

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

February 4, 1991HeaAng Room E 8:30 a.m. Tapes 21 - 24 MEMBERS  
PRESENT:Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair Rep.  
Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oakley Rep.  
Lonnie Roberts MEMBER EXCUSED: None VISITING MEMBER: Rep. William  
Dwyer, District 42 Rep. Mike Burton, District 17 Rep. Jim Edmundson,  
District 39 Rep. Sam Dominy, District 44 STAFF PRESENT: Randall  
Jones, Committee Administrator Carolyn Cobb, Committee Assistant  
MEASURES CONSIDERED: HB 2483 - Denies Special Assessment to  
Forestland, PH, WS HB 2484 - Prohibits Contlicts of Interest for  
Employees of State Board of Higher Education, PH, WS HB 2503 - Requires  
Certified Ballot Title Be Printed, PH, WS HB 2510 - Prohibits the Use of  
Political Contributions to Pay Election Law Civil Penalties, PH, WS

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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.

TAPE 21, SIDE A

003 CHAIR MARKHAM: calls the meeting to order at 8:36 a.m.

HB 2503 - REQUIRES CERTIFIED BALLOT TITLE BE PRINTED - PUBLIC HEARING  
Witnesses: Hon. Wallace Carson, Associate Justice, Oregon Supreme Court  
Don Arnold, Department of Justice, State of Oregon (written testimony  
submitted EXHIBIT A) Mike Burton, State Representative, District 17  
House Committoe on State and Federd Affa~rs February 4, 1991 - Page 2

018 MIKE BURTON, STATE REPRESENTATIVE, DISTRICT 17: HB 2503 requires  
the Supreme Court to respond to the question of the submission of a  
ballot title on an initiative within thirty days after they receive it.  
Failing to do that, the title prepared by the Attorney General will be  
the one put on the measure. - Describes the way ballot titles on  
initiatives are currently handled. -Average time in supreme court from  
filing to decision is 62 days. 034 REP. ROBERTS: How does this affect  
the referendum process? 038 REP. BURTON: This bill only affects an  
initiated measure.

046 REP. BURTON: The concern I have is that citizens cannot begin to  
collect signatures until the ballot title has been certified. The amount  
of time available is diminished by the amount of time the matter stays  
in the court. -Placing time constraints on the supreme court is a  
difficult matter. -Does it need to be the supreme court that reviews  
initiative ballot titles? -This bill would place some specific  
constraints in getting the ballot title out of the court. -It does  
affect citizens' ability to access the ballot. 104 REP. NOVICK: No  
matter what the ballot title says, the opposition challenges to delay  
the gathering of signatures. How many ballot titles come out of the  
court unchanged? 112 REP. BURTON: The real issue is how do you get  
the measures through the process so someone who legitimately wants to  
bring an initiative to the public can do that. -Gives example of ballot  
title that was fifteen weeks in the court. 163 REP. BELL: When the  
ballot title goes to the Attorney General's office and there is a  
dispute, is there any attempt at mediation at that level? 168 REP.  
BURTON: There is discussion I sure that goes on, but they had better  
respond to that. 191 REP. FORD: Could you have filed your petition

earlier?

197 REP. BURTON: On a very similar matter we will file next week to give us a lengthier amount of time. It is a problem to understand what your issue is going to be, two years ahead of time.

242 REP. BELL: In most cases, would those who protest ballot titles prefer to go with the Attorney General's decision rather than wait for the court?

246 REP. BURTON: Most Attorney General's ballot titles are very professionally drawn.

295 WALLACE CARSON, ASSOCIATE JUSTICE, OREGON SUPREME COURT: Rep. Burton has laid out the problem very well and he has a legitimate complaint. However I consider that instance an aberration. 312 REP. ROBERTS: How often does that happen?

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314 JUSTICE CARSON: I think there were two instances where the court caused a delay. Summarizes written testimony (EXHIBIT A). -When a fast decision was needed, it substantially shut the court down. The legislature has mandated we decide these cases expeditiously. -The court would prefer not to have specific time limits set. -Occasionally a case will come that requires extra effort.

TAPE 22, SIDE A

019 JUSTICE CARSON: If you decide you are going to create time limits, I would consider the following: -The way the bill is drafted, the business days are counted from the time the petition is filed with the court and we have thirty business days. Any time we allow the Attorney General to respond comes out of our writing time. -We have adopted by rule, a time for reconsideration and that also comes out of the courts thirty days. -Our review now is for substantial compliance.

