

# EXHIBIT 2

## Table 45 - Forest Survey Site Class

This value will be assigned by strata label, and will be the results of the Forest Inventory.

Size = 1; Type = numeric

Code	Potential Yield, Mean Annual Increment
1	225 or more cubic feet per acre
2	165 to 225 cubic feet per acre
3	120 to 165 cubic feet per acre
4	85 to 120 cubic feet per acre
5	50 to 85 cubic feet per acre
6	20 to 50 cubic feet per acre
7	Less than 20 cubic feet per acre

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**USDA Forest Service**

*Corresponds to OAR 629.610.0020*

# EXHIBIT 3

## Table E1. - Forest Productivity - Continued

Lane County Area, Oregon

Map Symbol and Soil Name	Potential Productivity			Trees to Manage
	Common Trees	Site Index	Volume of Wood Fiber Cu Ft/Acre	
37C: Cupola	Douglas Fir	100	136	Douglas Fir Incense Cedar Western Hemlock
37E: Cupola	Douglas Fir	100	136	Douglas Fir Incense Cedar Western Hemlock
38: Dayton	—	—	—	—
39E: Digger	Bigleaf Maple Douglas Fir Red Alder Western Hemlock	— 102 — —	— 140 — —	Douglas Fir
39F: Digger	Bigleaf Maple Douglas Fir Red Alder Western Hemlock	— 102 — —	— 140 — —	Douglas Fir
40H: Digger	Bigleaf Maple Douglas Fir Red Alder Western Hemlock	— 102 — —	— 140 — —	Douglas Fir
Rock Outcrop	—	—	—	—
41C: Dixonville	Douglas Fir Grand Fir Oregon White Oak Pacific Madrone	109 — — —	152 — — —	Douglas Fir Ponderosa Pine
41E: Dixonville	Douglas Fir Grand Fir Oregon White Oak Pacific Madrone	109 — — —	152 — — —	Douglas Fir Ponderosa Pine
41F:				

**Table E1. - Forest Productivity - Continued**

Lane County Area, Oregon

Map Symbol and Soil Name	Potential Productivity			Trees to Manage
	Common Trees	Site Index	Volume of Wood Fiber Cu Ft/Acre	
<b>41F:</b>				
Dixonville	Douglas Fir	109	152	Douglas Fir
	Grand Fir	--	--	Ponderosa Pine
	Oregon White Oak	--	--	
	Pacific Madrone	--	--	
<b>42E:</b>				
Dixonville	Douglas Fir	109	152	Douglas Fir
	Grand Fir	--	--	Ponderosa Pine
	Oregon White Oak	--	--	
	Pacific Madrone	--	--	
Hazelair	--	--	--	--
Urban Land	--	--	--	--
<b>43C:</b>				
Dixonville	Douglas Fir	109	152	Douglas Fir
	Grand Fir	--	--	Ponderosa Pine
	Oregon White Oak	--	--	
	Pacific Madrone	--	--	
Philomath	--	--	--	--
Hazelair	--	--	--	--
<b>43E:</b>				
Dixonville	Douglas Fir	109	152	Douglas Fir
	Grand Fir	--	--	Ponderosa Pine
	Oregon White Oak	--	--	
	Pacific Madrone	--	--	
Philomath	--	--	--	--
Hazelair	--	--	--	--
<b>44:</b>				
Dune Land	--	--	--	--
<b>45C:</b>				
Dupee	--	--	--	--
<b>46:</b>				
Eilertsen	Bigleaf Maple	--	--	Douglas Fir
	Douglas Fir	133	199	Western Hemlock
	Grand Fir	--	--	
	Red Alder	--	--	
	Western Hemlock	--	--	
	Western Redcedar	--	--	

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# EXHIBIT 4

## SOIL INTERPRETATIONS RECORD

43E DIXONVILLE-PHILOMATH-HAZELAIR COMPLEX, 12 TO 35 PERCENT SLOPES  
DIXONVILLE PART

THE DIXONVILLE SERIES CONSISTS OF WELL DRAINED SOILS FORMED IN FINE TEXTURED COLLUVIAL AND RESIDUAL MATERIALS FROM BASAL IGNEOUS ROCK IN THE FOOTHILLS. TYPICALLY, THE SURFACE LAYER IS VERY DARK BROWN SILTY CLAY LOAM ABOUT 14 INCHES THICK. THE SUBSOIL IS DARK BROWN SILTY CLAY AND COBBLY CLAY ABOUT 12 INCHES THICK. THE SUBSTRATUM IS WEATHERED BASIC ROCK. ELEVATIONS ARE 300 TO 1800 FEET. MEAN ANNUAL PRECIP IS 40 TO 60 INCHES. MEAN ANNUAL AIR TEMP IS 52 TO 54 DEGREES. FROST FREE PERIOD IS 165 TO 210 DAYS.

### ESTIMATED SOIL PROPERTIES

DEPTH (IN.)	USDA TEXTURE	UNIFIED	AASHTO	FRACT: PERCENT OF MATERIAL LESS THAN 3" PASSING SIEVE NO.				LIQUID LIMIT	PLAS TICI	
				(PCT)	4	10	40	200	INDE	
0-14	SICL	CL	A-6	0-10	190-100	90-100	85-100	75-95	35-40	15-2
14-26	C, CB-C, SIC	CH	A-7	0-30	175-100	70-100	65-100	50-95	50-90	30-5
26	MB									

DEPTH (IN.)	CLAY (PCT)	MOIST DENSITY (G/CM3)	BULK DENSITY (G/CM3)	PERMEABILITY (IN/HR)	AVAILABLE WATER CAPACITY (IN/IN)	SOIL REACTION (PH)	SALINITY (MMHOS/CM)	SHRINK-SWELL (MODERATE)	EROSION FACTORS (K, T, GROUP)	WIND EROSION (PCT)	ORGANIC MATTER (PCT)	CORROSION (STEEL, CONCRETE)	
0-14	27-40	1.30-1.50	1.30-1.50	0.6-2.0	0.18-0.21	5.6-6.5	-	POTENTIAL MODERATE	.32	3	-	3-6	MODERATE
14-26	40-60	1.30-1.60	1.30-1.60	0.06-0.2	0.12-0.17	5.6-6.5	-	HIGH	.24				

FLOODING		HIGH WATER TABLE		CEMENTED PAVEMENT	BEDROCK	SUBSIDENCE	HYDROLYTIC				
FREQUENCY	DURATION (MONTHS)	DEPTH (FT)	KIND	MONTHS	DEPTH (IN)	HARDNESS (IN)	INITIAL (IN)	TOTAL (IN)	GRP	FROST ACTION	
NONE		>6.0							120-40	SOFT	

### SANITARY FACILITIES

### CONSTRUCTION MATERIAL

SEPTIC TANK ABSORPTION FIELDS	SEVERE-DEPTH TO ROCK, PERCS SLOWLY, SLOPE	ROADFILL	POOR-DEPTH TO ROCK, LOW STRENGTH
SEWAGE LAGOON AREAS	SEVERE-DEPTH TO ROCK, SLOPE	SAND	IMPROBABLE-EXCESS FINES
SANITARY LANDFILL (TRENCH)	SEVERE-DEPTH TO ROCK, SLOPE, TOO CLAYEY	GRAVEL	IMPROBABLE-EXCESS FINES
SANITARY LANDFILL (AREA)	SEVERE-DEPTH TO ROCK, SLOPE	TOPSOIL	POOR-LARGE STONES, SLOPE
DAILY COVER FOR LANDFILL	POOR-DEPTH TO ROCK, TOO CLAYEY, HARD TO PACK		

### BUILDING SITE DEVELOPMENT

### WATER MANAGEMENT

SHALLOW EXCAVATIONS	SEVERE-SLOPE	EMBANKMENTS, DIKES AND LEVEES	SEVERE-HARD TO PACK
DWELLINGS WITHOUT BASEMENTS	SEVERE-SHRINK-SWELL, SLOPE	EXCAVATED PONDS, AQUIFER FED	SEVERE-NO WATER
DWELLINGS WITH BASEMENTS	SEVERE-SLOPE, SHRINK-SWELL	DRAINAGE	DEEP TO WATER
SMALL COMMERCIAL BUILDINGS	SEVERE-SHRINK-SWELL, SLOPE	IRRIGATION	LARGE STONES, PERCS SLOWLY, DEPTH TO ROCK
LOCAL ROADS AND STREETS	SEVERE-LOW STRENGTH, SLOPE, SHRINK-SWELL	TERRACES AND DIVERSIONS	SLOPE, LARGE STONES, DEPTH TO ROCK
LAUNDS, LANDSCAPING AND GOLF FAIRWAYS	SEVERE-SLOPE	GRASSED WATERWAYS	LARGE STONES, SLOPE, DEPTH TO ROCK

RECREATIONAL DEVELOPMENT

CAMP AREAS	SEVERE-SLOPE	PLAYGROUNDS	SEVERE-SLOPE
PICNIC AREAS	SEVERE-SLOPE	PATHS AND TRAILS	MODERATE-SLOPE

CAPABILITY AND YIELDS PER ACRE OF CROPS AND PASTURE (HIGH LEVEL MANAGEMENT)

CAPABILITY		FILBERTS (TONS)		PASTURE (AUM)		BARLEY (BU)		WHEAT WINTER (BU)		CORN, SWEET (TONS)	
IRR	IRR.	IRR	IRR.	IRR	IRR.	IRR	IRR.	IRR	IRR.	IRR	IRR.
4E		0.5		6		30		40			

