

Conference Committee on HB 2175 June 29, 1991 - Page

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.

CONFERENCE COMMITTEE ON HB 2175

June 29, 1991Hearing Room 343 9:00 a.m.Tapes 1 - 2

SENATE MEMBERS PRESENT: Sen. Springer Sen. L. Hill Sen. Kitshaber

HOUSE MEMBERS PRESENT: Rep. Parkinson, Chair Rep. Whitty Rep. Watt

STAFF PRESENT: Kathryn VanNatta, Committee Administrator Andy Sloop, Committee Assistant Jeannette Holman, Legislative Counsel

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TAPE 1, SIDE A

002 CHAIR PARKINSON: Calls the meeting to order at 9:15 a.m. and stands at ease pending arrival of Senators.

>The House Environment and Energy Committee removed the cord wood and auto emission sections in response to rural interests.

015 SEN. HILL: As chair of the Ways and Means subcommittee that worked on this, notes that all those who worked on HB 2175 during that stage of the process "really put their heart and souls into it."

>During hearings on this bill, became aware that majority of air pollution comes not from industrial sources but rather from various kinds of agricultural burning, auto emissions and wood stoves.

>If this Legislature is going to adopt a comprehensive approach that meets federal clean air standards, need to address all sources, not just industrial.

>Support retaining wood stove and auto emission fees.

>Not fair to make industry, which accounts for 6 percent of all pollution in Oregon, to pay a disproportionate share of costs for a clean air program.

>Because wood stove and auto emissions represent real public health threat, the state must address these pollution sources.

063 REP. WATT: HB 2175 is not about clean air; it's about fees to drive an agency.

070 REP. WHITTY: Speaks against the cord wood and auto emission fees.

>Rural legislators totally opposed to cord wood fee.

>The revenue from the cord wood fee might be less than the cost to collect it.

>The auto emission fee will generate more mail than almost anything else this session.

>Not convinced that auto fee will reduce emissions.

098 SEN. SPRINGER: Testifies in support of comprehensive program along lines of the original bill.

>HB 2175 as introduced represented a lot of work during interim.

>The original bill was pared down substantially from initial proposals.

>Cost for this kind of program ought to be born by those who pollute, not all taxpayers.

>The interim committee compromised by eliminating forest slash burning prohibitions that were part of the Forest Practices Act.

134 SEN. HILL: This is a real problem that needs a real solution, and that requires money at a time that the general fund is very tight. The alternative to HB 2175 is nothing.

>Going to have to deal with wood stoves, carbon dioxide and ozone.

>Should promote ethanol fuel use.

>Auto fee isn't excessive, and, if put to good use to improve transit, then it's going to help cut carbon dioxide and ozone.

>HB 2175 is a heavily negotiated, comprehensive solution, and dumping it because some voters would be mad isn't good enough when something has to be done.

176 CHAIR PARKINSON: Rural people question why they should pay a fee to fund urban mass transit. There are also questions about the ability of cities in non-attainment areas to curtail wood stove burning on non-attainment days.

189 STEVE GREENWOOD, DEQ: Local governments do have authority to restrict wood stove burning on non-attainment days. Wood stove fee would ensure adequate funding to enforce wood stove regulation.

202 SEN. HILL: Mr. Greenwood, could you summarize where the proposed auto emission fee goes.

205 GREENWOOD: With respect to the C-engrossed bill and the Senate

version of the bill, some auto fee revenue would go to the Department of Transportation. The EQC would establish criteria for use of that money.

ODOT then would develop a list of programs that meet that criteria, and then the EQC would review that list. There are four kinds of projects that can be funded as outlined in the bill.

240 CHAIR PARKINSON: Assume the constitutional problem of auto fees going only to the Highway Fund have been overcome by declaring this a pollution tax on vehicle operators.

242 GREENWOOD: There was significant discussion of that issue in Ways and Means, and there is still some question about whether this would meet a constitutional challenge. That is why there are provisions in the bill making that part of the bill severable, and the bill directs that a challenge be brought to the Oregon Supreme Court.

246 REP. WHITTY: Where is the cord wood fee going to be collected? Have been told it would be collected when an individual sought a permit to cut cord wood. Is that right?

250 GREENWOOD: Yes. This is a per-cord fee on large wood lot owner. Presume that many or all wood lot owners will pass the fee on to whomever is purchasing their wood.

258 REP. WHITTY: Would private and public wood lot owners be subject to the fee?

261 GREENWOOD: Yes. Most cord wood in Oregon comes from federal and state lands. The Bureau of Land Management and the U.S. Forest Service already have permit programs for individuals and businesses harvesting cord wood, and fee programs. So, if DEQ charges the fee proposed under HB 2175, it would be in addition to existing fees for which a collection mechanism already exists.

278 REP. WHITTY: Then, how did you arrive at the total revenue figure we've seen? Did you use permits to cut on federal and state lands and then estimate revenue from private lands?

290 GREENWOOD: Can't give definitive answer. Our figures are based on estimates from wood lot owners from wood given and cut.

299 REP. WHITTY: Can you site an instance where the federal government is collecting a fee and turning it over to the states? Has anybody asked the federal government if it will collect this fee and turn it over to the state?

312 GREENWOOD: There are other state fees assessed on the federal government. We have a written acknowledgement from the federal government that we can assess and collect this cord wood fee from them.

322 REP. WHITTY: How can the Oregon Attorney General say Oregon can impose a fee and have the federal government collect it for us?