051 CHAIR MARKHAM: Is it your position that the present system is working fairly well, let us not tinker with it? 053 JUSTICE CARSON: Yes, our goal is to try to meet the time lines in the bill. -Sometimes it takes longer because of the complexity of the measure, such as constitutional amendments. 084 REP. BELL: Is the supreme court the appropriate place for these decisions to be made, or is there another court or body which could make good decisions without having to go to the supreme court? 088 JUSTICE CARSON: The court would be pleased to be removed from the ballot process. Several alternatives come to mind such as the Secretary of State, the Attorney General, or a committee created by the legislature. 127 REP. OAKLEY: It appears you are not comfortable with the thirty day window, would sixty days be more acceptable? 132 JUSTICE CARSON: By all means. We will try to live with whatever the legislature tell us. I would like a little more time, and then some time factored in for the Attorney General to respond, and we need some time for reconsideration. 146 REP. SOWA: Do you think there is any validity to having a time limit so the process cannot be used to stall a measure? 159 JUSTICE CARSON: The premise is correct, every day we take, takes time away from the petitioners. Sometimes the

petitioners are the ones that disagree with the ballot title the Attorney General has written. 174 CHAIR MARKHAM: In general how does the process in the court work?

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178 JUSTICE CARSON: Describes the process.

HB 2483 - DENIES SPECIAL ASSESSMENT OF FORESTLAND FOR PURPOSES OF AD VALOREM PROPERTY TAXATION UNDER CERTAIN CONDITIONS - PUBLIC HEARING  
Witnesses: William Dwyer, State Representative, District 42 Sam Dominy, State Representative, District 44 Grattan Kerans, State Senator, District 20 Richard Yarbrough, International Paper Company Ron Rentz, Oregon Small Woodlands Cecil Saxon, Citizen Sam Davis, Citizen John Gervais, Unique Northwest Country Inns Alan Maul, Ann Hanus, Oregon Department of Forestry, (written testimony only EXHIBIT D)

206 REP. WILLIAM DWYER, STATE REPRESENTATIVE, DISTRICT 42: I believe this bill has a subsequent referral to House Revenue Committee. -If the concept of fee access to hunting areas is allowed to continue without this bill, your districts are likely to be harmed. -There is an increased public sensitivity to the fee hunting and no trespassing signs that are beginning to proliferate. -Concerns with the charging of fees to hunt and control of access where the state has built up the herds of wildlife. -This bill says if you are in the timber business, we are going to help you all we possibly can, but if you charge access fees you do not get timber benefits. - This bill does not prevent fee hunting, it says if you are in the recreation business your land will be accessed its recreational value. -There are all kinds of incentives given to allow public access. -This is a public policy decision that says should we encourage people to make access to our lands for hunting and fishing.

348 REP. FORD: You have to cross private lands to get to public lands?

358 REP. DWYER: Describes various types of ownership and control of access to forest and range lands in Oregon.

376 REP. FORD: Is the hunting on these lands controlled by the private sector?

378 REP. DWYER: Historically they welcome hunters, but now there is a national movement where only the rich can hunt.

TAPE 21, SIDE B

063 REP. OAKLEY: In the past corporations have allowed free access, and now they are looking at charging?

068 REP. DWYER: That is correct. The areas that International Paper Company is

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planning to put off-limits are areas where the state has built up the herds.

074 SAM DOMINY, STATE REPRESENTATIVE, DISTRICT 44: Game belongs to the state, and if people are going to start charging an access fee maybe the state should be charging them for our animals.

087 REP. ROBERTS: It isn't just the big timber companies, private ranchers are doing the same thing.

092 REP. DWYER: This bill only affects western Oregon timber lands.

096 REP. DOMINY: Reviews letter from International Woodworkers of America (EXHIBIT C).

145 REP. FORD: How is a tract determined?

148 REP. DWYER: The timber company defines it.

157 REP. DOMINY: The company decides the boundaries of the tract.

169 GRATTAN KERANS, STATE SENATOR, DISTRICT 20: HB 2483 addresses a situation where they are taking the benefits of the law for special tax treatment for the purpose of growing trees to maturity, they are now also taking profits from the public's wildlife. We need to restore the balance, if they wish to take profit from public wildlife, then they must give back the benefits bestowed by the state. 230 REP. SOWA: The landowners on two Fish and Wildlife task forces, assured both, they would not lock up their lands and begin fee hunting. Have some of them now changed their policies? 246 REP. DOMINY: That is the position of International Paper, which is the only one I have in writing.

250 REP. SOWA: In western Oregon farm land is often classified as farm/forest land. 268 REP. DWYER: The same should rules should apply to farmers and ranchers. 282 REP. SOWA: In the case of a charge for access to a campground, would the entire tree farm lose its tax break? 292 REP. DWYER: This bill would not apply to camping, it is only directed to consumptive activities. 319 REP. SOWA: Some timber companies want to close their lands and allow hunting by shareholders and executives only. 330 REP. DWYER: Those perks are called land

owner allocation. Those perks are still using the state's resource base. . House Committee on State and Federal Affairs February 4, 1991- Page 6

357 REP. SOWA: If timber companies give their friends free access, is your bill intended to apply? 372 REP. DWYER: It is my intention to make this bill as broad as possible. 381 REP. ROBERTS: Is there any other state that allows this? 389 REP. DWYER: There are other states that do allow it, but as it proliferates in those states, you will see a public outcry there.