WOODLAND SUITABILITY

MANAGEMENT PROBLEMS						POTENTIAL PRODUCTIVITY				
SYN- HAZARD	EROS- HAZARD	EQUIP- LIMIT	SEED- MORTY	WINDTH- HAZARD	PLANT CORPET	COMMON TREES		SITE- INDX	PROD- CLAS	TREES TO PLANT
9C	SLIGHT	MODER.	MODER.	SLIGHT	SEVERE					
						DOUGLAS-FIR PACIFIC MADRONE OREGON WHITE OAK GRAND FIR		120	8	DOUGLAS-FIR PONDEROSA PINE

WINDBREAKS

SPECIES	IHT	SPECIES	IHT	SPECIES	IHT	SPECIES	IHT
NONE							

WILDLIFE HABITAT SUITABILITY

POTENTIAL FOR HABITAT ELEMENTS						POTENTIAL AS HABITAT FOR:					
GRAIN & SEED	GRASS & LEGUME	MILD HERB.	HARDWD TREES	CONIFER PLANTS	SHRUBS	WETLAND PLANTS	SHALLOW WATER	OPENLD WILDLF	WOODLD WILDLF	WETLAND WILDLF	RANGELD WILDLF
POOR	FAIR	FAIR	GOOD	GOOD	GOOD	V. POOR	V. POOR	FAIR	GOOD	V. POOR	-

POTENTIAL NATIVE PLANT COMMUNITY (RANGELAND OR FOREST UNDERSTORY VEGETATION)

COMMON PLANT NAME	PLANT	PERCENTAGE COMPOSITION (DRY WEIGHT)									
	SYMBOL (NLSFN)										

POTENTIAL PRODUCTION (LBS./AC. DRY WT):  
FAVORABLE YEARS  
NORMAL YEARS  
UNFAVORABLE YEARS

FOOTNOTES

\* SITE INDEX IS A SUMMARY OF 5 OR MORE MEASUREMENTS ON THIS SOIL.

SOIL INTERPRETATIONS RECORD

43E DIXONVILLE-PHILOMATH-HAZELAIR COMPLEX, 12 TO 35 PERCENT SLOPES  
PHILOMATH PART

THE PHILOMATH SERIES CONSISTS OF SHALLOW, WELL DRAINED SOILS FORMED IN FINE TEXTURED COLLUVIAL AND RESIDUAL MATERIALS FROM BASALT. THEY OCCUR IN THE FOOTHILLS. TYPICALLY THE SURFACE LAYER IS VERY DARK BROWN COBBLY SILTY CLAY ABOUT 6 INCH THICK. THE SUBSOIL IS VERY DARK BROWN COBBLY SILTY CLAY ABOUT 8 INCHES THICK. WEATHERED BASALT BEDROCK IS AT A DEPTH OF 14 INCHES. ELEVATION IS 300 TO 1800 FEET. MEAN ANNUAL PRECIP IS 40 TO 60 INCHES. MEAN ANNUAL AIR TEMP IS 52 TO 54 DEGREES. FROST FREE PERIOD IS 165 TO 210 DAYS.

ESTIMATED SOIL PROPERTIES

DEPTH (IN.)	USDA TEXTURE	UNIFIED	AASHTO	PERCENT OF MATERIAL LESS THAN 3" PASSING SIEVE NO.				LIQUID LIMIT	PLASTICITY INDEX	
				FRACT >3 IN (PCT)	4	10	40			200
0-6	CB-S1C	CH	A-7	15-30	85-100	75-90	70-85	40-80	50-60	35-45
6-14	1C, CB-S1C, CB-C	CH	A-7	0-30	90-100	70-95	60-90	60-85	60-80	40-50

DEPTH (IN.)	(PCT)	MOIST DENSITY (G/CM3)	BULK DENSITY (G/CM3)	PERMEABILITY (IN/HR)	AVAILABLE WATER CAPACITY (IN/IN)	SOIL REACTION (PH)	SALINITY (MMHOS/CM)	SHRINKAGE POTENTIAL (HIGH)	EROSION FACTORS (K, T, GROUP)	MINOR EROSION (PCT)	CORROSION		
											STEEL MODERATE	CONCRETE MODERATE	
0-6	40-55	1.30-1.40	0.6-2.0	0.14-0.17	5.6-6.5	-	-	POTENTIAL HIGH	0.28	-	2-4	MODERATE	MODERATE
6-14	40-60	1.30-1.40	0.06-0.2	0.14-0.16	5.6-7.3	-	-	HIGH	.24	-	-	-	-

FLOODING HIGH WATER TABLE CEMENTED PAN BEDROCK SUBSIDENCE HYDROLYTIC

FREQUENCY	DURATION	MONTHS	DEPTH (FT)	KIND	MONTHS	DEPTH (IN)	HARDNESS (IN)	DEPTH (IN)	HARDNESS (IN)	INITIAL (IN)	TOTAL (IN)	GRP	FROST ACTION
NONE			>6.0			-	-	12-20	SOFT	-	-	D	-

SANITARY FACILITIES

CONSTRUCTION MATERIAL

SEPTIC TANK ABSORPTION FIELDS	SEVERE-DEPTH TO ROCK, SLOPE	ROADFILL	POOR-DEPTH TO ROCK, LOW STRENGTH
SEWAGE LAGOON AREAS	SEVERE-DEPTH TO ROCK, SLOPE	SAND	IMPROBABLE-EXCESS FINES
SANITARY LANDFILL (TRENCH)	SEVERE-DEPTH TO ROCK, SLOPE, TOO CLAYEY	GRAVEL	IMPROBABLE-EXCESS FINES
SANITARY LANDFILL (AREA)	SEVERE-DEPTH TO ROCK, SLOPE	TOPSOIL	POOR-DEPTH TO ROCK, TOO CLAYEY, LARGE STONES
DAILY COVER FOR LANDFILL	POOR-DEPTH TO ROCK, TOO CLAYEY, HARD TO PACK	WATER MANAGEMENT	SEVERE-DEPTH TO ROCK, SLOPE
	BUILDING SITE DEVELOPMENT	POND RESERVOIR AREA	
SHALLOW EXCAVATIONS	SEVERE-DEPTH TO ROCK, SLOPE	EMBANKMENTS DIKES AND LEVEES	SEVERE-HARD TO PACK
DWELLINGS WITHOUT BASEMENTS	SEVERE-SHRINK-SWELL, SLOPE	EXCAVATED PONDS AQUIFER FED	SEVERE-NO WATER
DWELLINGS WITH BASEMENTS	SEVERE-DEPTH TO ROCK, SLOPE, SHRINK-SWELL	DRAINAGE	DEEP TO WATER
SMALL COMMERCIAL BUILDINGS	SEVERE-SHRINK-SWELL, SLOPE	IRRIGATION	LARGE STONES, SLOW INTAKE, PERCS SLOWLY
LOCAL ROADS AND STREETS	SEVERE-LOW STRENGTH, SLOPE, SHRINK-SWELL	TERRACES AND DIVERSIONS	SLOPE, LARGE STONES, DEPTH TO ROCK
LAWNS LANDSCAPING AND GOLF FAIRWAYS	SEVERE-SLOPE, DEPTH TO ROCK, TOO CLAYEY	GRASSED WATERWAYS	LARGE STONES, SLOPE, DEPTH TO ROCK

RECREATIONAL DEVELOPMENT

CAMP AREAS	SEVERE-SLOPE, WETNESS	PLAYGROUNDS	SEVERE-SLOPE, WETNESS
PICNIC AREAS	SEVERE-SLOPE	PATHS AND TRAILS	MODERATE-WETNESS, SLOPE

CAPABILITY AND YIELDS PER ACRE OF CROPS AND PASTURE (HIGH LEVEL MANAGEMENT)

CAPA-BILITY	WHEAT WINTER (BU)		BARLEY (BU)		BLACK-BERRIES (TONS)		GRASS HAY (TONS)		PASTURE (AUM)	
	NI	IR	NI	IR	NI	IR	NI	IR	NI	IR
6E									6	

WOODLAND SUITABILITY

ORD	MANAGEMENT PROBLEMS				POTENTIAL PRODUCTIVITY			TREES TO PLANT				
	SYN	EROS	NI	EQUIP	SEEDL	IND	PLANT		COMMON TREES	SITE	PROD	IND
								NONE				

WINDBREAKS

SPECIES		(HT)	SPECIES		(HT)	SPECIES		(HT)	SPECIES		(HT)
NONE											

WILDLIFE HABITAT SUITABILITY

POTENTIAL FOR HABITAT ELEMENTS

GRAIN & SEED	GRASS & LEGUME	WILD HERB	HARDWOOD TREES	CONIFER PLANTS	SHRUBS	POTENTIAL AS HABITAT FOR:					
						WETLAND PLANTS	SHALLOW WATER	OPENLD WILDLF	WOODLD WILDLF	WETLAND WILDLF	RANGELD WILDLF
POOR	FAIR	GOOD	GOOD	FAIR	GOOD	V. POOR	IV. POOR	FAIR	GOOD	V. POOR	

POTENTIAL NATIVE PLANT COMMUNITY (RANGELAND OR FOREST UNDERSTORY VEGETATION)

COMMON PLANT NAME	PLANT SYMBOL (NLSPN)	PERCENTAGE COMPOSITION (DRY WEIGHT)			
COMMON SNOWBERRY					
RUSH					
OTHER ANNUAL GRASSES	SYAL				
OTHER ANNUAL FORBS	JUNCU				
ROSE	AAGB				
	AAPP				
	ROSA+				

POTENTIAL PRODUCTION (LBS./AC. DRY WT):  
 FAVORABLE YEARS  
 NORMAL YEARS  
 UNFAVORABLE YEARS

FOOTNOTES

4-4

# EXHIBIT 5

## Senate Committee on Energy and Environment

### Tape 152 Side A

Senator Day: Thank you. Let me ask you another question. Pardon me, Mr. Chairman, but on the \$20,000 figure, how are we going to arrive at that? How are we going to look there? Income tax statement? What are we going to do to determine my qualification? How are you going to look at it?

