYER: Would you like us to raise that?

CARLSON: We would like you to have the legitimate farm or forest dwellings pay the current fee and charge a higher amount to those who don't manage their property.

REP. DWYER: We've done a lot to make sure you manage your property or you'll lose all your benefits.

-These people will recognize they either manage their property or suffer the consequences.

047 REP. NORRIS: Are you talking about places like Sunriver?

-Are we talking about property of one acre or less?

CARLSON: Is talking about a variety of parcel sizes. Sunriver is a planned development. A better example would be the rural La Pine area. There are 8,000 people scattered throughout that area.

066 REP. DOMINY: What's the reason behind the shift towards the non-improved lots?

CARLSON: Was not differentiating between unimproved and improved property, but between types of improved parcels. Properties with homes. Is the land being managed for farm or agriculture?

-We're suggesting that people who are managing their land should not be in the same category as those who are trying to maintain a rural lifestyle and who have no intention of managing their land.

REP. DOMINY: Why should someone who isn't actively working their land have to pay more? Are they less of a fire risk or more of a fire risk?

CARLSON: There is no other reason except keeping disincentives from pushing small woodlot owners out of forestry.

109 REP. VANLEEUEWEN: Weren't they talking this morning about putting a higher rate on a homesite no matter whose home was there?

-Isn't there more of a danger of a fire being started where there are living quarters?

CARLSON: Legitimate tree farmers are responsible for early fire detection and suppression.

-People who live on their tree farms should have some recognition for the taxes and fees that are levied.

REP. DWYER: Is not convinced that a dwelling that's not managed is any more dangerous.

-A person who manages their forest may create more dangers because of the equipment they use.

CHAIR SCHROEDER: We could incorporate your comments into this bill or have a separate bill.

-There are some problems of people living on the fringes of forestland.

157 REP. NORRIS: What does history tell us about the relative blame for fires?

CARLSON: The Department of Forestry has data for which you could make an argument either way, depending on how you used it.

REP. VANLEEUEWEN: Will small woodlands support the -3 amendments?

CARLSON: A lot of issues will be on the table when this bill goes to Ways and Means.

-We will argue our case in Ways and Means to seek the most just solution.

REP. VANLEEUEWEN: You suggest we send this bill down there?

CARLSON: Their budget is coming up.

CHAIR SCHROEDER: Appreciates his concerns.

201 MOTION: REP. DWYER: Moves HB 2245-3, Proposed Amendments to House Bill

224 5, dated 3/27/91.

REP. MEEK: Objects to the amendments.

VOTE: The motion passes 6 to 1.

AYE: REP. DOMINY, REP. DWYER, REP. JOSI, REP. NORRIS, REP. VANLEEUEWEN, REP. SCHROEDER.

NAY: REP. MEEK.

213 MOTION: REP. DWYER: Moves House Bill 2245 as amended to the Committee on Ways and Means with a do pass recommendation.

REP. MEEK: Opposes the bill.

-We're dealing with a tremendous cost risk shift.

-We're shifting the burden from non-producing lands to producing lands.

-There's more risk with less lands paying the bill.

-There is a substantial increase in fees and taxes.

-We're increasing taxes to generate a new \$5 million. This is contrary to what the people sent us here to do.

-We're not evaluating the risk adequately.

237 REP. DWYER: That is one set of logic.

-This gives the landowners a stable program without the peaks and valleys in fire protection and it gives them continuity.

-In future years that rate can be reduced if there is a reserve.

-This is responsible legislation.

-Landowners will know they have adequate insurance from catastrophic fires and their liability is limited.

261 REP. VANLEEUEWEN: The timber interests don't seem to have strong

objections.

277 RAY WILKESON, Oregon Forest Industries Council: Our board is willing to support the bill with the new amendments.

REP. JOSI: Once the \$15 million is reached we can still only spend \$10 million and it creates some continuity and gives us a \$5 million cushion.

306 REP. DOMINY: We are setting up a way of funding fire protection without having to wait until after the fact to figure out how to collect the money.

324 VOTE: The motion carries 6 to 1.

AYE: REP. DOMINY, REP. DWYER, REP. JOSI, REP. NORRIS, REP. VANLEEUEWEN, REP. SCHROEDER.

NAY: REP. MEEK.

WORK SESSION ON HOUSE BILL 2253

CHAIR SCHROEDER: Opens the Work Session on HB 2253. There should be a subsequent referral to Ways and Means.

333 MOTION: REP. DWYER: Moves House Bill 2253 to the Committee on Ways and

Means with a do pass recommendation.

VOTE: The motion carries unanimously.

CHAIR SCHROEDER: Recesses at 9:17 A.M.

-He reconvenes at 9:19 A.M.

