

A-Engrossed
House Bill 3044

Ordered by the House May 16
Including House Amendments dated May 16

Sponsored by COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Increases Emergency Fire Cost Committee fees and forest products harvest tax for fire suppression purposes.

Modifies provisions relating to fire suppression assessment surcharges on certain combined lots.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to fire suppression funding; creating new provisions; amending ORS 321.015, 477.277,
3 477.295 and 477.880; prescribing an effective date; and providing for revenue raising that re-
4 quires approval by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 321.015 is amended to read:

7 321.015. (1) For the calendar years beginning January 1, 2006, and January 1, 2007, there is
8 levied a privilege tax of 67 cents per thousand feet, board measure, upon taxpayers for the privilege
9 of harvesting of all merchantable forest products harvested on forestlands. Subject to ORS 321.145,
10 the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the Forest Research
11 and Experiment Account for use for the forest resource research, experimentation and studies de-
12 scribed in ORS 526.215 and for the Forest Research Laboratory established under ORS 526.225.

13 (2) Except as provided in ORS 477.760, in addition to the tax levied by subsection (1) of this
14 section, there hereby is levied a forest products harvest tax upon taxpayers of [50] **62.5** cents per
15 thousand feet, board measure, for the privilege of harvesting all merchantable forest products har-
16 vested on forestlands for the payment of benefits related to fire suppression as provided in ORS
17 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.

18 (3) For the calendar years beginning January 1, 2006, and January 1, 2007, in addition to the
19 taxes levied under subsections (1) and (2) of this section, there hereby is levied a privilege tax upon
20 taxpayers for the privilege of harvesting all merchantable forest products harvested on forestlands
21 in the amount of 55 cents per thousand feet, board measure, for the purpose of administering the
22 Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures ap-
23 proved by the Legislative Assembly for this purpose, including salary adjustments approved by the
24 Legislative Assembly for fiscal years 2006 and 2007.

25 (4) Subject to subsection (5) of this section, the taxes shall be measured by and be applicable to
26 each per thousand feet, board measure, on the total quantity of forest products harvested in this

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 state measured by use of any log scale which is or may be in general use in the logging industry
 2 and which is designed to measure total volume of merchantable forest products in board feet. How-
 3 ever, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes
 4 due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total
 5 quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to
 6 adopt another log scale in general use in the industry which in the department's opinion will accu-
 7 rately reflect merchantable harvest in board feet.

8 (5) The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer
 9 during each calendar year shall be excluded from the total quantity of harvested forest products that
 10 constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

11 **SECTION 2.** ORS 477.277 is amended to read:

12 477.277. (1) In addition to any other assessment prescribed by ORS 477.205 to 477.281, in any
 13 fiscal year in which the Emergency Fire Cost Committee determines pursuant to ORS 477.760 that
 14 the unencumbered balance of the Oregon Forest Land Protection Fund is less than \$22.5 million, a
 15 surcharge shall be levied and assessed in the amount of [~~\$38~~] **\$47.50** for each improved lot or parcel,
 16 except as provided in ORS 477.760, to defray the increased cost of fire suppression on forestland that
 17 is caused by the existence of the improvements.

18 (2) All surcharge moneys collected pursuant to this section shall be paid into the Oregon Forest
 19 Land Protection Fund.

20 (3) If an owner of forestland files a forest protection plan with the forester which is approved
 21 by the State Board of Forestry under ORS 477.210 (2), the owner shall not be required to pay the
 22 surcharge levied under subsection (1) of this section.

23 **(4) Contiguous lots included in a combined lot that is described in ORS 477.295 (3)(a) and**
 24 **whose owner has made application to the forester under ORS 477.295 (4) are considered one**
 25 **lot for purposes of subsection (1) of this section.**

26 [(4)] (5) As used in this section, a lot or parcel is "improved" if it is indicated as improved in
 27 the county assessor's property classification files or if a manufactured dwelling is sited on the lot
 28 or parcel.

29 **SECTION 3.** ORS 477.295 is amended to read:

30 477.295. (1) For purposes of making the levy and assessment of costs against forestland under
 31 ORS 477.270, the minimum cost to provide fire protection or suppression for any lot or parcel of real
 32 property separately assessed for ad valorem taxes or other taxes provided by law in lieu thereof,
 33 on the current assessment roll shall be not less than [~~\$18~~] **\$18.75**, except as provided in ORS 477.760.
 34 Three dollars **and seventy-five cents** of each minimum assessment shall be paid into the Oregon
 35 Forest Land Protection Fund. Otherwise, such assessments shall be determined under ORS 477.230
 36 and 477.270.