Ron Eber: I think the way it can be done, Senator, is at the present time when you qualify for tax deferral, there are similar income requirements in the same way an assessor determines. There's language in the tax statutes about looking at either tax returns or other kinds of receipts that someone would normally use to prove that.

Senator Day: That's the way you're going to approach it?

Eber: I don't see why not.

Senator Day: Okay. Thank you.



# Exhibit 5

## Tape 260 Side A - Senate Bill 237B

BETH SAMSON: . . . of which is on page 1 of this Bill that I enclosed. Deleting line 7 thru 18 which is the definition of agricultural lands. It's not necessary to the rest of the Bill. Essentially, the definition that is here is the definition that already exists for agricultural land so it wouldn't be changing anything anyway. It would just be . . . an unprecedented I believe means putting the goal into the statutes.

DARLENE HOOLEY, CHAIR: Representative Throop.

REPRESENTATIVE THROOP: When I was initially reading this Bill I had the same question. I had some question as to why that was even included at all. Given Beth's explanation, I will move the deletion of line 7 thru 18 on page 1.

CHAIR HOOLEY: Representative Throop moves that we delete lines 7 thru 18, any discussion. Representative Priestley.

REPRESENTATIVE PRIESTLEY: I'm embarrassed to admit but I guess it's best to confess now that the last couple sessions in the printing and so forth, I can't tell new from old language very well the way these Bills are printed and I don't know, my question is, is this deletion of existing language or the deletion from the Bill.

BETH SAMSON: It's simply a deletion from the Bill because this is the existing language for the most part in the goal. However, it is not existing language in statutory law.

REPRESENTATIVE PRIESTLEY: So by deleting it from the Bill, we're not taking it out of the statutes we're just. . . .

BETH SAMSON: Correct.

CHAIR HOOLEY: We're not putting it into the statutes because the goals aren't in the statutes, the language in the goals.

REPRESENTATIVE THROOP: Well, is this existing language which is taken out of the Bill, therefore the language remains? That's what I understood now, right?

CHAIR HOOLEY: Right now, this language is in the Bill. What this language does is take the language that are in the goals that is not statutory language and making it statutory language. So this would be new language in the statutes. By deleting it from this Bill we're not taking anything away from the statutes. Any further questions or discussion? Clerk would you call the roll.

CLERK: Representative Parkinson - aye, Representative Priestley - aye, Representative Trahern - , Representative Throop - aye, Representative Anderson - , Representative Bradbury - , Representative Hill - , Chair Hooley - aye.

CHAIR HOOLEY: Motion passes.

MS. SAMSON: Secondly, on line 19 there was a suggestion that the word agricultural be deleted. I think the reason for that was they didn't want to give the miss impression that only agricultural land was covered whereas essentially this covers mixed agricultural and forest. I don't believe this really changes the affect of the Bill at all and it's more a matter of perception than anything else.

CHAIR HOOLEY: Representative Throop.

REPRESENTATIVE THROOP: So with the deletion of the term agriculture, the Bill would impact agricultural lands and mixed Ag and forest lands?

MS. SAMSON: Yes, it would impact exactly the same land as it's impacting now, it's just that it would not look as if there were a limitation where in fact there is none.

CHAIR HOOLEY: Representative Throop.

REPRESENTATIVE THROOP: Move the deletion of the term agricultural, line 19.

CHAIR HOOLEY: Representative Throop moves that we delete the word agricultural, line 19. Any questions or discussion? Clerk, would you call the roll.

CLERK: Representative Priestley - aye, Representative Trahern - , Representative Throop - aye, Representative VanLeeuwen - , Representative Anderson - , Representative Bradbury - , Representative Hill - aye, Representative Parkinson - aye, Chair Hooley - aye.

CHAIR HOOLEY: Motion passes.

MS. SAMSON: I should mention that if I ever explain something inadequately from the people who were at the committee yesterday, or if I state something in error I hope somebody will pipe up because I'm not trying to misrepresent anything that occurred.

CHAIR HOOLEY: I think what Beth is trying to say is sometimes it was difficult to know exactly what was being said yesterday.

MS. SAMSON: I believe also that there was discussion of deleting line 1 of page 2 which says, no exception which has been acknowledged can be designated as marginal land. I think the point there was, if it's already got an exception nobody is going to want it as marginal land anyway. In effect, it's beyond the pail. So, that was deemed, I believe, unnecessary language which I don't see anybody shaking their head so I think I must be right there.

CHAIR HOOLEY: Representative Throop.

REPRESENTATIVE THROOP: Move the deletion of line 1, page 2.

CHAIR HOOLEY: Representative Throop moves the deletion of line 1, page 2.  
Any discussion? Clerk, would you call the roll.

CLERK: Representative Trahern - , Representative Throop - aye,  
Representative VanLeeuwen - , Representative Anderson - aye, Representative  
Bradbury - , Representative Hill - aye, Representative Parkinson - aye,  
Representative Priestley - aye, Chair Hooley - aye.

CHAIR HOOLEY: Motion passes.

MS. SAMSON: Now we get to the hard part, the income test. There is still a  
considerable amount of dispute here. I do believe there is one area which I think  
everyone wanted added to the Bill and that is, if in fact there is going to be an income  
test that some objective criteria be added. For one thing, with regard to the \$20,000  
that is here, the OSU information Extension Service information could be used in order  
to arrive at that income. Am I correct there.

CHAIR HOOLEY: Representative Throop.

REPRESENTATIVE THROOP: Wasn't that the Washington County suggestion?

CHAIR HOOLEY: Yes.

REPRESENTATIVE THROOP: I looked at that and I thought that was a pretty  
reasonable suggestion.

CHAIR HOOLEY: You might take a look at . . . Representative Parkinson.

REPRESENTATIVE PARKINSON: I can't exactly put my finger on it. I've read  
all the information but I'm not very comfortable with the income test. I really am not. It  
would almost have to have an inflation escalator. I guess it could handle it for two  
years, but I'm just not very comfortable with the income test. We have so much  
testimony about the difficulty of administering it and everything.

CHAIR HOOLEY: Representative Throop.

REPRESENTATIVE THROOP: If we do establish an income test and do not put an escalator on it, I would think that it would over time make the test easier. And if we were in fact to establish an income test and put an escalator on it, it would either make it more difficult or at least maintain that same relationship to where we are today given inflation. I would think that it would be appropriate to establish an income test but not to put an escalator on it and give future legislative assemblies the ability to review it rather than trying to build in an escalator that might take care of that situation over time. I think we've got to have something . . . got to have some kind of a test there. The income test is the only one that I could come up with but I think that gives us maximum flexibility if we do take a dollar figure and, like you were saying, come up with some very objection criteria such as the Washington County proposed.

CHAIR HOOLEY: Representative Parkinson, someone may, from the counties particularly, may want to correct me but it seemed to me that when we were talking about the income test . . . or at least the discussion I heard and I did miss a couple of these discussions which I'm very sorry about. But it wasn't so much that there was the number or the figure but how do you get that. I mean, how do you get the information? The testimony I always heard was, well, you're impinging on someone's rights when you go out say, how much did you make on your farm and all of this. Whereas, Beth might be able to tell us what the discussions were with someone from the counties, but if that is accurate and you're talking about that income not changing off in the future because it says, an averaging of gross income in three of the five years preceding the effective date of this Act 1983. So, it's for. Once you found that income, it would be just for that period of time. And instead of asking people if you could use the Oregon

State University Extension Service materials that I understand is fairly accurate.

Representative Anderson and then Beth wants to. . . .

REPRESENTATIVE ANDERSON: I'm not entirely comfortable with an income test but certainly if we do have one then this is the way to go using an extension service. I'd go along that line.

CHAIR HOOLEY: Beth, you wanted to clarify something?

MS. SAMSON: Actually, I would like to ask a question of Dick, if possible, with regard to this test. I'm not sure I understand the meaning of it and if it's to be drafted I need to know the purpose of it. Dick, you have here, gross income in three of the five years preceding the affective date of this Act. In later years, presuming five years down the road, are we going to look back to 1983 and three to five years prior to that? Or do you mean . . . are you more interested in the three of the five years preceding the proposal for marginal land as. . . ? I don't know why you used the affective date of the Act.

