

Tapes40-41 (A)  
Work Session: HB 2322A,  
HB 2319,HB 2321,HB 2350

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE  
SUBCOMMITTEE ON PROPERTY TAXATION

April 23, 1991 8:00 AM Hearing Room A State Capitol Building

Members Present: Representative Fred Parkinson, Chair  
Representative Carl Hosticka  
Representative Delna Jones (arrived 8:35)  
Representative Jim Whitty

Member Excused: Representative Kelly Clark  
Staff Present: Terry Drake, Legislative Revenue Office  
Linda Leach, Committee Assistant

Witnesses Present: Joe Misek, Forestry Department  
Rick Main, Department of Revenue  
Representative Bill Dwyer, District 42  
Gary Carlson, Oregon Small Woodlands Association  
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005 CHAIR PARKINSON called the meeting to order at 8:10.

WORK SESSION - HB 2322A

016 TERRY DRAKE discussed forthcoming amendments relating to capital gains treatment afforded to individuals who purchased a contract right to cut rather than the forestland owners. If the subcommittee wants to restrict the treatment to the timberland owner, then on page 2, line 3, delete "or has held a contract right to cut" and change "timber" to "timberland".

031 Questions and discussion regarding a 30% forestry tax credit program.

043 JOE MISEK pointed out the 30% tax credit is for underproductive forestland.

050 Questions and discussion regarding examples of 30% tax credit.

069 TERRY DRAKE explained the revenue impact from amendments to restrict tax treatment to forestland owners would decrease approximately \$500,000.

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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075 Questions and discussion regarding treatment extended to corporations and individuals (meeting requirements).

091 MOTION REP. HOSTICKA moved to amend HB 2322A on page 2,  
line 3, delete "or has held a contract right to  
cut" and change "timber" to "timberland".

100 ORDER There being no objection, CHAIR PARKINSON so

ordered.

102 MOTION REP. HOSTICKA moved to amend HB 2322A on page 1, line 16, delete "or has held a contract right to cut" and change "timber" to "timberland".

105 ORDER There being no objection, CHAIR PARKINSON so ordered. -

109 MOTION REP. WHITTY moved HB 2322A as amended to the full committee with a do pass recommendation.

112 VOTE In a roll call vote, the motion was adopted (3-0).

AYES: Rep. Hosticka, Rep. Whitty, Rep. Parkinson.

EXCUSED: Rep. Clark, Rep. Jones.

WORR SESSION - HB 2319

125 TERRY DRAKE reviewed previously adopted amendments by the subcommittee: 1. Change to 7 year averaging (from 5 year). 2. Change 50% to 100%. 3. Department of Revenue amendments dated 2/19/91 -

140 TERRY DRAKE pointed out an issue which the subcommittee did not review which is a change in the index basis from douglas fir to the average value of the total harvest.

140 RICK MAIN addressed a proposal to change the basis of value used for forestland. The current law is based on the change in young growth douglas fir. HB 2319 proposes to use all of the Western Oregon harvest to determine forestland value. The impact of this proposal would lessen the volatility of change.

170 Questions and discussion.

192 REP. HOSTICKA reviewed Proposed Amendments to HB 2319-1 at the request of Rep. Dwyer. Forestland deferral would not be available to owners who charge people to hunt or fish on their lands. Section 6 and 7 requires a license from Fish and Wildlife Commission for landowners who charge a fee to hunt.

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222 REP. WHITTY believed wildlife belongs to the public.

235 CHAIR PARKINSON believed the issue in Proposed Amendments HB 23191 did not belong in HB 2 319 .

236 REP. HOSTICKA explained why he believed HB 2319-1 Proposed Amendments were appropriate to be considered with HB 2319.

,253 CHAIR PARKINSON called the meeting at ease from 9:28 to 9:29.

262 REP. DWYER reviewed Proposed Amendments to HB 2319-1 which diminish the effort of large timber companies to charge access to wildlife. He discussed tax incentives to timber companies. He did not object to large timber companies leasing large tracts of land for hunting which excludes the general public, but the timber companies should not be subsidized for this activity. The amendments regulate fee hunting and takes away incentives to engage in this activity. Exhibit 1

292 Questions and discussion special regarding forestland special assessments and fee for hunting process.

333 Questions and discussion regarding a different bill dealing with the issue as presented by Rep. Dwyer (HB 2319-1).

345 MOTION REP. HOSTICKA moved adoption of Proposed Amendments to HB 2319-1, dated 4/22/91.

350 VOTE In a roll call vote, the motion failed (2-1).

AYES: Rep. Hosticka, Rep. Whitty. NAYS: Rep.

Parkinson. EXCUSED: Rep. Clark, Rep. Jones.  
355 MOTION REP. WHITTY moved HB 2319 as amended (previous subcommittee meeting) to the full committee with a do pass recommendation.  
360 REP. HOSTICKA noted he would not support the motion so he may discuss HB 2319 amendments with Rep. Dwyer.  
370 VOTE In a roll call vote, the motion failed (2-1).  
AYES: Rep. Whitty, Rep. Parkinson. NAYS: Rep. Hosticka. EXCUSED: Rep. Clark, Rep. Jones.  
380 MOTION REP. HOSTICKA moved to reconsider the vote to send HB 2319 as amended to the full committee with a do pass recommendation (he noted the arrival of Rep. Jones).  
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385 CHAIR PARKINSON recessed the meeting at 8:35 and reconvened at 8:37. He restated REP. HOSTICKA'S motion.

390 VOTE In a roll call vote, the motion was adopted (4-0). AYES: Rep. Whitty, Rep. Hosticka, Rep. Jones, Rep. Parkinson. EXCUSED: Rep. Clark.

401 GARY CARLSON related concerns from the Small Woodlands Association ,with Proposed Amendments from Rep. Dwyer. He described possible problems if HB 2319-1 amendments are adopted. Gary Carlson pointed out that land available for recreation will continue to worsen.

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001 GARY CARLSON continued with his testimony.

049 Questions and discussion regarding recreational land use public policy history.

069 REP. HOSTICKA pointed out a current practice of fee for hunting is counter to a public policy of accessibility to land for recreational purposes.

074 Questions and discussion regarding calculation of land value based on revenue from fees.

076 MOTION REP. WHITTY moved HB 2319 as amended to the full committee with a do pass recommendation.

DISCUSSION

090 VOTE In a roll call vote, the motion was adopted (3-1).

AYES: Rep. Jones, Rep. Whitty, Rep. Parkinson.

NAYS: Rep. Hosticka. EXCUSED: Rep. Clark

RECOMMENDATION - HB 2321

100 CHAIR PARKINSON recommended HB 2321 be sent to the full committee with a recommendation for an interim study.

RECOMMENDATION - HB 2350

110 CHAIR PARKINSON recommended HB 2350 be sent to the full committee with a recommendation for an interim study.

111 CHAIR PARKINSON conducted administrative business and adjourned the meeting at 8:54.

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Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager  
EXHIBIT SUMMARY

1. Proposed Amendments to HB 2319-1, 4/22/91, Rep. Hosticka - HB 2319

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