PUBLIC HEARING ON HOUSE BILL 2883 -- EXHIBITS C to G

Witnesses: Allen Willis, Regional Government Affairs Manager, Boise Cascade Corporation Joe Misek, Tax Programs Manager, Department of Forestry

359 BETH PATRINO: Describes the bill (EXHIBIT C).

-She refers to HB 2883-1, Proposed Amendments to HB 2883 (EXHIBIT D)

371 ALLEN WILLIS, Boise Cascade: Presents testimony in support of HB 2883 (EXHIBIT F).

-The amendments are identical to those of HB 2741. We're trying to conform the rest of the sections of the law involved.

429 CHAIR SCHROEDER: It will be a farm crop. Is that land taxed ad valorem with the agricultural exemption?

WILLIS: Is sure the land is under an EFU classification. It's our understanding the land would be treated as agricultural land for tax purposes.

-The trees would be taxed as to their value for chips.



448 REP. NORRIS: Why would the crop be subject to a tax any more than any other crop?

WILLIS: It's how you value a crop for income tax purposes; excise taxes in our case.

REP. NORRIS: We're not talking about a special excise tax other than the income tax?

WILLIS: No.

REP. NORRIS: Where is HB 2741?

WILLIS: Hopefully, it's on its way to the Floor.

CHAIR SCHROEDER: It will probably be there next week.

REP. NORRIS: This is a duo of bills to free up the crop in eastern Oregon?

WILLIS: Correct.

TAPE 56, SIDE B

041 JOE MISEK, Tax Programs Manager, Department of Forestry: Presents testimony in support of HB 2883 (EXHIBIT G).

REP. VANLEEUEWEN: You're totally in agreement with the bill?

MISEK: Yes.

-He thinks it was an oversight that an exemption for eastern Oregon wasn't put into SB 799 last session.

CHAIR SCHROEDER: Closes the Public Hearing.

WORK SESSION ON HOUSE BILL 2883

CHAIR SCHROEDER: Opens the Work Session.

055 MOTION: REP. DWYER: Moves to adopt HB 2883-1, Proposed Amendments to House Bill 2883, dated 3/29/91.

CHAIR SCHROEDER: Hearing no objection the motion passes.

MOTION: REP. DWYER: Moves House Bill 2883 as amended to the Committee on Revenue and School Finance with a do pass recommendation.

VOTE: The motion carries unanimously.

PUBLIC HEARING ON HOUSE BILL 2768 -- EXHIBITS H & I

Witnesses:Rep. Sam Dominy, District 44 Jane Myers, Oregon Forest Industries Council Irv Fletcher, President, Oregon AFL-CIO Gary Carlson, Oregon Small Woodlands Association

CHAIR SCHROEDER: Opens the Public Hearing.

078 REP. SAM DOMINY, District 44: Testifies in support of HB 2768.

-There is a question of constitutionality which may arise and which he is unable to answer.

-He describes the bill (See EXHIBIT H for a brief description).

-We're looking for jobs out of state resources.

-Hopefully, the Revenue Committee can help us fill in the blank of what the tax should be.

-Section 16 says where the money would go.

-HB 2746 creates the Timber Workers Assistance Fund.

119 REP. JOSI: Does this bill penalize timber companies that historically don't export logs?

REP. DOMINY: The only people who would have to pay a tax would be those who export logs.

REP. JOSI: With the gross receipt tax is it possible a company that exported lumber and did not show a profit still would pay a tax?

REP. DOMINY: It's not whether they made a profit or not, it's whether they manufactured the log in Oregon.

REP. JOSI: Is it right to tax someone who doesn't make a profit?

REP. DOMINY: We're trying to create Oregon jobs out of Oregon timber.

-It's a company's decision to export or not. If they export they have to be prepared to pay the tax.

REP. JOSI: This is a good idea, but he has a problem with the gross receipts tax.

146 REP. VANLEEUEWEN: Does this have the support of SEN. DUKES?

REP. DOMINY: Has not spoken to her.

REP. DWYER: This is a sound concept, because it recognizes those who are value-added producers who provide job incentives in Oregon.

-The constitutional question is that the United States regulates commerce and he doubts whether we could tax exports per se.

-This is designed to have an excise tax on value-added. The cost to the domestic mills is zero and the cost to the wood going overseas is accelerated.

-The money goes to retraining for the jobs the exports take away.

-It's a sound concept.

170 REP. NORRIS: Expand on the constitutional issue.

REP. DOMINY: We tried to draft it constitutionally.

-Legislative Counsel feels it is constitutional.

-There is still some discussion about its constitutionality.

-We have the right to tax timber.

-There is no question about us giving tax credits.

-He doesn't see how there can be a constitutional question. We have the right to tax and give tax credits.