TAPE 22, SIDE B

Public Hearing on NB 2483 re-opens on page 7.

019 CHAIR MARKHAM: Recesses meeting at 10:00 a.m. - resumes the meeting at 10:13 a.m.

HB 2484 - PROHIBITS CONFLICTS OF INTEREST FOR EMPLOYEES OF STATE BOARD OF HIGHER EDUCATION - PUBLIC HEARING Witnesses: William Dwyer, State Representative, District 42 Scott Bartlett, Administrative Assistant to

Rep. Dwyer 025 WILLIAM DWYER, STATE REPRESENTATIVE, DISTRICT 42: HB 2484 arose from the need to establish a clear public policy in regard to potential and on-going conflicts of interest between members of higher education staffs and those people they teach. -Those people who have the potential to profit from their positions with higher education should have to disclose those conflicting interests. -Administrative rules are not as effective as having a law. -Another step in the direction of clean, open, honest government in Oregon. 054 SCOTT BARTLETT, ADMINISTRATIVE ASSISTANT TO REP. DWYER: For several years, complaints have been received from people who are afraid for their jobs. -The existing administrative rules are a failure. -In one department at University of Oregon, an employee used resources for a private corporation. -Work study students were used to work on the staff member's programs. -There are charges of preferential hiring of graduate students, particularly an individual who had worked on a professor's private project. 099 REP. DWYER: Gives examples of alleged conflicts of interest that have occurred. -They should at least be required to disclose any conflict of interest. 115 BARTLETT: The measure will keep dedicated public servants even more honest by insulating them from temptation. -Gives examples of alleged abuses involving real estate. - House Committee on State and Federal Affairs February 4, 1991- Page 7

-There needs to be barriers against using inside knowledge for personal profit. -Students should not be a captive audience for textbooks.

148 REP. ROBERTS: This prohibition involves only direct conflicts of interest involving the school?

154 BARTLETT: If they are in a position to influence a contract to be let by an institution of higher education, this bill would apply. The bill does not address nepotism.

192 REP. NOVICK: There are no sanctions in the bill?

197 REP. DWYER: The committee will have to address sanctions. My focus is on disclosure.

227 BARTLETT: The intent was to leave it to your judgement. It should be something that has some teeth.

284 REP. BELL: Would it help to require a yearly disclosure form such as legislators file?

304 BARTLETT: That is an excellent idea. A staff member may have a spouse who's services would be called upon legitimately by the school.

HB 2483 - DENIES SPECIAL ASSESSMENT OF FORESTLAND FOR PURPOSES OF AD VALOREM PROPERTY TAXATION UNDER CERTAIN CONDITIONS - PUBLIC HEARING

333 RICHARD YARBROUGH, INTERNATIONAL PAPER COMPANY: Describes International Paper Company's operations in the northwest. -HB 2483 is a disincentive for forest land stewardship. -The bill unfairly penalizes selective private land owners. -Less than 3% of the company's property is involved. -Many of these areas have never been open to the public. -A small percentage of the public abuse their rights, which creates a need for some level of security. -Forestry brings a low return on investment, the revenue realized from access fees is used to offset some of the costs.

TAPE 23, SIDE A

006 YARBROUGH: In areas where we have control of the access, we will consider those areas for fee hunting. Lands which control access to public lands are not opened to fee hunting.

019 REP. ROBERTS: Your company is not making a profit from this?

022 YARBROUGH: Not from leasing. There are some leases being considered to hunting guides who would charge clients to take them into the area. -Our access fees do not prevent the public from having access to public land. . . These minutes contain materials which paraphrase and/or summarize mtments de during this session. Only text enclosed in quotation marks report a spealcer's exact wordc. For complete contonte of the proceedi gs, phase refer to the tapes. House Co littee on State asd Fedffal Affairs February 4, 1991- Page 8

035 REP. NOVICK: To whom are the tracks listed in the memo to International Paper Company employees (EXHIBIT C) leased? Why keep other people out?

042 YARBROUGH: They are usually leased to hunting clubs or other groups looking to enhance the quality of their hunt. -The combined acreage currently under lease in Oregon is about 8,600 acres. -The total revenue from these leases was about \$15,000.

