

Tape 203 (A/B) Tape 204 (A) Work Session: HB 2352, HB 2320A HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE May 23, 1991 8:00 AM Hearing Room A State Capitol Building Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton (excused 8:12-9:45) Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty (departed 10:00)

Member Excused: Representative Carl Hosticka, Vice-Chair Staff Present: Dick Yates, Legislative Revenue Office Terry Drake, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Ray Craig, Department of Forestry Joe Misek, Department of Forestry Gary Carlson, Oregon Small Woodlands Association TAPE 203 SIDE A 005 CHAIR JONES called the meeting to order at 8:12 and conducted administrative business. WORK SESSION - HB 235 2 012 DICK YATES reviewed previous committee work on HB 2352 and explained Proposed Amendments HB 2352-8 contained an incorrect application date (the expansion date in the elderly rental assistance program). Proposed Amendments HB 2352-10, 5/8/91 are the same as HB 2352-8 except for a provision (Section 9) for elderly rental assistance payments to begin October, 1991. Exhibits 1, 2 049 CHAIR JONES referred to Revenue Analysis of HB 2352A which reflect HB 235 2-10 amendments. She noted that the last two lines of the Revenue Analysis refer to the elderly rental assistance program. Exhibit 3

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060 DICK YATES related a concern with the use of social security in the pension credit calculation which may be unconstitutional. The committee's intent should be clear if the court concludes that the use of social security is unconstitutional. Proposed Amendments HB 235211, 5/22/91 adds section 9 (and renumbers other sections) to Proposed Amendments HB 2352-10 and identifies the intent of the Legislative Assembly (if calculation found unconstitutional). He reviewed the proposed intent as not allowing the pension income credit in Section 5 in HB 2352-10. He referred to an example of Pension Income Tax Credit. Exhibits 4, 5 096 Questions and discussion. 100 REP. SCHOON proposed removing a \$15,000 cap for single tax returns and a \$30,000 cap for joint returns. He requested the fiscal impact of his proposal. 118 CHAIR JONES recessed the meeting at 8:21 and reconvened at 8:43. 132 DICK YATES presented hand engrossed pages 7 and 8 of HB 2352-10 reflecting proposal from Rep. Schoon. Exhibit 6 160 Questions and discussion regarding proposal from Rep. Schoon. 155 DICK YATES reviewed the revenue analysis of the proposal from Rep. Schoon (removing income cap). See hand engrossed Revenue Analysis HB 2352A. Exhibit 7 196 Questions and discussion. 203 MOTION REP. SCHOON moved adoption of Proposed Amendments HB 2352-10, 5/8/91 with hand engrossed changes on pages 7 and 8. 209 ORDER There being no objection, CHAIR JONES so ordered. 217 MOTION REP. SCHOON moved adoption of Proposed Amendments HB 2352-11, 5/22/91. DISCUSSION 221 ORDER There being no objection, CHAIR JONES so ordered. 223 MOTION REP. SCHOON moved HB 2352 as amended to the floor with a do pass recommendation. 226 Committee at ease from 9:50 - 9:58.

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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 Committee on Revenue and School Finance May 23, 1991 Page 4 234 JOE MISEK believed forest tax policy should embrace forest care for future generations and the encouragement of good management. He supported HB 2320. 243 REP. PARKINSON questioned the number of land owners which would be affected by HB 2320. 254 RAY CRAIG estimated 700,000 acres out of 2.5 - 3 million acres. 262 GARY CARLSON believed the total number of acres would be about 5 6 million. 273 JOE MISEK estimated 20,000 small woodland owners under the designated forest land plus industry. Approximately one-third would be underproductive. 280 Questions and discussion. 311 Questions and discussion regarding policy differences between farmland and timber special assessments. 328 RAY CRAIG interjected that an income test is not required to qualify for forestland assessment. 333 RAY CRAIG addressed issues of long term forestry planning (regulations, complexities, risks). 366 REP. PARKINSON expressed his concerns relating to HB 2320 and believed small woodland owners would be hurt. TAPE 203 SIDE B 004 GARY CARLSON discussed an "evolving view" of forestry and he provided examples of law modifications. 020 JOE MISEK discussed the State Forester's flexibility relating to land owners and noted an objective of productive forests. 050 Questions and discussion regarding Oregon State University extension services and Forestry Department services. 066 Questions and

discussion (numbers of affected landowners). 119 RAY CRAIG noted that the county assessors will have access to mapping September 1991. He believed that county assessors will use the maps to declassify identified underproductive forestland if HB 2320 fails.

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Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed Amendments HB 2352-8, 5/2/91, LRO (see Exhibit 6 from House Revenue and School Finance Committee 5/3/91 meeting) - HB 2352 2. Proposed Amendments HB 2352-10, 5/8/91, LRO - HB 2352 3. Revenue Analysis HB 2352A, LRO, 5/2/91 (see Exhibit 8 from House Revenue and School Finance Committee 5/3/91 meeting) - HB 2352 4. Proposed Amendments HB 2352-11, 5/22/91, LRO - HB 2352 5. HB 2352: Pension Income Tax Credit (Example), 5/2/91, LRO (see Exhibit 7 from House Revenue and School Finance Committee 5/3/91 meeting) - HB 2352 6. Hand engrossed pages 7 and 8 from HB 2352-10 Proposed Amendments, 5/6/91, Rep. Schoon - HB 2352 7. Hand engrossed Revenue Analysis HB 2352A, LRO, 5/23/91 - HB 2352 8. Revenue Analysis HB 2320A, LRO, 5/23/91 - HB 2320 9. Fiscal Analysis, HB 2320A, 3/26/91, LFO - HB 2320 10. Staff Measure Summary HB 2320A, House Committee on Agriculture, Forestry and Natural Resources - HB 2320

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