

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 WATER POLICY

January 31, 1991Hearing Room D 1:30 p.m.Tape 12

MEMBERS PRESENT:Rep. Chuck Norris, Chair Rep. Bill Dwyer, Vice-Chair Rep. Bill Markham Rep. Walt Schroeder Rep. Larry Sowa

STAFF PRESENT: Beth Patrino, Committee Administrator Pat Zwick, Committee Assistant

MEASURE CONSIDERED:HB 2365 - Extends tax credit for fish habitat improvement program to projects on waters classified as Class I or II waters. - Pub. Hearing

WITNESSES:Jeff Curtis, ODF&W Jim Myron, Oregon Trout

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TAPE 12, SIDE A

004 CHAIR NORRIS: Calls the meeting to order at 1:32 p.m.

Asks unanimous consent to allow Rep. Dwyer to vote on HB 2188 which the committee passed out on a do pass recommendation on January 29.

There being no objection, Rep. Dwyer is allowed to vote.

VOTE: Rep. Dwyer votes Aye on HB 2188.

010 CHAIR NORRIS: The record will show that HB 2188 passed out of this committee, do pass with a 5-0 vote.

Opens public hearing on HB 2365.

Asks Beth to summarize HB 2365.

PUBLIC HEARING HB 2365

020 BETH PATRINO, COMMITTEE ADMINISTRATOR: Reviews provisions of HB

2365 which would amend ORS 496.260 to specify that only those fish habitat improvement projects conducted on Class I or Class II waters are eligible for certification for a tax credit; defines Class I or II waters.

The bill adds the phrase "Class I or II waters" to the existing law.

025 REP. DWYER: Asks requestor of HB 2365 to address the committee.

No one appears.

040 JEFF CURTIS, ODF&W: The committee administrator correctly summarized the bill.

We believe the bill will limit the availability of tax credits for fishery habitat improvement projects.

We don't think that was the intent of the legislation, but we see no advantage to the bill.

The bill also writes the current regulatory definitions of Class I and Class II waters into the law and the forest products industry and others are thinking about recommending changes in those definitions, so the definitions in this legislation could be different than those passed by the board.

Paraphrases written testimony (EXHIBIT A).

060 REP. DWYER: Suggests language that would address the problem Mr. Curtis stated if the bill has merit.

070 CURTIS: We have had very few applications for tax credit under current law.

We believe that providing incentives for people to carry out wildlife and fishery habitat improvement projects is a good idea.

Since we see no advantage to the proposed legislation, we are currently opposed to the bill.

110 REP. SCHROEDER: Would an impoundment at the head of a Class III or an intermittent Class IV be considered a way to improve habitat by releasing water through the necessary season? This bill would eliminate that.

117 CURTIS: The legislation currently says that it is a certification for a fish habitat improvement project. I assume a project that provides more water in the stream during a given period of time could be construed as a habitat improvement project and may or may not be on a Class I or II stream. Thinks Rep. Schroeder is correct.

120 REP. MARKHAM: The bill would limit current activity.

How many projects has the Department has been involved in recently and what has been the cost?

136 CURTIS: Our telephone survey revealed one land owner in Lane County and one or two landowners in the Dalles area used the tax credit.

143 REP. MARKHAM: Is the requirement of the Forest Practices Act to

leave conifers standing in the riparian area more important than worrying about this bill?

148 CURTIS: The riparian protection rules in the Forest Practices Act would seem to be more important than this, in terms of what they do for wildlife.

155 REP. MARKHAM: We don't give tax credit for the taking of conifer trees required under the Forest Practices Act thanks to the Board of Forestry action a couple of years ago.

170 JIM MYRON, OREGON TROUT: Reads written testimony concerning HB 2365 (EXHIBIT B) stating that Oregon Trout is not particularly opposed to state income tax credits for habitat improvement but prefers allowing natural recovery processes to occur.

Oregon Trout prefers natural recovery unless extreme circumstances exist.

Agrees that tax credits for taking of conifers is more important than HB 236 5.

220 CHAIR NORRIS: We will go back to the original bill that created the current statute on tax credit and research the history before deciding whether to further consider the bill.

ODF&W will give the committee a briefing next Tuesday and HB 2485 which is fishery related will be before the committee.

245 REP. MARKHAM: Doubts that the current tax credit could be repealed even though it is not widely used.

Would like to know if a rancher who just fences out would qualify for the tax credit.

270 CHAIR NORRIS: Adjourns meeting at 1:54 p.m.

Submitted by:      Reviewed by:

Pat Zwick,              Beth Patrino, Assistant Administrator

EXHIBIT LOG:

- A            -            Testimony on HB 2365 - Jeff Curtis, ODF&W - 2 pages
- B            -            Testimony on HB 2365 - Jim Myron, Oregon Trout - 2 pages