RICHARD BENNER: Richard Benner for 1000 Friends. It is intended to be the way it reads which is, you use the five year period preceding the affective date of the Act. The reason the farmers chose that language was to get in part at Representative Parkinson's point about inflation. If you look at a set period in time, those numbers can't inflate over time. Those figures are set, obviously, and they have been. And then after the affective date of this Act, a person who wants to be marginal lands but actually has good land cannot then calculate to mismanage his land for a period of three or five years in order to qualify as marginal lands. That's what you don't want. You don't want to open that possibility. So that's why you focus on three to five years preceding the affective date of the Act. Now, in five years from now if at that time some county still

# EXHIBIT 6

House Environment and Energy Committee  
June 24, 1983

Tape 260, Side A

Dick Benner: “\* \* \* So that’s why you focus on three of five years preceding the effective date of the Act. Now in five years from now if at that time some county still wants to take advantage of the marginal lands option, those materials are put out by OSU that tell you what the average income and average yield was in that county by crop for that year is all still available. Its accuracy does not change over time. It’s just sitting up there on a shelf.

Ms. Samson: I agree with Dick when you’re talking about when a county makes the decision to zone a large portion of land of several ownerships says it’s marginal land. However, with an applicant-initiated situation, I would think they would look first at the income because that could absolutely preclude someone. It would be simpler to begin with the income when you are looking at only one parcel. So, since the bill as it now reads allows the applicant initiated and county initiated designations as marginal lands, the test can be applied either way whichever is most convenient.

Benner: That’s a good point. If someone walks into county planning department and says I’d like to be a part of a marginal lands area, the situation could be resolved very quickly if somebody at the desk said, well, is your land part of a farm operation that produced \$20,000 or more in income? And if the person said “yes” then the answer is you are not going to qualify for marginal lands and then you don’t have to go through the other tests. It can work that way, too.

\* \* \*

Rep. Priestly: I understand this in short little bites. Now as I’ve understood you to explain that income test in line 2 on page 2, it’s a static thing. It’s specifically for the 5 years preceding this effective date. I’m under the impression that there’s another income test that is not going to be staff. It comes along later. Is that right?

Benner: There is an income test that is employed in the farm dwelling criterion that affects lands and EFU zones on page 4. That’s different.

Rep. Priestly: What is this manual you talk about? This farm manual productivity from the Agricultural Extension Service or something? Is that another test?

Benner: “That would be used . . . that is what a county could use to determine whether a given piece of property produced this kind of income.

Rep. Priestly: Not lines 2 and 3. That is a static thing and you’re not going to use a little, for that, are you?

Benner: Yes, you would use the Extension Service information to tell you what kind of production you would have gotten in the year 1981, for example, if you had 50 acres like this person does – 50 acres in wheat.

Rep. Priestly: I see. And even in 1993 they are going to look back at that book and the five years preceding 1983?

Benner: That's right. Not likely that it will be being used then. It will probably be used, the counties that want to use it, are likely to use it as fast as they can or at least within the next couple of years.

Rep. Priestly: I guess I don't understand. What do you mean the counties, the counties are going to use it? Isn't this a dynamic process that will be going on in 1993?

Benner: It sure could.

Rep. Priestly: And what will they use then for lines 2 and 3?

Benner: They have a choice. They can use whatever they want but the language Representative Throop was talking about would allow them to use the Extension Service information for those years 1978-1983. They don't have to use that.

Rep. Priestly: What else could they use?

Benner: Well, if the person wants to come in with the facts and figures and say, look here's what I did during those years. Here are my income tax statements. If that is what a person wants to do, a county is allowed to rely on that information. But if a person does not want to come in with income tax statements, then the counties don't have to ask them for it. They can rely instead on the Extension Service information.

Chair Hooley: Representative Priestly, what Washington County suggested on their amendments using OSU stuff, was a local government may determine the gross income amount by using appropriate income data from Oregon State University Extension Service for the type and acreage of farm crops and products in the particular marginal lands area. So it doesn't preclude the counties with someone coming in with their tax bills saying, "Here it is, folks. I didn't make \$20,000 three of the last five years. I would like to be considered for marginal lands. That language would not preclude them from doing that, Representative Parkinson.

\* \* \*

Rep. Parkinson: In other words a farmer has a very profitable farming operation over around Silverton and down here 20 miles away he owns a 20 acre piece of land that he does not even go near. That would exclude the land regardless of what kind of soil it is from not being classified as marginal. That's what you're telling me? They don't have to be contiguous.



Benner: That's right, but the situation you're describing for me I think would fall out under the way this bill should be rewritten. And the Agriculture for Oregon has suggested it, is that 20 acre piece you are talking about is not part of that guy's farm operation. He just happens to own another 20 acre piece. He is not farming it. He may also own a 15 acre lot in Silverton that's industrial zoned. That's part of the land he owns but it's not part of his farm operation.

Rep. Parkinson: Okay, the 20 acres is 20 miles away that he made \$1,000 on it, so he is farming. So then it would be?

Benner: Then it's part of his farming operation.

# EXHIBIT 6

HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY

June 24, 1983

SB 237

TAPE H-83-EE-261 SIDE B

003

**Chair Hooley:** \* \* \* tri-county, to – and use the – I don't know if you can do it, to take this test, or a couple of different methods of doing it, using the income test, using what Washington County recommended, which was the data from Oregon State Extension Service on the income – using the parcelization test, and – I assume, counties, don't you have classification of soils in your counties? And seeing what we can put together, so you can take a board up there, and say, does this work or doesn't it work? Because we're sitting here, sort of fumbling through the language, now what if this happens and what if this happens, and we're looking at all the ways you can get around the language. And I guess we have to quickly make some decisions on if it's part of over here, if it's [ ] for here, that kind of thing. I think there's pretty well agreement that you eliminate "significant" because if you eliminate significant you eliminate a lot of litigation. But it would be helpful for the committee to see, how does this work in actual practice? And does it work in actual practice? And I think we need to have that for Monday's meeting. And you've got all weekend. Is there anyone from LCDC that can help do any of this? Do you have planners on your staff that can help do that? Dick, is there any way that you can put that together by Monday so we can see how this works in actual practice. We don't want you to do the whole state, we want you to take a, you know . . . No, what we're looking at, if we're going to look at a different method, to make it easier for the counties and to make it work. Try a quarter section, or try the radius, I mean don't be limited by the language in the bill. We're looking, in this committee, to make it work. And if it's a little different method, that's fine, as long as it works. Dick?

**Dick Benner:** Madam chair, I have maps here, that show small ownerships areas in Washington County that are presently – presently, LCDC is requiring Washington County to go back and place in an EFU zone. I've worked with the maps, and I've applied a small ownerships test to the areas, and I have some genuine small ownerships areas here that qualify. The test is workable. It's right here on these maps. Now, it may be that the suggestion the counties have made, it might be easier to apply a small ownerships test using a radius method, or a quarter section, fine. But what I want the committee to understand is that what's in this bill is workable. It's on these maps. It's not difficult to do.

**Chair Hooley:** Okay Dick, I guess - the counties also have to apply it. If the same thing will occur with a different method that's easier for them to apply, I think we should look at that. And that's all I'm asking. What I would like to do now, we will not go past four o'clock today. We're going to take a short five minute break. Please be back . . .

**Rep Throop:** I'm going to be first on the agenda when we get back, is that right?

**Chair Hooley:** Yes, you are. I'm sorry, Representative Throop, I did not – I apologize.

**Rep Throop:** That's fine.

**Chair Hooley:** But please be back in time.

**Rep. Throop:** Thank you, Madam Chair. I sense that the committee has had a very good and lively discussion this afternoon, and we've had the opportunity to go through and talk the provisions over pretty thoroughly. I'd like to see if we can move to the next step by making a motion. And I would like to move that on page 2, sub-B, lines 2 and 3, that we say, "the land did not make a contribution to a farm operation," that we include "or a forest operation that is capable of producing ten thousand dollars a year averaged over the growth cycle" that's on the amendments and that was discussed yesterday with the various parties, and that we also take the Washington County proposal for determining income, an OSU study that talked about I think it was average gross income data by county, and include that as the language in subsection B.

**Chair Hooley:** Representative Throop moves that on page two line two . . .

**Rep. Vanleeuwen:** Which version of page two line two?

**Chair Hooley:** Representative Vanleeuwen, you've got in front you . . . We're working off the version that Bev hand engrossed as a result of that meeting. On page two, "that the land is not part of a" . . .

**Rep. Throop:** "Did not make a contribution."

**Chair Hooley:** "The land did not make a contribution to a farm operation that produced twenty thousand or more in gross income in three of the five years preceding the effective date of the act."

**Unidentified:** He's moving to delete "significant," right?

**Chair Hooley:** Yes. And - where would you have this – "or a forest operation that is capable of producing ten thousand a year, averaged over the growth cycle."  
Representative Anderson.

**Rep. Anderson:** And also adding the Washington County suggestion of using the OSU average income data, the extension service average gross income data, as an alternative to bringing in the specific records and determining income.

**Chair Hooley:** And this is, we can do this instead of doing the, exactly where that goes and the exact language, we can leave that up to Elizabeth, but we've got that concept, I guess. Representative Anderson and then Representative Hill.

**Rep. Anderson:** Elizabeth, this ten thousand forest operation. What was the discussion on that among the group. Did they come to any agreements on that, or was that just a suggestion?

**Chair Hooley:** Cliff, do you want to come up? Cliff sat in on that meeting the other day, as well as a Mr. Hill. [ ] that grows trees.

**Beth Samson:** Cliff, I believe yesterday we discussed, as now there's a proposal for the OSU extension service to determine the twenty thousand for farm operation, that there was some objective, easily applied criterion for determining ten thousand for a forest operation. If you could explain the board feet, stumpage fee calculation as you have it there, as I'm unfamiliar with it.