073 REP. DVVYER: A tremendous amount of state resources have been spent to put elk in some of these areas.

078 YARBROUGH: Describes the herd enhancement or lack thereof in the various tracts.

108 REP. DWYER: Is it your company's intention to expand this program to include other areas?

110 YARBROUGH: Our intention would be to expand the process. Our ownership pattern does not allow us to expand it much because we are in a checkerboard ownership with the government. 114 REP. SOWA: Are you aware that Oregon has laws that say all outdoor clubs must be registered and licensed? Do you check out the hunting clubs that come to you? 120 YARBROUGH: I'm not personally aware of the checking that is done on those groups.

123 REP. SOWA: If you have a tree farm that is locked up in an area and one track of that is leased out, would this bill remove the tax benefits from only that tract or from the whole tree farm?

130 YARBROUGH: Our interpretation is it would remove the tax benefit from the specific tract.

139 REP. BELL: Who do you think owns the wildlife that crosses your property?

140 YARBROUGH: The public owns it.

146 REP. BELL: What is the reasoning for using that for profit for yourselves, versus closing areas down for safety, having limited hunts done by a draw to distribute the game fairly?

148 YARBROUGH: We have discussed those options with State Fish and Wildlife, but they do not and will not get involved in those types of

arrangements, and they are the only ones who could. We don't sell the right to shoot an animal, we sell the right to use our property.

155 REP. BELL: Would legislation directing the Fish and Wildlife Department to be involved be a better way to go than to do what is currently being done?

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159 YARBROUGH: The game management people of the State of Oregon still manage the hunting and establish all the regulations about hunting. We are involved in managing habitat in some sense, and we do lease access to our property.

196 REP. FORD: What do you do about managing habitat?

202 YARBROUGH: The only thing special is delay of tree harvesting, selective harvesting, and in some instances we put grains out.

238 REP. NOVICK: Would you have to have a wildlife biologist on your staff even if you were not engaged in the leasing?

243 YARBROUGH: The biologist works exclusively on this program.

253 REP. NOVICK: Are your expectations that from expanding this program, that you will not only be able to recover this person's salary, but derive some additional economic benefit?

257 YARBROUGH: Yes, we intend to expand this program.

262 REP. NOVICK: Will this bring in additional revenue beyond his salary?

267 YARBROUGH: In this state, if we can cover his salary for this and his other responsibilities, we will consider that a winning situation. Because of the percentage of public lands in Oregon, there is not much opportunity to sell leases on a large scale. .

TAPE 24, SIDE A

002 RON RENTZ, OREGON SMALL WOODLANDS ASSOCIATION: Describes his property and how leasing fishing rights has financed the planting of trees on what was brush land. -Ten of thousands of acres of private brush land that needs to be reforested. -People use private lands for recreation whether they pay or not. Discusses problems created by the public. -Almost all private forest land can also be used for recreational purposes. -Visitors cannot find rural recreation in Oregon. -Recreation can replace timber if we want it to, as Oregon's number one industry. -Wants tax incentive for the development of private recreational facilities.

088 CECIL SAXON: I speak in favor of this bill, but would expand it. I see the trend of our natural resources being raped and plundered by capitalistic methods. I own several hundred acres in Oregon on which private fishing occurs. I would like to see the bill expanded to the whole State of Oregon rather than just western Oregon. -When you sell

the public's game, you owe it back to the State of Oregon to change the classification of that property. -There is provision for a pond that you fill with your own fish. -Don't penalize the citizens of this state by using their resources to attract outof-state

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people and special interest groups.

149 REP. FORD: Mr. Rentz, are you being taxed as a tree farm or as recreational?

152 RENTZ: We are a tree farm and we will always be a tree farm just as if we didn't have the recreational uses.

159 REP. BELL: Mr. Rentz, do you see a problem in tying recreational and game hunting in together?

165 RENTZ: I definitely do.

183 JOHN GERVAIS, UNIQUE NORTHWEST COUNTRY INNS: Describes the logging, tree farming and lodging operations of the Flying M Ranch in Yamhill County. -Discusses the possible impact of HB 2483 on this type of resort.

216 REP. SOWA: There is no fee fishing or hunting in that operation?

218 GERVAIS: There is some of that.

225 REP. BELL: Do you think owners of this type of operation would be willing to give up the fee for hunting in order to maintain the emphasis on developing recreational areas and multiple use?

229 GERVAIS: I have not asked them that question. If it is the decision of this legislature to eliminate any kind of fee hunting, we would like to keep at least the camping and trail rides and that type of activity. 324 CHAIR MARKHAM: Notes the written testimony (EXHIBIT D) submitted by the State Forestry Department.

Submitted by:      Reviewed by: Carolyn Cobb              Randall Jones  
Assistant              Administrator

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EXHIBIT LOG:

A - Testimony on HB 2503 - Donald Arnold - 5 pages B - Testimony on HB 2503 - Wallace Carson - 2 pages C - Testimony on HB 2483 - Sam Dominy - 2 pages D - Testimony on HB 2483 - Alan Maul - 2 pages

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