

**A-Engrossed**  
**House Bill 4042**

Ordered by the House February 8  
Including House Amendments dated February 8

Sponsored by Representative GILLIAM; Representatives BREWER, CAMERON, CONGER, GARRARD, HUFFMAN, JENSON, JOHNSON, SPRENGER, THATCHER, THOMPSON, WEIDNER, WHISNANT (Presession filed.)

**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.

*[Reduces limit on forest patrol assessment rates for lands located east of summit of Cascade Mountains and certain other areas. Applies to assessments levied and assessed on or after July 1, 2013.]*

Changes permissible use of moneys in Oregon Forest Land Protection Fund. Alters and creates statutory limits on expenditures from fund. **Adjusts, according to four-year schedule, statutory limits on expenditures from fund.**

*[Deletes]* **Creates statutory limit on expenditures for certain mandatory items [from] required to be included in State Forester budget request.**

Changes required content of annual report by State Forester to Emergency Board.

**Takes effect on 91st day following adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to fire protection; creating new provisions; amending ORS 477.755 and 477.777; appropriat-  
3 ing money; limiting expenditures; and prescribing an effective date.

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

5 **SECTION 1.** ORS 477.755 is amended to read:

6 477.755. (1) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land Protection  
7 Fund are **continuously** appropriated *[continuously]* to the Emergency Fire Cost Committee *[and]* **for**  
8 **the purpose of minimizing the risk to public and private entities of costs, resource loss and**  
9 **environmental damage from wildfires. Subject to the amount limits established in subsection**  
10 **(2) of this section, the fund shall be used for:**

11 (a) Equalizing emergency fire suppression costs *[for]*;

12 (b) Safeguarding forestland in any forest protection district<sup>1</sup>, *and for*;

13 (c) **Paying up to 50 percent of costs related to the availability and mobilization of emer-**  
14 **gency fire suppression resources on a statewide basis;**

15 (d) **Paying up to 50 percent of the cost of emergency fire suppression costs insurance;**  
16 **and**

17 (e) **Paying** necessary administrative expenses, **not to exceed** *[. However, such administrative*  
18 *expenses may not exceed]* the limit authorized by the Legislative Assembly each biennium.

19 (2) Notwithstanding any other provision of law, the annual expenditure from the *[Oregon Forest*  
20 *Land Protection]* fund from revenues received from ORS 321.015 (2), 477.277 (1), 477.295 (1) and (2),  
21 477.750 (1) and (2), 477.760 (4) and 477.880 *[(2) may not exceed \$10 million.]* **may not exceed the**  
22 **lesser of:**

23 (a) **\$12.5 million; or**

**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       **(b) The sum of:**

2       **(A) The lesser of \$2 million or 50 percent of the costs of activities described in ORS**  
3 **477.777 (1)(b) and (c);**

4       **(B) Fifty percent of the annual premium for emergency fire suppression costs insurance**  
5 **purchased under ORS 477.775;**

6       **(C) The lesser of \$2.5 million or 50 percent of eligible annual emergency fire suppression**  
7 **costs as determined by the committee;**

8       **(D) The lesser of \$7.5 million or the amount by which eligible annual emergency fire**  
9 **suppression costs exceed \$5 million but do not exceed the policy deductible for emergency fire**  
10 **suppression costs insurance; and**

11       **(E) Necessary administrative expenses as determined by the committee and authorized**  
12 **under the limit described in subsection (1)(e) of this section.**

13       (3) As used in this section, “annual expenditure” means the expenses of the [*Oregon Forest Land*  
14 *Protection*] fund obligated in any 12-month period designated by the [*Emergency Fire Cost*] committee  
15 by rule that corresponds to the policy period of any insurance for emergency fire **suppression** costs.

16       **SECTION 2.** ORS 477.755, as amended by section 1 of this 2012 Act, is amended to read:

17       477.755. (1) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land Protection  
18 Fund are continuously appropriated to the Emergency Fire Cost Committee for the purpose of min-  
19 imizing the risk to public and private entities of costs, resource loss and environmental damage from  
20 wildfires. Subject to the amount limits established in subsection (2) of this section, the fund shall  
21 be used for:

22       (a) Equalizing emergency fire suppression costs;

23       (b) Safeguarding forestland in any forest protection district;

24       (c) Paying up to 50 percent of costs related to the availability and mobilization of emergency fire  
25 suppression resources on a statewide basis;

26       (d) Paying up to 50 percent of the cost of emergency fire suppression costs insurance; and

27       (e) Paying necessary administrative expenses, not to exceed the limit authorized by the Legis-  
28 lative Assembly each biennium.

