

**Revenue:** Revenue statement issued**Fiscal:** Fiscal statement issued**Action:** Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed**Vote:** 23 – 2 – 1House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays: Freeman, Mclane

Exc: Hanna

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

**Prepared By:** Linda Gilbert, Legislative Fiscal Office**Meeting Date:** June 21, 2013

**WHAT THE MEASURE DOES:** The measure extends privilege taxes on merchantable forest products harvested on forestlands. It includes 97.27 cents per thousand board feet for administration of the Forest Practices Act. The rate for the prior two years was \$1.2953 per thousand board feet. The projected volume is 7,195,622 thousand board feet. This part of the tax supports \$4.38 million in expenditures for 2013-15.

**ISSUES DISCUSSED:**

- Fiscal impact
- Proposed amendment

**EFFECT OF COMMITTEE AMENDMENT:** Changes the rate for the Forest Research Laboratory at Oregon State University from 87.39 cents to 84.39 cents per thousand board feet. At this rate, the expected revenue is \$6.07 million, assuming the projected harvest of 7,195,622 thousand board feet in the two year period. This amount is equal to the General Fund appropriated for the lab. The amendment also adds a 10 cent per thousand feet for use by Oregon State University for the purpose of making investments in professional forestry education at the College of Forestry.

**BACKGROUND:** Merchantable forest products harvested on forestlands are subject to privilege taxes. The taxes are used for forest research and to administer the Oregon Forest Practices Act. The biennial harvest tax rate is determined by the budget amount needed by the Department of Forestry to administer the Forest Practice Act, offset by any beginning balance in the fund, and using the estimated biennial harvest volume in board-feet. An additional tax is also recalculated in each biennium based on matching the total General Fund appropriated to the Oregon State University Forest Research Laboratory.