

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass and Be Referred to the Committee on Ways and Means by prior reference
<b>Vote:</b>	8 - 0 - 0
<b>Yeas:</b>	Boone, Cowan, Esquivel, Johnson, Schaufler, Sprenger, Clem, Jenson
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Liz Puskar, Administrator
<b>Meeting Dates:</b>	2/9, 4/4

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**WHAT THE MEASURE DOES:** Limits annual expenditure from Oregon Forest Land Protection Fund (OFLPF) to lesser of \$10 million or sum of one-half annual emergency fire suppression costs and one-half annual premium for emergency fire suppression costs insurance. Declares emergency, effective July 1, 2011.

**ISSUES DISCUSSED:**

- Principles of fairness and equity in covering fire protection and fire suppression costs
- Other western states' fire suppression financing programs
- Governor's projected budget for the 2011-2013 biennium

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The OFLPF helps pay for suppression of larger wildfires that exceed the routine capacity of local fire protection districts. An insurance policy also helps protect against the cost of such fires. In recent years, the deductible under this policy has been \$25 million, with the OFLPF responsible for the first \$10 million and the State Treasury General Fund responsible for the remaining \$15 million. Depending on fire season severity, the \$10 million threshold may not be reached. House Bill 2451 would change this by placing a cap on OFLPF liability at \$10 million or half of the actual large-fire costs, whichever is less. Under the bill, the practice of splitting the insurance premium between the General Fund and the OFLPF would continue, with half of the premium costs included in the \$10 million cap.