29       (2) Notwithstanding any other provision of law, the annual expenditure from the fund from re-  
30 venues received from ORS 321.015 (2), 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2), 477.760 (4)  
31 and 477.880 may not exceed the lesser of:

32       (a) \$12.5 million; or

33       (b) The sum of:

34       **(A) The lesser of \$2 million or 50 percent of the costs of activities described in ORS 477.777**  
35 **(1)(b) and (c);**

36       **(B) Fifty percent of the annual premium for emergency fire suppression costs insurance pur-**  
37 **chased under ORS 477.775;**

38       **(C) The lesser of [~~\$2.5~~] \$5 million or 50 percent of eligible annual emergency fire suppression**  
39 **costs as determined by the committee;**

40       **(D) The lesser of [~~\$7.5~~] \$5 million or the amount by which eligible annual emergency fire sup-**  
41 **pression costs exceed [~~\$5~~] \$10 million but do not exceed the policy deductible for emergency fire**  
42 **suppression costs insurance; and**

43       **(E) Necessary administrative expenses as determined by the committee and authorized under the**  
44 **limit described in subsection (1)(e) of this section.**

45       (3) As used in this section, “annual expenditure” means the expenses of the fund obligated in

1 any 12-month period designated by the committee by rule that corresponds to the policy period of  
2 any insurance for emergency fire suppression costs.

3 **SECTION 3.** ORS 477.755, as amended by sections 1 and 2 of this 2012 Act, is amended to read:

4 477.755. (1) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land Protection  
5 Fund are continuously appropriated to the Emergency Fire Cost Committee for the purpose of min-  
6 imizing the risk to public and private entities of costs, resource loss and environmental damage from  
7 wildfires. Subject to the amount limits established in subsection (2) of this section, the fund shall  
8 be used for:

9 (a) Equalizing emergency fire suppression costs;

10 (b) Safeguarding forestland in any forest protection district;

11 (c) Paying up to 50 percent of costs related to the availability and mobilization of emergency fire  
12 suppression resources on a statewide basis;

13 (d) Paying up to 50 percent of the cost of emergency fire suppression costs insurance; and

14 (e) Paying necessary administrative expenses, not to exceed the limit authorized by the Legis-  
15 lative Assembly each biennium.

16 (2) Notwithstanding any other provision of law, the annual expenditure from the fund from re-  
17 venues received from ORS 321.015 (2), 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2), 477.760 (4)  
18 and 477.880 may not exceed the lesser of:

19 (a) \$12.5 million; or

20 (b) The sum of:

21 (A) The lesser of \$2 million or 50 percent of the costs of activities described in ORS 477.777  
22 (1)(b) and (c);

23 (B) Fifty percent of the annual premium for emergency fire suppression costs insurance pur-  
24 chased under ORS 477.775;

25 (C) The lesser of [~~\$5~~] **\$7.5** million or 50 percent of eligible annual emergency fire suppression  
26 costs as determined by the committee;

27 (D) The lesser of [~~\$5~~] **\$2.5** million or the amount by which eligible annual emergency fire sup-  
28 pression costs exceed [~~\$10~~] **\$15** million but do not exceed the policy deductible for emergency fire  
29 suppression costs insurance; and

30 (E) Necessary administrative expenses as determined by the committee and authorized under the  
31 limit described in subsection (1)(e) of this section.

32 (3) As used in this section, "annual expenditure" means the expenses of the fund obligated in  
33 any 12-month period designated by the committee by rule that corresponds to the policy period of  
34 any insurance for emergency fire suppression costs.

35 **SECTION 4.** ORS 477.755, as amended by sections 1, 2 and 3 of this 2012 Act, is amended to  
36 read:

37 477.755. (1) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land Protection  
38 Fund are continuously appropriated to the Emergency Fire Cost Committee for the purpose of min-  
39 imizing the risk to public and private entities of costs, resource loss and environmental damage from  
40 wildfires. Subject to the amount limits established in subsection (2) of this section, the fund shall  
41 be used for:

42 (a) Equalizing emergency fire suppression costs;

43 (b) Safeguarding forestland in any forest protection district;

44 (c) Paying up to 50 percent of costs related to the availability and mobilization of emergency fire  
45 suppression resources on a statewide basis;

1 (d) Paying up to 50 percent of the cost of emergency fire suppression costs insurance; and

2 (e) Paying necessary administrative expenses, not to exceed the limit authorized by the Legis-  
3 lative Assembly each biennium.

