

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Baertschiger, Burdick, Close, Prozanski, Roblan

Nays: 0

Exc.: 0

Prepared By: Racquel Rancier, Administrator

Meeting Dates: 4/11, 4/18

WHAT THE MEASURE DOES: Directs advisory committee of Board of Forestry to study and recommend financial support mechanisms to increase the pace and scale of federal forest management projects. Specifies report may: identify options to diversify and improve revenue sources to support management; identify approaches to promote federal efficiencies; and evaluate options for establishing revolving loan fund or other mechanism to fund projects including evaluating feasibility of gain sharing increased state income tax revenue with counties funding federal forest management. Requires advisory committee to report to interim committee of Legislative Assembly related to economic development before February 1, 2014.

ISSUES DISCUSSED:

- Timber industry and economic importance to rural communities
- Private and public forest harvests needed to maintain mill infrastructure, retain or create jobs, and provide revenue to counties
- Laws and economic impact related to processing of logs locally versus exporting logs
- Multiple uses and benefits of forests

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: The Board of Forestry created the Federal Forestlands Advisory Committee (FFAC) in 2006 to create a sustainability vision for federal land. In 2008, the FFAC released the report, “Achieving Oregon’s Vision for Federal Forestlands,” which was followed by the formation of the FFAC – Implementation Working Group (IWG) in 2009. In 2012, the FFAC-IWG identified the costs and benefits associated with doubling the average number of acres treated annually to restore forest ecosystem health on Oregon’s dry-side national forestlands in its report, “National Forest Health Restoration: An Economic Assessment of Forest Restoration on Oregon’s Eastside National Forests.” According to the report, federal forest management projects support rural economies, mill infrastructure, and forest ecosystem health, and reduce fire-risk. Every \$1 million spent on forest restoration was estimated to result in an economic return of \$5.7 million.

Currently, the United States Forest Service does not have the financial resources to increase investment in federal forest management projects. Senate Bill 357 A directs the Federal Forestlands Advisory Committee to study the feasibility of establishing a loan program or other funding mechanism to support federal forest management projects.