

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 3072                      **STATUS:** A Engrossed  
**SUBJECT:** Forest management practices  
**GOVERNMENT UNIT AFFECTED:** Department of Forestry and local government  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Susie Jordan  
**DATE:** April 30, 2009

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	<u><b>2009-2011</b></u>	<u><b>2011-2013</b></u>
<b>EXPENDITURES:</b> See Comments.		

**REVENUES:**  
See Revenue Impact Statement.

**EFFECTIVE DATE:** January 1, 2010.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill allows the State Board of Forestry to designate areas on state forestland as exempt from requirement that those state forestlands be managed to secure the greatest permanent value; establishes conditions for exemption that may be considered; and defines greatest permanent value.

The Department of Forestry (ODF) indicates that the definition of greatest permanent value in the bill will narrow the Board of Forestry's interpretation of greatest permanent value to be focused primarily on timber production and revenue generation. As a result, ODF anticipates incurring additional Other Funds expenditures in the 2009-11 biennium to address rulemaking and planning activities. At this time, ODF is unsure whether Forest Development Fund reserves will be sufficient to cover the additional expenditures anticipated for the 2009-11 biennium.

In the 2011-13 biennium ODF anticipates generating additional Other Funds revenues for counties and the forest management; however, there will also be additional expenditures required to manage forest planning, timber sales and reforestation.

At this time, the Legislative Fiscal Office (LFO) believes that the fiscal and budgetary ramifications of this measure are not fully understood. The purpose of this fiscal impact is to outline the broad fiscal implications of this measure and to note that a more detailed analysis is required to understand the measure's budgetary implications.