**Cliff Lamb:** Alright, I guess I'll be glad to. Cliff Lamb, tree farmer from Lane County. Madam chairperson, as I was thinking about this I was thinking if I could take about two minutes to give this a real wide US perspective on how good forest land is. I guess it might appreciate, help the committee appreciate the extent to which this Ag for Oregon committee is saying, look, we really are considering that there are lands which, to us, are marginal, and we're willing to go ahead and see converted to other uses, especially when you consider world wide facts about that. Can I, will you focus on these little conical trees here that are right in the middle of this picture. They express the productivity in the different lands in the world here. And keep in mind that we're talking about eighty-five cubic feet. The average productivity for commercial forest land in the United States is forty-four point cubic. For the USSR, it's fifteen cubic feet. But the fact of the matter is that they could harvest and throw their timber onto the market all at one time. The rest of the world would just fold, because they have so much in Siberia, but it's hard to get to. It takes a year to get it out. In Canada, quite a heavy producer which we compete with, they're average productivity is fourteen point four cubic feet. China, they're better off, thirty-one point nine. And then Scandinavia, who's just – you know, they can't do any better than what they're doing – thirty-six point cubic feet. And of course Scandinavia is an exporting country. So you seen when we talk about eighty-five cubic feet on a world perspective, we're cutting off at a high level. Yes, Representative Hill?

**Rep. Hill:** Those are averages?

**Cliff Lamb:** Yes. Those are averages.

**Rep. Priestly:** [ ] this bothers me because I just assume that people understand that average is not a – you do mean median, don't you? Because average is meaningless in this kind of context. To use the average is kind of a way a person, I would say. Would you agree?

**Cliff Lamb:** All I can say is that I'm representing it the way that I understand it from hear.

**Rep. Priestly:** And what does it say there?

**Cliff Lamb:** Facts and figures, world forests, annual growth per acre. To have annual growth per acre, I'm assuming, and I think if I could go back and look at it, it would reveal that it was an average yield.

**Rep. Priestly:** It could be deceiving, couldn't it? But I don't want to get hung up on it. It just bothers me, it irritates me that when people try to deceive, and put numbers like that. Because they're meaningless, aren't they? Like if you have a thousand dollars and I have a nickel and we have an average of five hundred dollars, it's meaningless, isn't it?

**Chair Hooley:** I don't take it that way. I really don't.

**Rep. [ ]:** Those figures are interesting to me, but is it your understanding that in arriving at those figures only commercial lands were taken into account, not non-productive lands, but it was just the commercial lands that are actually in production? Is that your understanding?

**Chair Hooley:** All you committee members that want to quibble about whether it's average, mean, anything else, I think what he's trying to do is just give a very broad, general perspective. Before he gets into the meat of what he's going to say, so that there's some perspective.

**Cliff Lamb:** I really didn't intend to take a lot of time on this. I think here is the productivity table that I passed out at an earlier time. And this is just to review that, at the lower end here, the USDA has established, forest service table establishes twenty cubic feet per acre per year at the lower end of commercial production. And at the top, about two hundred twenty-four. The Secretary of the Department of Agriculture, in considering land use planning over the US, has established that prime timberland would begin at eighty-five cubic feet. So what we're proposing here, on a US policy, we would be retaining in timberland, prime timberland. This policy here recognizes important lands in addition to that. So, we've said well, there isn't a lot of that kind of timberland here in northeastern Oregon. And I believe that Hector had some figures, and I find for Lane County I have some too. Those that would fall below eighty-five cubic feet of wood production in Land County, if I've added this alrightly, would be – no, I didn't. Anyway, seven or eight thousand acres of that site five land. Then the next question is this: what we're considering that these lands that we're saving are being farmed. And we're saying, how much can you do to increase productivity by farming? First of all, bulletin 201 is kind of like the holly bible of the forest service, so that's just the old testament. It's what Mother Nature does with lands. Then recently have been developed is what happens when you manage lands. Now, I haven't absorbed that, it's just recently come out, but basically the industry has been saying for a long time that if you manage lands you can double the production from them. I would say that was borne out in my timberland management plan, because if you recall at the top here was in the two hundred cubic foot per acre, the forester – and I call my lands low mid-sized – the forester here on one of my properties that I've had managed, two hundred cubic feet per acre per year, and on the other two hundred twenty. That's a quick background. Now, would you restate the question please?

**Beth Samson:** We're talking about ten thousand dollars which has been given as probably the amount that you would use in the income test for forest operations. You mentioned the other day that there was some objective criteria to arrive at that without asking somebody, show me how much money you made. And I think it had to do with number of board feet that should be produced under a managed farm considering the site class by the stumpage fee.

**Cliff Lamb:** That's good. You've said it, I don't need to say much more. But briefly again, it's this, that another rule of thumb of tree farming is that if you manage, you should be able to raise a thousand board feet per acre per year on mid sites. Presently, the best of my understanding, a thousand board feet of standing timber is worth about a hundred fifty dollars. Six months ago, nine months ago, it may have been like a hundred. So it's a volatile thing. And then if you just take your acres times that, then you can get a stumpage value. And we've figured, I guess, about sixty-six acres times the hundred fifty times one thousand board feet per acre would yield ten thousand dollars. I was concerned about the same thing that you've shown concern about. What happens through time, with we know that volatile figure? It seemed like to me if you're fixing the dollar productivity of the land at a certain time, in eight-three, perhaps you might consider doing the same thing, the same stumpage value is worth so much, say a hundred fifty dollars, give it some consistency there.

**Rep Anderson:** You've given us a thousand board feet on an average operation, well-managed operation. Now where do we plug in the soil types?

**Chair Hooley:** Representative Anderson, what we're talking about one test, the income test. You would look at soil types. If they met the soil types then you would look at income.

**Rep Anderson:** But if the county planner, when you come in to make this test, you're going to have eighteen acres, and it's going to be Class 6 soil. And you're going to manage it well. Now does that Class 6 soil raise 600 board feet, or does it raise a thousand board feet? Or does Class 8 soil raise 200 board feet? I think it's significant, where you've got to say the type of soil. You can't just take an average.

**Beth Samson:** Cliff, the thousand board feet you took from some rule of thumb. Now does that incorporate the notion of site class? Or is it without consideration of that?

**Cliff Lamb:** Yes, generally I'd say that considers the mid-site class three. I think what Representative Anderson has referred to is perhaps important. I'm not capable of furnishing that kind of information. I very much would like to see the committee ask somebody from the school of forestry to come in and to carry this to greater detail, something that you feel like you could really rely on. I believe I've tried to focus on the kinds of considerations that you need to use here. Dr. Kriger from the school, forest extension, might be the contact person and he might designate somebody to present to you the kinds of information. Representative Anderson, in my own experience I would say, even with good management it may be pretty difficult to produce, even with the best

management, it may be pretty difficult to produce a thousand board feet per acre per year from something that raises eighty-five cubic feet. Strange to say, there's some things – a lot of our productivity is a matter of our technology and research. Strange as it may seem to say, something like the wastewater metropolitan sewage program for a lot of these marginal lands that are around the valleys is going to make a difference. It may not raise timber to the heights and quality that we would like to market as timber, but it may very well be the thing that produces fiber, wood fiber, that would meet these rates,

**Rep Trahern:** What we're hearing, and it kind of makes sense if we put it in perspective, there are so many variables on either farm or forest land, research, the type of crop, the type of management, what the market's doing today versus next year or [ ] year, to attempt to put a dollar value, income, in the statutes on either farm or forest is not really what we're trying to accomplish, I think, in that these things are not static. They don't stay the same, and they're going to change over time. It just seems more logical to me that we start talking about, when we're looking at marginal lands, we start talking about what those sites are, what kind of soil do you have, recognizing that over time you can do some different things with those soils. But, if we want to keep the better farmland in farmland, if we want to keep the good forest land in forest land, or at least allow it to go into it or whatever, but to tie that to some kind of dollar amount that has so many other variables I think is kidding ourselves.

**Beth Samson:** Cliff, I'm assuming of course, site class is based on cubic feet. Site classes are cubic feet per acre. And we've been talking board feet here. In order to get into this quote "income test" the factors that we were talking about, namely site class, all that you would have to do is refer to in terms of cubic feet, which would translate into board feet, times the stumpage fee.

**Cliff Lamb:** Yes.

**Beth Samson:** So by that means you would incorporate into the test, site class information, so that it would apply to a particular parcel.

**Cliff Lamb:** Yes. I guess at this point it's necessary to refer to board feet instead of cubic feet because that's the way we sell our timber. And until that changes, I guess we have to go through the mathematics to relate the two together.

**Rep. Priestly:** So what this gentleman just concurred about is the fact that the income test, in timber at least, is just adding another factor, another variable, which is the price of the stumpage. Is that it?

**Chair Hooley:** I think the reason the suggestion came up, and I think that you're correct, is because you can look to the OSU book, the extension book, for the information on farm operation income. But there should also be an objective criterion for forest operation income. And that is generally the stumpage fee. Now, you would arrive at that - the site class, translate that into board feet and multiply that by the stumpage fee, and then you don't have to ask someone for income information. Hector, would you

come up here for a minute? I want to ask you a question. Sitting here looking at this, trying to do what Representative Trahern talked about, it's hard to do an income test. Washington County came in with something, well its easier if you do it this way, you don't have to ask the people. [ ] How do you, what if you just used, forgot the income test on forest operation, and she points out to me well with the parcelization test you may include some very good land that truly aren't marginal lands, if you don't have the income test on forest. So, saying all of that, my next question is, what kind of trouble do we get into, do we just absolutely open it wide up, more than probably most of us on the committee would like, if you used, and the acreage is open for debate, located in the – forgot test one, and forgot test two, and just looked at located in an area of not less than one hundred acres, or two hundred forty acres, or three hundred and forty acres, or a thousand, or whatever, composed predominantly of soils in capability classes four through eight, and then looked at the eighty-five cubic feet or more of merchantable timber per acre per year. What if you use just that one test? What happens?

