

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.

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

May 27, 1991 Hearing Room C 8:00 a.m. Tape 217 - 218

MEMBERS PRESENT: Sen. Dick Springer, Chair Sen. Joyce Cohen, Vice-Chair Sen. John Brenneman Sen. Bob Kintigh Sen. Tricia Smith Sen. Eugene Timms

MEMBERS EXCUSED: Sen. Shirley Gold

VISITING MEMBERS: Sen. Scott Duff Rep. Chuck Norris

STAFF PRESENT: Chris Beck, Research Associate Jill Rader, Committee Clerk

MEASURES CONSIDERED: HB 2147-A (WRK) HB 2741-A (WRK) HB 2883-A (WRK) HB 2699 (PPW) HB 3344-A (PPW) HB 2142-A (PUB) HB 2146-A (PUB)

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TAPE 217 SIDE A

003 CHAIR SPRINGER CALLS THE MEETING TO ORDER AT 8:15 AM

PUBLIC HEARING AND WORK SESSION ON HB 2699

WITNESSES: Sen. Scott Duff Rep. Chuck Norris Jonathan Schlueter, Pacific NW Grain and Feed Assn. Rob Varuska, Oregon Feed, Seed, Grain Daren Coppock, Oregon Grains Commission John Powell, Oregon Seed Trade Assoc.

009 REP CHUCK NORRIS, District 57, Gives brief overview and history of HB 2699.

019 SEN. SCOTT DUFF, District 29, Introduces HB 2699-3 amendments EXHIBIT A dealing with grain brokers. The HB 2699-3 amendments were drafted at the request of the grain industry.

SEN. COHEN: What do the HB 2699-3 amendments do and why do you need the Bill?

036 JONATHAN SCHLUETER, EXECUTIVE VICE-PRESIDENT, PACIFIC NW GRAIN & FEED ASSN., Oregon is one of the few states that doesn't require licensing and surety bonding of commodity brokers doing business in the state. The amendment would require this.

055 SEN. COHEN: How many people does that effect? Why should we require licensing and bonding now?

SCHLUETER: It effects around 35 people. States why he wants this requirement.

CHAIR SPRINGER: Who will be doing the licensing? Assumes it is the Department of Agriculture.

061 DUFF: Licensing is needed in the event a grain dealer's business should fail. Sites an example. There is a tremendous impact on local farmers when a grain elevator fails. -Grain can get legally trapped. -This is just an assurance that the broker has financial responsibility

071 SEN. COHEN: What will this do to marginal grain elevators in Western Oregon?

078 SCHLUETER: The bill does not address elevators, those are already covered. This bill applies to brokers.

082 SEN. COHEN: Then how would the farmer's grain be tied up?

SCHLUETER: The broker's don't have physical possession of the grain, but they do have title to the grain. They can take the value of the commodity from the farmer leaving the farmer with no recourse if the broker should go bankrupt.

090 SEN. TIMMS: In other states they have the same requirements. Does that encourage people to take their business outside of Oregon?

094 SCHLUETER: No. Isn't aware of a large amount of people doing this.

099 CHAIR SPRINGER: On page 2, lines 29-30 of HB 2699-3 EXHIBIT A, will that pose a difficulty for people in business concerned with these types of disclosures.

111 SCHLUETER: Yes, because of the term 'accredited audit'. It has been determined though, that an 'accredited audit' can be done by any third party not under the employ of the bonded warehouseman or broker.

120 CHAIR SPRINGER: Would this be a public record?

SCHLUETER: Yes, as provided in Sub-Sections 4 and 5 on page 3 of HB 2699-3 EXHIBIT A.

124 SEN. SMITH: How does a person just getting into the business comply with this bill's requirements?

130 SCHLUETER: They would be required to obtain the minimum bond of \$15,000, page 5, subsection 6 of HB 2699-3.

135 SEN. SMITH: Do tariff requirements apply to the broker as well as the warehouse operator, Subsection 3 of Section 3 of HB 2699-3?

143 SCHLUETER: The tariff schedule applies to the storage rates the warehouse operator charges. The broker doesn't have these rates.

SEN. SMITH: Isn't sure the language of the HB 2699-3 amendment says that.

149 CHAIR SPRINGER: Could you explain lines 28-30 on page 6 of HB 2699-3 EXHIBIT A?

153 SCHLUETER: Gives brief overview of current grain industry practices relating to an Oregon law which could allow a competitor to shut down another operator. Lines 28-30 on page 6 of HB 2699-3 addresses this problem.

172 ROB VARUSKA, President, Oregon Feed, Seed, Grain and Suppliers Assoc., There is no opposition in our industry.

177 DAREN COPPOCK, Oregon Grains Commission, Submits and reads testimony in favor of HB 2699-3 EXHIBIT B. The Oregon Grains Commission approves of the HB 2699-3 amendments.