37 (2) In any fiscal year in which the Emergency Fire Cost Committee determines pursuant to ORS
 38 477.760 that the unencumbered balance of the Oregon Forest Land Protection Fund has:

39 (a) Increased to an amount:

40 (A) More than \$22.5 million but less than or equal to \$30 million, the minimum assessment re-
 41 ferred to in subsection (1) of this section shall be [~~\$16.50~~] **\$16.88** for each lot or parcel. Of that
 42 amount, [~~\$1.50~~] **\$1.88** of each minimum assessment shall be paid into the Oregon Forest Land Pro-
 43 tection Fund.

44 (B) More than \$30 million, the minimum assessment referred to in subsection (1) of this section
 45 shall be \$15 for each lot or parcel. This amount shall be treated in the same manner as assessments

1 under ORS 477.230 and 477.270.

2 (b) Decreased to an amount that is at or below \$22.5 million, the minimum assessment referred
3 to in subsection (1) of this section shall be [~~\$18~~] **\$18.75** for each lot or parcel. This amount shall be
4 treated in the same manner as assessments under subsection (1) of this section.

5 (3) Upon application to the forester under subsection (4) of this section, contiguous lots held
6 under identical ownership shall be considered as one combined lot for purposes of subsection (1) of
7 this section[, *except that the combined lot shall not include:*]. **However, the following may not be**
8 **included in a combined lot:**

9 (a) **Except as provided in this paragraph**, a lot on which a structure has been placed or im-
10 provements made for the purpose of erecting any temporary or permanent structure[;]. **One lot on**
11 **which a single-family dwelling has been placed, and lots on which the structures and im-**
12 **provements that are appurtenant to that single-family dwelling have been placed, may be**
13 **included in a combined lot that does not exceed 20 acres.**

14 (b) A lot that is in a subdivision containing lots that have been or are being offered for sale[;
15 *or*].

16 (c) A lot that is not designated forest or agricultural land for the purpose of land use or special
17 tax assessment purposes.

18 (4) To qualify under subsection (3) of this section, an owner of forestland shall make application
19 to the forester no later than April 15 of the fiscal year preceding each fiscal year for which the
20 owner desires the land to be assessed under subsection (3) of this section. The application shall be
21 on a form prescribed by the State Forester. A fee of \$25 per combined lot shall be paid to the
22 forester at the time of first application for the combined lot. An additional fee of \$25 per combined
23 lot shall be paid to the forester at the time of subsequent application, if an application for the
24 combined lot was not made for the previous fiscal year.

25 (5) The State Board of Forestry may adopt rules for the administration of the provisions of
26 subsections (3) and (4) of this section.

27 (6) For the purposes of this section, "lot" and "subdivision" have the meanings given those terms
28 in ORS 92.010.

29 **SECTION 4.** ORS 477.880 is amended to read:

30 477.880. (1) An assessment for the cost of fire protection and suppression is levied upon the
31 owners of all forestland that has been classified under ORS 526.305 to 526.370 and that is protected
32 from the start or spread of fire thereon or therefrom by:

33 (a) The forester under ORS 477.210 (4), with the approval of the State Board of Forestry;

34 (b) The United States of America through contract or agreement with the forester or board;

35 (c) Any forest protective agency under contract or agreement with the forester or board pursu-
36 ant to ORS 477.406; or

37 (d) Any forest protective agency, described in paragraph (c) of this subsection, under a contract
38 or agreement with the United States of America wherein such agency agrees to protect specific
39 federal forestlands, and in return, the United States of America agrees to protect specific lands of
40 such agency.

41 (2) Except as otherwise provided in ORS 477.760, for each fiscal year the assessment levied per
42 acre of ownership of forestland designated in subsection (1) of this section shall be:

43 (a) [~~Six~~] **Seven and one-half** cents for all forestlands east of the summit of the Cascade Moun-
44 tains and all forestlands which have been classified Class 3, agricultural class, under ORS 526.305
45 to 526.370; or

1 (b) [*Four*] **Five** cents for all forestlands not described in paragraph (a) of this subsection.

2 **SECTION 5. The amendments to ORS 477.277 and 477.295 by sections 2 and 3 of this 2007**
3 **Act apply to tax years beginning on or after July 1, 2008.**

4 **SECTION 6. This 2007 Act takes effect on the 91st day after the date on which the reg-**
5 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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