**Hector Macpherson:** The problem you get into, whenever you don't use an income test, is that you have operations, and if we're talking about forestry I'd assume that they'd primarily be in eastern Oregon, where there is a very low productivity, and yet they're making a good thing of it because they've got a lot of acres. So whenever you open it up, you open up a tremendous area, particularly in eastern Oregon if you're using a forestry test. Unless you regionalized it.

**Chair Hooley:** Say we regionalized the forestry end, let's just talk about right now lands that are predominantly in EFU, I mean the A & F lands, whatever their designation is. What kind of problems do we get into, do you get into problems with grazing, is that the main problem for not using just a soils test, period?

**Hector Macpherson:** As far as the agricultural end of it, which I guess I may be even a little more familiar with, is that you have operations there, and primarily it's grazing, which there again takes a lot more acres to produce the same number of dollars. Dollars are kind of a universal figure. We're saying, well they come and they go, but still, they are the thing that makes the relationship between forestry and ag or anything else is that the dollar income it takes to support a family is more fixed than most of these other things that you're dealing with. And it was our position that the only way which you could rule out these productive operations on a very diverse scale, that is one that could take a lot of acres, was to include with them, and particularly this applies with your small ownership test, and good land. We have two different – I think it is probably a whole lot more workable and simply use the quality of the soil and use the poor lands test. When you take the parcelization test it's a lot more significant.

**Chair Hooley:** If you threw out the income you would have to throw out the parcelization. I mean there's no way you could use the parcelization, it seems to me.

**Hector Macpherson:** I think you're right. I think if you did that you simply couldn't use the parcelization test at all, and you'd have to throw out that part of the law that we're



talking about. It is more workable, and particularly if you regionalize the forestry test, and perhaps even the agricultural test.

**Chair Hooley:** But the problems occur mainly on grazing land.

**Hector Macpherson:** Grazing land and forestry are where the two problems are.

**Chair Hooley:** Well, you could regionalize the forestry, and probably address that a little more closely.

**Hector Macpherson:** We could come a much - more closer. The more areas you consider taking the natural productivity, that I'm sure the foresters could give us some greater information on, and perhaps do away with the income test.

TAPE 262 SIDE A

**Rep. Anderson [?]:** Why is it that if you throw out the income test you have to throw out the parcelization? Could you explain?

**Chair Hooley:** Oh, because through parcelization, if you don't have the income test, through parcelization you could get some wonderfully productive land in, under the parcelization qualifications. I mean you're really not accomplishing your goal unless you . . . If you use parcelization you have to use income, it would seem to me, otherwise you're talking about small, valuable pieces of land. Representative VanLeeuwen, Representative Hill.

**Rep. VanLeeuwen:** Madam Chair, two of our county people just about came out of their seats a minute ago. I'd like to hear what they were wanting to say.

**Chair Hooley:** Okay, let me finish through the other people first. Representative Hill?

**Rep. Hill:** I wanted to raise a question. In talking about farm lands and forest lands having separate tests to determine marginal lands, aren't there quite a few farm operations that contain wooded acreage? And perhaps that wooded acreage doesn't make a contribution to the farming operation? And where would that fall?

**Hector Macpherson:** The answer of course is yes, that there are a number, and particularly in your area, the foothill areas here in the valley, that's particularly true. A man may have a grazing operation, that is a livestock operation, but he has quite a lot of land up there that's also timber, and he takes off some timber when he has the time, and so there is a lot of overlap between the two.

**Chair Hooley:** Okay, let me ask you another question, both of you. I believe you just said that just using the soils test you've got a problem because you've got grazing land, particularly in eastern Oregon.

**Hector Macpherson:** Or southern Oregon, Douglas County.

**Chair Hooley:** Right. Where [ ] said of his is sheep grazing country. What if you forgot the income test on forest operations, and did for forest operations, just did the production capability and really regionalized that? What kind of problems do you get into there? If we're talking just on forest land, and you do, you really regionalize what I think the forester came in, how many regions were there, five? Do you remember?

**[unidentified]:** Four or five.

**Chair Hooley:** Four or five? And really regionalized it. What problems occur?

**Hector Macpherson:** I'd have to answer you've got a problem that how do know what's forest land when you get over to the east of the mountains? Isn't it the same kind of a thing that the cattle operation also has some land that goes up there and is part forest and part grazing? I'm afraid I can't answer it.

**Rep. Anderson:** Madam Chair?

**Chair Hooley:** Representative Anderson.

**Rep. Anderson:** Maybe we should have some livestock people in here, but I think it's a common term in my county of calling them cow-calf operations ewe-lamb operations. As to number of acres, you can get a productivity test there, requires ten acres for each cow-calf operation, so on, you can go that way, and I guess if you want to get wild you get an income test to that, but it fluctuates wildly. Maybe it's something that we want to look at, maybe it gets complicated, but if we're using a cubic foot, eighty-five or fifty cubic foot on timber, if we get into grazing then why don't we use what commonly is used in the industry is a cow-calf, ewe-lamb operation?

**Chair Hooley:** Representative Hill.

**Rep. Hill:** I guess we could get as complicated as we want.

**Chair Hooley:** We're trying to simplify.

**Rep. Hill:** I know. Unfortunately, it doesn't seem to me like any simple definitions we adopt, not everything's going to fit.

**Chair Hooley:** Representative Trahern.

**Rep. Trahern:** He's talking about the eastern Oregon grazing land. Let's take a thousand acre cattle ranch over there that's got some bottom land that's probably class three or four because it's not real good bottom land. In a lot of cases it may be irrigated, and a lot of side hill land that there's using for spring or summer grazing. If in fact, through this bill were to [ ] that can be considered marginal land, if the committee

were to go that far. How much of that do you think would suddenly start to sprout houses and people living all over it? Do you think it would be a major shift in that kind of direction?

**Hector Macpherson:** I don't know what the pressures are over there. I'm sure there are some pressures, but I know they're a heck of a lot less than they are in western Oregon, and I'd have to say that I see a lot of that land being cut open, sold to out-of-state people now, who think it'd be nice to own a cattle operation, and they're not too concerned about whether it makes money or not. What I am concerned about is the fact that if you allow a going, productive cattle operation to sell off one part of the thing that he has, either the spring grazing or the high-county grazing or the meadow type of thing that are all or form a part of it. I don't want to take out any one of those parts, because you the entire operation then unproductive. Now I don't know how much of that could go on. I think we're worried that too much of it could go on, and certainly the Farm Bureau feels that it should not happen. I'm not an eastern Oregon person, and so there are better people to ask than I to answer that question.

**Russ Nebon:** Madam chairperson, members of the committee, Russ Nebon, Marion County planning director. The discussion is centering on an income test for forest uses, and it's been tied in to site class. We have a problem in that, in the valley where the site class – the Department of Forestry, for example in Marion County, if you're familiar with the area of Silver Creek Falls State Park – we have site class data from that point on up into the mountains. The minute you get west of that, into the area similar to Peterson Butte, the South Salem Hills, and some of the foothill areas that are maybe some the prime areas for considering marginal land, we don't have that information. They figured what was done in the valley, that wasn't the stuff that they were primarily concerned about, so we don't have that. That means that if we're going to do the kind of income evaluation you're talking about, either the county or the property owner is going to have to go out and hire a forester to do a site class evaluation on that land to determine whether that land has the potential for generating that kind of income. The other concern I have is that you're using the potential income capability in one, but you're using an actual income capability on farm land, based on past experience. And we're using two different standards. So I think we ought to be consistent one way or another. If we're going to deal with potential income, let's do it for both, or past experience income, let's do it for both.

**Rep. Trahern:** The land you're speaking of in Marion County, from Silver Falls on down. I'm not awfully familiar with the area, does that have some forested areas on it?

**Russ Nebon:** There are relatively low lands that have forested areas, but there are also foothills south of Salem that are mixed farming/forest areas that have some very low productivity forest because they're south facing slopes similar to the Peterson Butte example that Hector was talking about.

**Rep. Trahern:** Are those taxed as forest land on the county tax rolls?

**Russ Nebon:** I don't believe so. I'm not saying that there might not be certain property owners who are trying to manage them and meet the minimum qualifications, but generally I don't think they qualify.

**Rep. Trahern:** I'm not talking about how good they're managing them, but any property owner that has a commercial species of timber on his land can go into the county and ask that that be placed on the tax rolls as forest land, it's got to be larger than two acres, you know it doesn't [ ] have a whole lot of restrictions. He has to state that he's holding it for the economic purpose of growing and harvesting trees, but he can have as many as a couple hundred small trees on there and still qualify. And if in fact that's happening, and I expect that there is quite a bit of that on those lands, and if in fact that's the case and the county's put them on the rolls as forest land, then they have a site on them. Somebody's determined it, because they have to do that to put a value on it.