4 (2) Notwithstanding any other provision of law, the annual expenditure from the fund from re-  
5 venues received from ORS 321.015 (2), 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2), 477.760 (4)  
6 and 477.880 may not exceed the lesser of:

7 (a) \$12.5 million; or

8 (b) The sum of:

9 (A) The lesser of \$2 million or 50 percent of the costs of activities described in ORS 477.777  
10 (1)(b) and (c);

11 (B) Fifty percent of the annual premium for emergency fire suppression costs insurance pur-  
12 chased under ORS 477.775;

13 (C) The lesser of [\$7.5] **\$10** million or 50 percent of eligible annual emergency fire suppression  
14 costs as determined by the committee; **and**

15 [(D) *The lesser of \$2.5 million or the amount by which eligible annual emergency fire suppression*  
16 *costs exceed \$15 million but do not exceed the policy deductible for emergency fire suppression costs*  
17 *insurance; and*]

18 [(E)] **(D)** Necessary administrative expenses as determined by the committee and authorized  
19 under the limit described in subsection (1)(e) of this section.

20 (3) As used in this section, “annual expenditure” means the expenses of the fund obligated in  
21 any 12-month period designated by the committee by rule that corresponds to the policy period of  
22 any insurance for emergency fire suppression costs.

23 **SECTION 5.** ORS 477.777 is amended to read:

24 477.777. (1) As part of the preparation of the budget forms submitted to the Oregon Department  
25 of Administrative Services pursuant to ORS 291.208 for the State Forestry Department, the State  
26 Forester shall prepare, in addition to any amounts budgeted for forest protection districts pursuant  
27 to ORS 477.205 to 477.281, a budget request for a General Fund appropriation [*that may be used for*  
28 *any or all of the following*] **for the following purposes:**

29 (a) Providing funds for the purchase of **emergency fire suppression costs** insurance under ORS  
30 477.775.

31 (b) [*Placement of*] **Placing** centrally managed fire suppression resources for statewide use.

32 (c) [*Acquisition of*] **Acquiring** fast-mobilizing, short-term contingency resources to be used based  
33 on predictions of unusually severe fire weather, widespread lightning events or serious resource  
34 shortage due to a heavy fire season **in this state, in the western region of the United States**  
35 **or nationally.**

36 (d) [*Enhancement of*] **Enhancing** forest protection district resources **or mitigating forest patrol**  
37 **assessment rates** in limited cases where land productivity, **fire frequency, fire potential** or other  
38 economic factors seriously limit the protection district’s ability to provide [*adequate*] funding **ade-**  
39 **quate and necessary** to meet performance standards.

40 **(2) Unless the Legislative Assembly expressly provides otherwise, the State Forestry**  
41 **Department may not expend more than \$3 million per year to carry out the activities de-**  
42 **scribed in subsection (1)(b) to (d) of this section.**

43 [(2)] **(3)** The State Forester shall utilize critical discretion in the expenditure of the funds pro-  
44 vided to the [*State Forestry*] department pursuant to the separate budget request required under  
45 subsection (1) of this section.

1        [(3)] (4) The State Forester shall report to the Emergency Board, each year, after the close of  
2 the fire season, on:

3        (a) The nature and severity of the fire season;

4        (b) The moneys expended on fire suppression;

5        [(c) *The rationale for the expenditures; and*]

6        [(d)] (c) The balance remaining from the biennial appropriation[.]; **and**

7        **(d) Any matters arising out of the fire season that may require attention or warrant**  
8 **future consideration by the board or the Legislative Assembly.**

9        **SECTION 6. The amendments to ORS 477.755 by section 1 of this 2012 Act apply to annual**  
10 **expenditures for periods designated as provided in ORS 477.755 (3) that begin on or after July**  
11 **1, 2013.**

12        **SECTION 7. The amendments to ORS 477.755 by section 2 of this 2012 Act apply to annual**  
13 **expenditures for periods designated as provided in ORS 477.755 (3) that begin on or after July**  
14 **1, 2014.**

15        **SECTION 8. The amendments to ORS 477.755 by section 3 of this 2012 Act apply to annual**  
16 **expenditures for periods designated as provided in ORS 477.755 (3) that begin on or after July**  
17 **1, 2015.**

18        **SECTION 9. The amendments to ORS 477.755 by section 4 of this 2012 Act apply to annual**  
19 **expenditures for periods designated as provided in ORS 477.755 (3) that begin on or after July**  
20 **1, 2016.**

21        **SECTION 10. The amendments to ORS 477.777 by section 5 of this 2012 Act apply to:**

22        (1) **Budget requests for biennia that begin on or after July 1, 2013;**

23        (2) **Yearly expenditures from General Fund appropriations for biennia that begin on or**  
24 **after July 1, 2013; and**

25        (3) **Yearly reports that the State Forester makes to the Emergency Board on or after**  
26 **July 1, 2013.**

27        **SECTION 11. This 2012 Act takes effect on the 91st day after the date on which the 2012**  
28 **regular session of the Seventy-sixth Legislative Assembly adjourns sine die.**

29