

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	8 - 0 - 0
Yeas:	Boone, Cowan, Jenson, Johnson, Schaufler, Sprenger, Clem, Esquivel
Nays:	0
Exc.:	0
Prepared By:	Beth Herzog, Administrator
Meeting Dates:	2/7

WHAT THE MEASURE DOES: Stipulates that money in Oregon Forest Land Protection Fund (Fund) are continuously appropriated to Emergency Fire Committee (Committee) for purpose of minimizing risk to public and private entities of costs, resource loss and environmental damage from wildfires. Enhances uses of Fund , with limits established in Act, to include paying up to 50 percent of costs related to mobilization of emergency fire suppression and resources, and costs of emergency fire suppression costs insurance. Establishes annual expenditures from Fund may not exceed lesser of \$12.5 million or sum of: a) lesser of \$2 million or 50 percent of cost of activities for safeguarding forestland and 50 percent of cost of mobilizing fire suppression resources; b) 50 percent of annual premium for emergency fire suppression costs insurance; c) lesser of \$2.5 million (amount increases annually to:\$5 million in 2014, \$7.5 million in 2015 and \$10 million in 2016) or 50 percent of eligible emergency fire costs determined by Committee; d) lesser of \$7.5 million (amount decreases annually to: \$5 million in 2014, \$2.5 million in 2015, is removed from statute effective July 1, 2016) or e) amount eligible annual fire suppression costs exceed \$5 million (amount increases annually to:\$10 million in 2014, \$15 million in 2015 and is removed from statute effective July 1, 2016) without exceeding policy deductible; and necessary administrative expenses. Establishes that effective July 1, 2013 the State Forester prepare a budget fund request for General Fund appropriation for mitigating forest patrol assessment rates in limited cases where fire frequency, potential or other economic factors limit protection districts ability to provide funding necessary to meet performance standards. Stipulates Department of Forestry (ODF) may not expend more than \$3 million per year to: 1) place centrally managed fire suppression resources; 2) acquire short-term contingency resources to be used when there is a resource shortage due to heavy fire in State, western region of United States or nationally; and, 3) enhancing resources or mitigating forest patrol assessment rates. Takes effect 91st day after sine die.

ISSUES DISCUSSED:

- Phases in over four year vertical split in funding large fire costs
- Increases investment in severity funding
- Reinforces the 50/50 cost share plan between the General Fund and landowners

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: There are three major components to fire protection funding for ODF protected lands: base level of protection, severity and large fire funding. The “base level of protection” is funded by local assessments paid by landowners (50 percent) and General Fund dollars (50 percent) with public landowners paying the full assessment rate (no General Fund match). The base level of protection also includes funding for agency administration that is supported through General Fund and a landowner in-kind match. The “severity” component is funded through a special purpose appropriation (100 percent General Fund) that funds the ODF’s ability to secure statewide resources that are available and ready to use in severe fire conditions. The “large fire” component costs are shared by private forest landowners and the General Fund through a stackable deductible. Premiums for the one-of-a kind \$25 million catastrophic insurance policy are shared equally. There is a \$25 million deductible must be met prior to eligibility for insurance payments under this policy. The Fund is responsible for paying the first \$10 million of the deductible and the General Fund is responsible for the next \$15 million. If a fire extends beyond the initial attack, eligible costs are reimbursed first by the Fund up to \$10 million and then by the General Fund.

2/8/2012 9:49:00 AM

This summary has not been adopted or officially endorsed by action of the committee.