**Russ Nebon:** I would agree with that. I'll give you an example of one property I know of that's been a bone of contention in an exceptions process, a ninety-nine acre parcel in this rural area I'm talking about, where eighteen acres of the ninety-nine is taxed as timberland. The rest of it is not.

**Rep. Trahern:** In fact, I think the county assessor can tell you what that assessed class is.

**Russ Nebon:** For that eighteen acres. The rest of it we'd have to have the forest come out and look at it.

**Beth Samson:** I was just talking with a couple of people out there. I think, I asked Cliff for that information, to find out if in fact there were some objective means to determine production on a forest operation. There's some difficulty, I think, with the counties feeling they would be forced to use that type of calculation. I think that difficulty can be dealt with if, after saying they can use the OSU extension service information, just add "or any other objective criteria." Not that they need to, but if they don't have to require an applicant to give them actual income information, they can use whatever objective criteria they care to in order to determine productivity. Site class, stumpage fee, whatever. So, that would be the amendment proposed, rather than "X" times "Y" equals "Z."

**Chair Hooley:** Any further discussion on the motion?

**[unidentified]:** Restate the motion?

**Chair Hooley:** It was so long ago, I don't know. Yes, I can, actually. The motion was that on page two, line two and three, and whatever is the other lines we want to add here, in that section, that is, first of all you say, you delete the word "significant" on line two: "The land did not make a contribution to a farm operation that produced twenty thousand or more in gross income in three to five years preceding the effective date of this 1983 act. And then, because of the mixed land that we've run into in this bill, and the concern

that we also include some of the bad or nonproductive forest land, “or a forest operation that is capable of producing ten thousand dollars a year averaged over the growth cycle.” And then, added to that, you would say how a county could get that test. You would use either, for farm land, the Washington County amendment that called for the income data from the Oregon State University extension service, or other objective criteria. For the income test on both, I mean whether it’s for forest land, farm land, whatever’s objective criteria, you could use it whether its OSU thing, whatever the counties could come up with, they ask the person who’s [ ] if it was objective.

**Rep. Vanleeuwen:** I have two concerns, maybe more, right there. But one, I have a problem with the removal of “significant.” And two, unless we’re just doing it in concept right now, I would need to see the language on . . .

**Chair Hooley:** Oh we will see the language on all of this, believe me, before – going through it again. But we’re trying to make a little bit of headway, and it seems that at least the testimony I heard, that “significant” was a litigious word and we were trying to figure out some way to get rid of it. But this is really a concept. We’re not . . .

**Rep. Vanleeuwen:** This makes it very limited, by removing the “significant.”

**Beth Samson:** That would be a policy decision. I mean this one, I don’t want you to mistake that this is a concept thing. I mean it’s a policy.

**Chair Hooley:** A significant contribution, or does it make a contribution, and how do you interpret that. I don’t know.

**Rep. Vanleeuwen:** I will have to vote “no” unless we split [ ].

**Chair Hooley:** Representative Throop, if you don’t mind, if you have no objection, can we just first vote on the word “significant” and then we’ll vote on the rest of your motion?

**Rep. Throop:** Certainly.

**Rep. Priestly:** Can we get the [ ] as to what the difference we do, how we affect people, just on the removal of “significant”? Because that’s a significant change, could be a significant change.

**Rep. Throop:** Madam chair, I made the motion, could I give an interpretation of what I think it means? I think if we have the term “significant” in there, Wally, [ ] for example somebody that has a farm in the valley, or in southern Oregon, or in eastern Oregon, farm or ranch, for that actual piece of ground that is in production, that is in field for example, that would be considered part of the agricultural land. And if you had a piece right next door to it that is just outside what was actually the corn field or what was actually the grazing land, or what was actually the forest lot, for example, if you had a small piece of

ground that was next to it that had a few rocks on it, something like that, you could otherwise under certain circumstances spin that off and create a homesite out of it.

**Rep. Priestly:** Can I ask [ ] a question now? Say there's this big – there's this farming operation, and the federal government comes along with a policy that we don't farm certain areas. Then you get farm, kind of price supports or something like that. This is the "soil bank" portion. Did it contribute something significant or not? Or did it "contribute"? I'm just wondering between the difference between "significant" and "contribution." It didn't contribute anything significant, but it did contribute because it provided the soil bank part that gave the price support on the other. Is that right?

**Rep. Throop:** The language reads, for years seventy nine through eighty-three, so if land was in a soil bank for what, three of those five years, and was not in production for some other reason, then under this specific qualifier, under this specific criteria, it would qualify as marginal, the way I would read it.

**Rep. Priestly:** Even with the elimination of "significant"?

**Rep. Throop:** No. If you had just "contribution," that would not be a problem. If you had "significant" in the subsection, then it would be a problem.

**Rep. Priestly:** Seems to me I've got it reversed in my mind then, because it's . . .

**Rep. Throop:** The land has to make a significant contribution, or you can spin it off.

**Chair Hooley:** The problem is, how do you define "significant"?

**Rep. Priestly:** Is it significant, or – can we just get significant – if significant isn't in there, and it just can – then it can make a contribution, because of the fact that it wasn't used.

**Chair Hooley:** I would think if it was in a soil bank, it wasn't used.

**Rep. Priestly:** But didn't it make a contribution in it gave a price support to the other land?

**Rep. Throop:** Well, possibly.

**Rep. Priestly:** So, now, isn't this kind – I mean it seems to me that we're working very slowly on these first two lines. But isn't it true that we're going to get . . .

**Chair Hooley:** Representative Priestly, you're right. We are moving slowly. That is a true statement.

**Rep. Priestly:** If we get these building blocks, I think maybe the rest of it's going to go quickly.

**[unidentified]:** Some people are raising snails, I here.

**Chair Hooley:** I've got them under my desk.

**Russ Nebon:** I'll be very brief. Russ Nebon. In the committee meetings yesterday, and I think you were there, there was discussion that if you put the word "significant" in, it may be litigious, but it links to legislature has identified that significant is an important element of making that determination. If you take "significant" out, then when you go to court, and the court has to decide what the legislature meant by "contribution," they are going to have to make the determination as to what is significant and what isn't. And to me, that's the clearest answer. The counties would like to see the word "significant" in there.

**Chair Hooley:** Russ, one question while you're here. Wally brought up the soil bank, and I'm familiar with soil banks. How would you, would you judge a soil bank as a significant contribution? Or would you judge it as a contribution? Or would you judge it as no contribution?

**Russ Nebon:** If the fact that the land was in the soil bank had something to do with the financial status of the rest of the farm, I would have to say that it was making a contribution.

**Chair Hooley:** Was it significant or not?

**Russ Nebon:** I would say it would be significant. I can give you an example of what I think is insignificant.

**Chair Hooley:** Representative Hill?

**Rep. Hill:** Let's vote. We can come back to it later, if we're still in disagreement.

**Chair Hooley:** We can always come back, remember, on all of this, until we pass it out. Clerk, would you call the role? We are voting only on the deletion of the word "significant."

**Clerk:** Representative Throop?

**Rep. Throop:** Votes aye.

**Clerk:** Representative VanLeeuwen?

**Rep. VanLeeuwen:** No.

**Clerk:** Representative Anderson?

**Rep. Anderson:** No.

**Clerk:** Representative Bradbury?

**Rep. Bradbury:** [no response]

**Clerk:** Representative Hill?

**Rep. Hill:** Aye.

**Clerk:** Representative Parkinson?

**Rep. Parkinson:** No.

**Clerk:** Representative Priestly?

**Rep. Priestly:** No.

**Clerk:** Representative Trahern?

**Rep. Trahern:** No.

**Clerk:** Representative Bradbury?

**Rep. Bradbury:** Vote aye.

**Clerk:** Chair Hooley?

**Chair Hooley:** Aye. The motion fails. On the second part of the motion. We're voting, Representative Bradbury, we're going to be out of here at four. The second part of the motion would include that it produced produced twenty thousand dollars or more, that's already in their.

**Rep. Throop:** I'll withdraw the motion.

**Chair Hooley:** Pardon?

**Rep. Throop:** I'll withdraw the motion.

**Chair Hooley:** On having the forest land?

**Rep. Throop:** Yes.

**Rep. Priestly:** Isn't it a good idea? I'll make the motion.



**Chair Hooley:** Representative Priestly moves that we include in their the income test for forest production of ten thousand dollars a year. Representative Priestly, would that also include the Washington County motion, or an objective criteria for either test?

**Rep. Priestly:** Madam chair, I'd like to divide that. I'm not at all sure I know what ten thousand worth of forestry means. I think I like the Washington County suggestion.

**Chair Hooley:** Would you use the Washington County suggestion, or objective criteria?

**Rep. Priestly:** If we're going to use income, we should use the Washington County, plus the other . . .

**Chair Hooley:** "or objective criteria" . . .

**Rep. Priestly:** Or objective criteria. But I'm not sure about the income limits. I want to resize that . . .

**Chair Hooley:** Okay, would you have any problem, if we're going to use the income test, of adopting the Washington . . . is there any objection? If we're going to use the income test, to adopt the Washington County amendment, or say objective criteria? Is there any objection to that? Okay, so ordered.

**Rep. Parkinson:** What a minute now. You were just clarifying the motion?

**Chair Hooley:** No, Representative Parkinson, what I want – and I'll redo it again if it's not clear – we haven't made a decision on the income. Whether we're going to use it or not, if we use it what that income's going to be. I said if we use it, does anyone have any objection to using the language of Washington County, and adding the words "or any other objective criteria." There was no problem? Okay. Representative Hill.