-The question is, how does this tie into the Supreme Court ruling that we can't be involved in interstate taxing?

CHAIR SCHROEDER: In 1983, the U.S. Supreme Court stated in one case that this was unconstitutional, but this might be a different case.

-We can't say one way or another until we hear from the Attorney General, but it may have to go to a court.

REP. NORRIS: Regardless of this bill's merits, he has a hang up about the phrase, "discriminatory restraint of trade."

-Are we waiting for an opinion?

CHAIR SCHROEDER: Yes. We'll have another hearing on this.

215 REP. VANLEEUEWEN: How much money are you hoping this will bring in?

REP. DOMINY: It depends how much we want to generate.

-We're hoping to work with the industry to find a number.

-He wants to get to the concept then to the numbers.

REP. VANLEEUEWEN: Would be leery to put an amount on it.

-What do you do about log exports to border states?

251 REP. DOMINY: The concept is that we cut the tree in Oregon and manufacture the tree in Oregon.

CHAIR SCHROEDER: Refers to the Fiscal Analysis (EXHIBIT H).

REP. DOMINY: Doesn't know how they came up with the numbers.

CHAIR SCHROEDER: That's the cost for administration.

REP. DWYER: Hopes that this program would raise zero dollars. That would mean we would be processing the logs in Oregon.

REP. DOMINY: If we end up with zero, we would have an increase in the income tax.

REP. NORRIS: Would we need another bill to put the money to work?

REP. DOMINY: HB 2746 says how the fund is administered.

310 JANE MYERS, Oregon Forest Industries Council: Testifies in opposition to HB 2768.

-It creates a new tax on forest products.

-The House leadership has tentatively agreed to a thorough examination of timber taxation during the interim.

-There are the constitutional questions:

-Whether it will interfere with interstate commerce?

-Whether it violates equal protection clauses of the federal and state constitutions?

-Whether there is a violation of uniform tax clauses of the Oregon Constitution?

-These questions need to be analyzed.

337 REP. DWYER: It's only a tax on exports?

MYERS: That's the intent.

REP. DWYER: Do you support exports?

MYERS: OFIC is neutral on that issue.

REP. DWYER: Do you put the Forest Institute (HB 2419) you supported above the timber workers?

MYERS: Wouldn't say we put it above the timber workers.

REP. DWYER: You're bad mouthing a program to help workers.

MYERS: We are concerned about additional taxes.

-A lot of thought was given to the Forest Products Harvest Tax as a means of educating the community in order for the timber industry to remain healthy.

-There are some problems with how this new tax is applied.

REP. DWYER: Those things can be worked out.

-He is upset when people are willing to tax other people for their own benefit, but the worker is left out.

-We had to fight to get a worker representative on that committee.

CHAIR SCHROEDER: We're hoping the Forest Resource Institute will help workers.

REP. DOMINY: There seems to be two sets of standards:

-It's okay to tax the timber industry to sell the goods of the timber industry.

-It's not okay to tax the timber industry to help workers who are displaced because of the timber companies' policies.

-It's not the workers' decision to export logs.

-He doesn't see this as a tax. This is a way of guaranteeing we add all we can to the value of Oregon's timber.

-The best thing would be if this bill didn't generate any money.

-Do you have any comments about that?

MYERS: None at the moment.

421 REP. NORRIS: What's the trend in log exports?

MYERS: Does not have that information.

REP. NORRIS: Do you have any trends in the exporting of finished products; products finished to Japanese standards, for example.

MYERS: There is a company in Coos County milling timber into lumber for export.

-She doesn't know how prevalent that is.

REP. NORRIS: Was wondering what the free market was doing.

CHAIR SCHROEDER: She was referring to the Coos Bay Export plant that manufactures to Japanese standards.

REP. NORRIS: He heard there was one near Boring or Estacada.

456 REP. JOSI: The question is, should we be exporting logs?

-Do you know the percentage of logs exported last year?

MYERS: Does not know.

-The Department of Revenue might know.

CHAIR SCHROEDER: Thinks it's nine-tenths of a percent.

REP. DWYER: Four billion board feet.

CHAIR SCHROEDER: That was before the bill to ban the export from state lands.

REP. JOSI: This bill only pertains to one percent of the logs harvested?

REP. DOMINY: It might be bigger than that. This talks about timber being cut in Oregon mills.

TAPE 57, SIDE B

032 REP. JOSI: Would like the export figures for overseas and to other states.

CHAIR SCHROEDER: MS. MYERS, could you get those figures for us?

MYERS: Will try.

-A problem in tracking exports is that logs are handled many times and someone would have to keep track of each log.

-She thinks she can get some round figures.