327 GREENWOOD: This fee is on the wood lot owner, which may be the federal government. There is no requirement that the federal government pass the fee on to those who cut wood from federal lands.

337 CHAIR PARKINSON: Does the bill specify that the cord wood fee shall be assessed on wood lot operators? Believe the bill refers to federal, state or private land managers.

345 GREENWOOD: DEQ has used the terms wood lot operator and land manager interchangeably.

350 CHAIR PARKINSON: Describe the collection mechanism for private lands.

358 GREENWOOD: The land owner would pay the department \$3 per cord on wood cut from a parcel of land.

364 CHAIR PARKINSON: How would that be enforced?

366 GREENWOOD: There are already permit programs in place on public lands, so it would be up to land owners to determine how much wood is taken from their land?

374 CHAIR PARKINSON: What's a "large land owner"?

379 GREENWOOD: Don't see that in the bill.

387 SEN. HILL: There is no size requirement in the bill. In Section 9, the bill requires that the landowner has to be in the business of providing cord wood. Other cord wood suppliers would be subject to this from small lots to large lots.

404 CHAIR PARKINSON: Assume the department would have to work with the Forestry Department to identify wood lot owners subject to permits? Would that involve the Forestry Department providing DEQ with a list of permittees, and surveying permittees about sales activity?

408 GREENWOOD: Don't know specifically how DEQ would enforce this fee on private land managers. That would be determined by administrative rule by the EQC.

418 CHAIR PARKINSON: Such enforcement could involve DEQ employees doing on-site inspection.

TAPE 2 SIDE A

002 REP. WATT: Why would we exempt wood exportation?

005 GREENWOOD: That wood doesn't present an emission problem for this state.

012 REP. WHITTY: Don't understand Section 9 (3) on page 6. That sounds like land managers are going to collect fee money and then be exempt from turning it over to the government?

022 FRED HANSEN, DEQ: That language is connected to the next sentence in that subsection. The fee is on the land manager. The manager may choose to impose the fee on the actual remover of the wood. In short, the department may approve a land manager's alternative collection program, but the department would still receive fee revenue.

046 REP. WHITTY: State law already requires small wood lot owners to issue a slip to every person who cuts wood. Is that a permit?

054 HANSEN: That would constitute an administrative procedure subject to this provision.

059 GREENWOOD: Need to distinguish permits for cutting of timber from extraction of cord wood.

064 REP. WATT: How is the department going to regulate wood lot owners who choose not to participate in this program.

068 HANSEN: 70 percent of the land subject to this provision comes from public lands. Private owners would have to participate in good faith.

076 REP. WATT: On page 7, subsection E, it says that not more than 15 percent of moneys received shall be expended for the cost of the program. How did you arrive at that number? And are you confident that figure will be sufficient to drive this program?

079 HANSEN: That is a sufficient number, and if not, we run the program at 15 percent, and nothing more.

094 CHAIR PARKINSON: Recesses at call of the chair.

097 CHAIR PARKINSON: Reconvenes at 4:10 p.m.. The 2175-C41 amendments (EXHIBIT D) look good except for one date.

100 KATHRYN VANNATTA, COMMITTEE ADMINISTRATOR: That's the date when auto emission permits will go into effect. Intent is for that to start July 1, 1993.

114 SEN. HILL: That's an oversight that didn't get communicated to counsel. Other than that, these amendments look good.

120 CHAIR PARKINSON: That date could be changed through a conceptual amendment, couldn't it Ms. Holman?

124 JEANNETTE HOLMAN, LEGISLATIVE COUNSEL: Yes.

128 MOTION:CHAIR PARKINSON moves to adopt the dash C41 LC 1205 amendments dated 6/29/91 to HB 2175 C-engrossed (EXHIBIT D), and to amend page 11, line 32 of HB 2175 C-engrossed by replacing the date 1992 with 1993.

132 VOTE:Hearing no objections, CHAIR PARKINSON declares amendment adopted.

137 SEN. HILL: There's a technical amendment in the 2175-C38 amendment. (EXHIBIT C)

140 HOLMAN: Section 13c of the C-engrossed bill is intended to reduce the existing motor vehicle fuel tax people would normally have to pay for ethanol fuel blends.

148 MOTION:CHAIR PARKINSON moves to adopt the 2175-C38, LC 1205 amendments dated 6/28/91, to HB 2175C (EXHIBIT C).

152 VOTE:Hearing no objections, CHAIR PARKINSON declares amendment adopted.

156 MOTION:REP. WHITTY moves that the House concur in the Senate amendments dated 6/11/91 and 6/27/91 and that the bill be further amended as follows and repassed.

162 VOTE:In a roll call vote, the motion carries, with all members

voting AYE.

167 CHAIR PARKINSON: Adjourns.

Submitted by: Reviewed by:

Andy Sloop Kathryn VanNatta Committee Assistant Committee
Administrator

EXHIBIT LOG

A -Explanation of HB 2175-C37 Amendments - Committee Staff - 1 page
B -Dash C37 Amendments to HB 2175 - Rep. Parkinson - 2 pages
C -Dash C38 Amendments to HB 2175 - Legislative Counsel - 2 pages
D -Dash C41 Amendments to HB 2175 - Sen. L. Hill - 2 pages
E -Comparison Matrix for Conference Committee on HB 2175 - Committee
Staff - 4 pages F -Budget Report and Measure Summary of HB 2175 -
Legislative Fiscal Office - 3 pages G -HB 2175-C39 Hand-engrossed -
Committee Staff - 15 pages