215 CHAIR SPRINGER: What is your annual budget?

218 COPPOCK: We're proposing a budget of \$227,000 in the coming year. -Fund research projects in state and out of state. -Involved in the US Feed Grains Council. -Fund newsletters and public education programs.

230 JOHN POWELL, Oregon Seed Trade Association, The HB 2699-3 amendments have been sent to the Legislative Chairman of the Oregon Seed Trade Association. As of now there has been no response. The response will be relayed to the Committee as soon as possible.

CHAIR SPRINGER: It looks like HB 2699 will have to go to Ways and Means if the -3 amendments are adopted. We'll hold this bill until we hear from the Department of Agriculture, Senator Bradbury and John Powell.

PUBLIC HEARING ON HB 2142-A & HB 2146-A

WITNESSES: Dan Schults, Department of Forestry  
Charlie Stone, Department of Forestry

271 DAN SCHULTS, Fire Prevention Director, Department of Forestry, Submits and reads testimony EXHIBIT C in support of HB 2142-A.

342 CHAIR SPRINGER: This applies to public as well as private operations?

347 SCHULTS: This applies to private land within a forest protection district.

CHAIR SPRINGER: Are these routine road maintenance vehicles required to carry fire suppression equipment?

SCHULTS: Yes, depending on the size of the operation, the amount varies.

362 CHAIR SPRINGER: Do the routine road maintenance workers have field radios to communicate?

SCHULTS: Yes, most do.

378 CHARLIE STONE, Forest Practice Director, Department of Forestry, Submits testimony EXHIBIT D and gives overview in favor of HB 2146-A. The bill's intent is to make minor revisions to the Forest Practices Act.

TAPE 218 SIDE A

039 CHAIR SPRINGER: Why are some of the statutory references deleted in the civil penalty section?

041 STONE: Those references weren't relevant to the civil penalties section. It is an attempt to clean up the references.

048 CHAIR SPRINGER: Staff will double check these deletions with Legislative Counsel (LC). The language in section 7 of HB 2146-A, seems contrary to SB 1125 which we passed out last week.

056 STONE: That language has been there all along, the change is to the statutory reference. SB 1125 will clarify this situation.

063 CHAIR SPRINGER: We'll have to check with LC to see if we need a conforming amendment that makes a cross reference to SB 1125. We will also double check on the notification language as it relates to both HB 2146-A and SB 1125.

069 STONE: We didn't want to bring up these issues during the SB 1125 hearings because we didn't feel they conflicted in any way.

075 SEN. COHEN: Requests a list of the things you are proposing to delete in the Civil Penalties Section.

WORK SESSION ON HB 2147-A

097 CHRIS BECK, Committee Research Associate, Discusses the HB 2147-A3 amendments EXHIBIT E.

112 CHAIR SPRINGER: The House deleted a fee language. This is a compromise. It isn't a fee but it permits the Department to be reimbursed.

118 BECK: There are some technical changes that need to be made in HB 2147-A -On line 42, page 3. -On line 40, page 3.

137 MOTION:Sen. Cohen moves the HB 2147-A3 amendments as further amended.

VOTE:Hearing no objection the amendments are adopted.

MOTION:Sen. Cohen Moves HB 2147-A as amended to the floor, do pass.

VOTE:In a roll call vote, the motion is adopted with 6 ayes; Sen. Gold is excused.

WORK SESSION ON HB 2741-A

WITNESSES: Charlie Stone, Department of Forestry Allen Willis, Boise Cascade

164 CHAIR SPRINGER: Is there anything in HB 2741-A that requires a conforming amendment in relation to SB 1125?

168 STONE: No, HB 2741-A addresses how hardwoods are managed.

177 ALLEN WILLIS, Boise Cascade, We agree.

MOTION:Sen. Brenneman moves HB 2741-A to the floor, do pass.

VOTE:In a roll call vote the motion is adopted with 6 ayes; Sen. Gold is excused.

WORK SESSION ON HB 2883-A

MOTION:Sen Brenneman moves HB 2883-A to revenue, do pass.

VOTE:In a roll call vote the motion is adopted with 6 ayes; Sen Gold is excused.

PUBLIC HEARING AND WORK SESSION ON HB 3344

224 SEN. COHEN: Suggests carrying the bill over to put in elements of SB 765 and SB 766.

CHAIR SPRINGER ADJOURNS THE MEETING AT 9:30 A.M.

EXHIBIT LOG:

A - Amendments to HB 2699 - Duff - 7 pages B- Testimony on  
HB 2699 - Daren Coppock - 2 pages C - Testimony on HB 2142 - Dan  
Schults - 4 pages D - Testimony on HB 2146 - Charlie Stone - 2 pages  
E - Amendments to HB 2147-A - Staff - 1 page

Submitted by: Reviewed by:

Jill Rader Peter Green Clerk Administrator