040 REP. DOMINY: That gets back to log substitution.

CHAIR SCHROEDER: We have a law that prohibits log substitution from state and federal land.

REP. VANLEEUVEN: About a year and a half ago about 40 percent of the logs from the State of Washington were exported. Eight to 12 percent of the logs were exported out of the State of Oregon.

MYERS: Did not mean to imply federal logs were being exported.

-There is a problem with the data, because the ports don't say where the logs originated.

REP. DWYER: The Department of Forestry has those figures.

-This bill would only affect those who export, it wouldn't affect the domestic mills.

-He would rather the timber industry try to help the workers.

079 IRV FLETCHER, President, Oregon AFL-CIO: Presents testimony in support of HB 2768 (EXHIBIT I).

101 REP. VANLEEUVEN: What happened to the bills to give a tax credit to those people who normally export.

CHAIR SCHROEDER: It's a tax credit to those who mill their logs in Oregon.

FLETCHER: That ought to be supported.

-This bill is creative.

-That other bill may be the fall back if this doesn't pass.

REP. VANLEEUVEN: Have the Committee Administrator see where that bill is?

CHAIR SCHROEDER: Okay.

FLETCHER: Montana taxes every ton of coal that goes to Chicago and that was declared constitutional.

121 CHAIR SCHROEDER: Do you know how many mills would be operating if we didn't export?

FLETCHER: Doesn't know.

-There are other issues like mechanization involved.

REP. DOMINY: Once we find out how many logs are being exported we can find out how many jobs that is.

FLETCHER: You do know the origin of logs.

CHAIR SCHROEDER: He'll ask BETH to get that information together.

FLETCHER: The other side of the coin are the longshore people who know what the lack of exports costs them in jobs.

CHAIR SCHROEDER: Weyerhaeuser announced they won't export logs from Oregon. They will export logs from Coos Bay to Springfield.

REP. DWYER: They just closed the saw mill. He doesn't know where the logs are going.

REP. DOMINY: That plant will be down for two weeks to decide if they will continue to run. If they don't continue the logs will go to Washington.

CHAIR SCHROEDER: Part of the problem is that timber prices are down.

159 GARY CARLSON, Oregon Small Woodlands Association: We are selling the commodity in a free market society.

-We are looking for a market place to sell the products we are growing and we are not enthused about anything that would get in the way of that market.

-Log supply is a much more complex issue than exports. We will face supply closures driven by federal land policies.

-Taxing exports will result in a lower price for the logs.

-Tomorrow, BERT UDELL will be escorting CONGRESSMAN DEFAZIO and discussing how the export of logs means a more viable business.

221 REP. DOMINY: A free market implies an industry has no interference from government.

-We give you all sorts of exemptions and benefits.

-It's not a free market when it comes to the timber industry.

CARLSON: That's what this argument is all about.

-What is the appropriate balance between incentives and opportunities getting people interested to produce timber?

The small landowners see more negatives than positives coming in the future.

255 REP. DOMINY: We're having problems with perception.

-In the minds of many workers, the timber industry is concerned how to make the most profit. The workers are concerned how public policy can create more jobs.

CARLSON: Our members are part of the industry, but are producers like any other farmer.

REP. DWYER: Why do we give these incentives?

-Is it because the state wants your tax money? If that was the state's goal you could be taxed up front to provide the welfare support system for the timber workers.

-We're trying to reach a balance and recognize the contributions each of you make to the process.

-The rural communities are being squeezed by the federal policies and the market situations of the small landowners.

-We have to find some common ground, which is what this bill is aimed at.

296 CARLSON: We agree that our members are caught in the middle.

REP. VANLEEUEWEN: REP. DOMINY is implying all of the timber industry is greedy. Some are trying to keep their employees employed.

REP. DOMINY: We're talking about those who are exporting logs.

CHAIR SCHROEDER: Closes the Public Hearing.

-We won't get to SB 2.

-He adjourns at 10:14 A.M.

Submitted by:      Reviewed by:

Edward C. Klein, Beth Patrino, Committee Assistant                      Committee  
Administrator

EXHIBIT LOG:

A            -            Amendments to HB 2245 - Staff - 3 pages  
B            -            Hand-Engrossed HB 2245 - Staff - 3 pages  
C            -            SMS/Fiscal/Revenue impacts for HB 2883 - Staff - 3 pages  
D-Amendments to HB 2883 - Allen Willis - 2 pages E-Hand-Engrossed HB  
2883 - Staff - 9 pages F-Testimony on HB 2883 - Allen Willis - 2 pages  
G-Testimony on HB 2883 - Joe Misek - 2 pages H-SMS/Fiscal/Revenue  
impacts for HB 2768 - Staff - 3 pages I-Testimony on HB 2768 - Irv  
Fletcher - 1 page