**Rep. Hill:** I'd like to make a friendly amendment.

**Chair Hooley:** We've sort of took care of this. So you [ ] a new amendment?

**Rep. Hill:** Okay, then I'd like to make a motion that – okay, I'd like to suggest that, if this is what we're talking about, the language "or a forest operation" – is that what we're talking about? What I would like to suggest, Madam Chair, is that we describe "forest operation" if we use that as a test, say "an exclusive forest operation." That means that the grazing-timber combo that we talked about in eastern would come under the agricultural test. If the land is simply used for forest production, and is not used for grazing, it would come under the forestry test with the lower income. So I believe that would be the best way to divide the two.

**Rep. VanLeeuwen:** Madam chair, as we discuss the grazing in the timberland, I wonder if the committee is aware of, in many areas, of the small amount of value that comes from the grazing. There is value, but of the acreage that it takes in the different areas, and that

varies, and it certainly varies from year to year according to the amount of moisture, rainfall, or snowfall, but the tremendous variation there in the per animal unit per acre that gets involved in that. That gets extremely complicated. And it isn't nearly as significant as it may have been sounding here.

**Chair Hooley:** Representative Hill and then Representative Throop.

**Rep. Hill:** If we're speaking of like eastern Oregon grazing, they're much larger farms. The income test would still be twenty thousand a year, which I would consider to be a minimum to live on and operate a grazing operation, just like twenty thousand a year would be a minimum to live on and operate a farming operation in the Willamette Valley. Even though the grazing operation may be five thousand acres, a farm operation may be five hundred.

**Rep. VanLeeuwen:** Are you talking about twenty acres?

**Rep. Hill:** No, I'm talking about that the land, the test would be that the land is not part of an exclusive forest operation that is capable of producing "x" number of dollars per year. I'm talking about the income test for forestry land, exclusive forestry land, and I'm trying to separate the combined forestry-grazing type operation and put that into the agricultural test.

**Rep. Throop:** Call the question.

**Chair Hooley:** I don't believe we have a motion before us, Representative Throop, right now. [ ] Let me ask the committee a question, so we can be prepared for Monday. Is there any problem with bringing in on the forest land information, regionalizing that producing eighty-five or more cubic feet? Would the committee like to regionalize that, if you use that as a productivity test? Representative Trahern?

**Rep. Trahern:** Question, I guess. What do you mean by regionalizing at eighty-five cubic feet? Or are you suggesting regionalizing the amount of growth, not necessarily stating eighty-five?

**Chair Hooley:** That's what I'm talking about, so that you might have eighty-five for one section, fifty for another. Is there any problem with bringing in, based on the forestry service descriptions. Okay. Representative Parkinson?

**Rep. Parkinson:** Did you say we voted and approved an income test?

**Chair Hooley:** No, we did not.

**Rep. Parkinson:** We approved the language for a proposed . . .

**Chair Hooley:** If we use the income test, the language – I mean I just – so we can stay clear of a few things - That’s what I’m trying to do, is take care of those things that . . . Representative Anderson.

**Rep. Anderson:** I don’t know how we’re going to do this. I’d like to separate the agriculture, grazing, timber. I think grazing is a separate operation which is really not too often associated with the soil farming, however you want to call it.

**Rep. Throop:** Some of us grow vegetables, some of us grow cattle. That’s agriculture.

**Rep. Anderson:** In my county we have two hundred acre minimum for grazing, and we have seventy acre minimum for agriculture, and it’s very clear that they’re different. We set those different kinds of minimums. That’s the problem with the whole thing, the whole state’s different.

**Rep. Throop:** I have a motion. Would you accept another motion?

**Chair Hooley:** Yes.

**Rep. Throop:** On line two, page two, delete “did not make significant contribution too” and insert “is not a part of.”

**Chair Hooley:** Representative Throop moves that we accept the language – delete “did not make a significant contribution to” and instead insert “the land is not a part of a farm operation” or “the farm operation.” Representative Throop, do you want that – because there is a difference if you say “the land is not part of a farm operation” it means it could be a farm here or a farm here. Or you can say “the land is not part of the farm operation,” which means you’re talking about the person who has the farm.

**Rep. Throop:** I think “the land is not a part of a farm operation.”

**Chair Hooley:** Okay. Because “the” refers to owners and “a” refers to owner “a” or “b.” Representative Trahern.

**Rep. Trahern:** Question [ ] to Representative Throop. What do mean by “a part of.” It’s not part of the same tax lot, it’s not used in the farming process? What is “a part of”?

**Rep. Throop:** I guess “a part of” is, a farm operation has certain lands attached to it, and it’s not a part of that lands that are involved in that farm operation.

**Rep. Trahern:** So you’re suggesting that the lands you’re speaking of, with “a part of,” is not farmed at all. Or is . . .

**Rep. Throop:** “Not part of a farm operation that produced twenty thousand dollars or more.”

**Rep. Trahern:** But you're suggesting that this piece of land that is a separate lot over there that has no relationship at all to this farm, though it may be owned by the same owner. Is that correct?

**Rep. Throop:** I'm open to discussing that. That's the motion. If somebody would like to . . .

**[unidentified]:** Could I get the motion so that I could ask my question?

**Chair Hooley:** Yes. The motion was, "the land is not part of a farm operation that produced twenty thousand." Representative VanLeeuwen.

**Rep. VanLeeuwen:** I do not see the difference between Throop's motion before that was defeated and Throop's motion right now, that – I mean for all practical purposes he's remaking the same motion that was just defeated.

**Rep. Throop:** False. Madam Chair?

**Chair Hooley:** Yes. You have on this, too, I would like to remind the committee, included in his motion was the deletion of "did not make a significant contribution to." Yes, Representative Throop, Representative VanLeeuwen wanted you to explain it.

**Rep. Throop:** Different language.

**Rep. VanLeeuwen:** With the same meaning.

**Rep. Throop:** Not necessarily the precise same meaning, no.

**Rep. VanLeeuwen:** Tell me the difference, then.

**Rep. Throop:** The land that's part of a farm operation would not be, if part of a farm operation that produced twenty thousand dollars or more, would not qualify for marginal lands. Under the other motion, it might have.

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**Rep. VanLeeuwen:** Are you – you're talking about the total farm operation, or the piece that might be marginal, with the twenty thousand dollars?

**Rep. Throop:** The farm operation itself.

**Rep. VanLeeuwen:** So basically you're saying the same thing, that when you took "significant," you made the motion to take "significant" out . . .

**Rep. Throop:** If you have to interpret as saying the same thing, that's your judgment. I don't interpret it [ ].

**Rep. VanLeeuwen:** Well, I don't understand, Tom. I don't understand the difference.

**Rep. Hill:** I was just noticing that that's the exact change that was suggested by the Oregon Farm Bureau, to delete the words "make a significant contribution to" and insert the phrase "part of." And the reason they say it should be done is that the language now on line two of page two would allow county governments to break up EFU zones, in eastern and southern Oregon particularly. So that's why the Farm Bureau supports the exact language that Representative Throop is suggesting.

**Rep. VanLeeuwen:** I have to go through my same . . . just because Farm Bureau supports something doesn't necessarily mean that I support something.

**Rep. Hill:** No, I didn't suggest that you supported, Representative VanLeeuwen.

**Rep. VanLeeuwen:** I just thought that's what you were indicating.

**Rep. Hill:** No, I just indicated the Farm Bureau had suggested one reason for that change.

**Rep. Throop:** You were simply speaking in favor of the motion.

**Rep. Hill:** I would say that the motion's a good one.

**Dick Benner:** May I suggest the addition of one word that would perhaps distinguish between the situation where a piece of land is part of the farmer's holdings, but is not part of his operation. Now would it help if you said, "land is not managed as part of a farm operation." So if a part of it not managed, and it otherwise meets the test for marginal land, it could be marginal land.

**Rep. Bradbury:** I want to get Mr. Benner to explain that, because I think maybe I like what he's talking about here.

**Dick Benner:** Alright, the language would be, instead of "land is not part of a farm operation," it would be "land is not managed as part of a farm operation."

**Rep. Bradbury:** Now what would be the distinction there, then?

**Dick Benner:** Well, the distinction would be, say you take rancher in southern Oregon who has a two thousand acre land holding. And he grazes a portion of it, most of it, but a part of it he has some reason for not using it. Perhaps it's poor soil, and he just doesn't use it. Hence it's not managed as part of his ranch. If it met the definition of marginal land because it's poor soil, he would not be kicked out. That land that's not managed would not be kicked out from marginal land. It would be marginal land.

**Rep. Hill:** Dick, that would mean that the rock pile, the twenty acre rock outcropping on a farmer's land that you really can't do a lot with, maybe runs his cattle, it's in a big pasture that he runs his cattle in, would that be managed or not managed?

**Rep. [?]:** What you're suggesting would provide more flexibility in the definition of what could be declared marginal, while being reasonable in including some areas that may not contribute most of the value to the farm's output. But maybe we're not going to get any better. I kind of like that suggestion.

**Rep. Throop:** I'll accept that as a friendly amendment. I think it does add additional flexibility, and does broaden the definition of marginal lands, and I think it's a sound suggestion and I'll accept that as a friendly amendment.

**Rep. Trahern:** It's four o'clock, I move we adjourn.

**Chair Hooley:** Is there any more discussion on the motion on the floor? We are not going to get to that. We will hold that motion to Monday. Meeting's adjourned.