



STATE OF OREGON

LEGISLATIVE REVENUE OFFICE

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Research Brief

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REVENUES FROM TIMBER IN OREGON

This report reviews the revenues that flow primarily to local governments from property taxes on forestland and from shared revenues when timber is harvested on state or federally owned forestland. Section 1 is an overview of forestland ownership, total timber harvests, and total local government revenues. Section 2 looks at the individual local government revenue sources, and Section 3 reviews the Forest Products Harvest Tax, which funds a number of forest related programs.

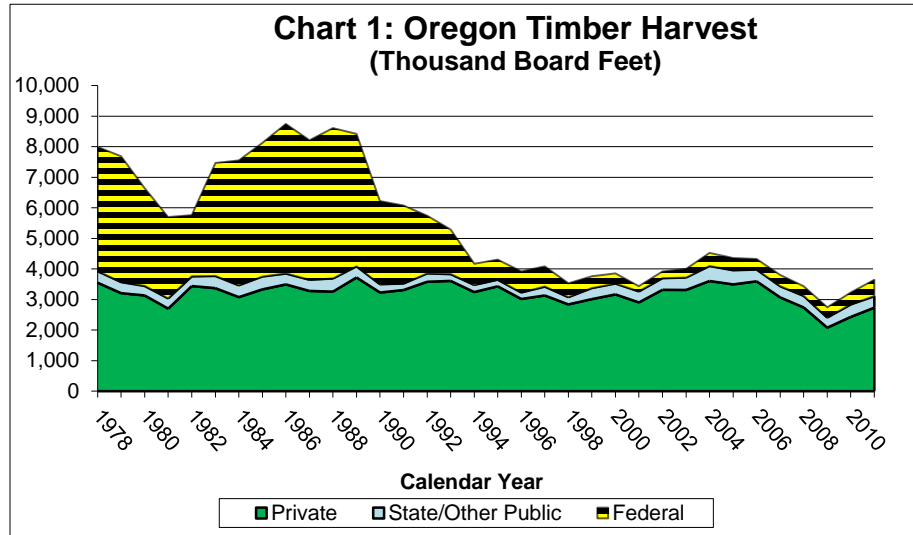
Overview

The US Forest Service classifies 30.5 million acres of land as forestland. Of this total, 2.5 million acres (8.1%) are reserved in some manner from timber production. This is accomplished through designation as parks, wilderness areas, or application of other prohibitions on harvest. Another 3.4 million (11.1%) are not capable of production of more than 20 cubic feet of wood per acre in a year. Forest revenues in this report are derived from harvest on public and private forestlands. Federal forestland accounts for 18.2 million acres statewide. Recent regulations have significantly reduced harvest on federal lands in response to concerns over the Northern Spotted Owl and other species. In lieu payments take the place of revenues that used to be derived from harvest on national forests.

| OREGON'S FOREST LAND BASE (2005) | | | | |
|----------------------------------|----------------------------|---------------|--------------|---------------|
| Thousands of Acres | | | | |
| Ownership | Low Quality* Unreserved | Timber Land | | Total |
| | | Unreserved | Reserved | |
| Private | | | | |
| Industrial Private | 156 | 5,844 | - | 6,000 |
| Small Private | 1,172 | 3,497 | - | 4,668 |
| Public | | | | |
| State | 46 | 871 | 23 | 940 |
| Local | - | 135 | 12 | 146 |
| Other Public | - | 10 | - | 10 |
| Federal | | | | |
| Forest Service | 389 | 11,756 | 2,139 | 14,283 |
| National Park Service | - | - | 159 | 159 |
| Bureau of Land Management | 1,393 | 2,238 | 129 | 3,760 |
| U.S. Fish and Wildlife Service | - | - | 16 | 16 |
| Other Federal | - | 27 | - | 27 |
| Native American | 105 | 358 | - | 463 |
| Total: All Owners | 3,261 | 24,736 | 2,477 | 30,473 |

*Low Quality is defined as forestland that is not capable of producing in excess of 20 cubic feet/acre/year of wood
 Note: Totals may be off due to rounding
 Source: Donnegan, Joseph, et al. 2008. Oregon Forest Resources 2001-2005 Five-Year Forest Inventory and Analysis Report. PNW-GTR-765. p 127 Table 2.

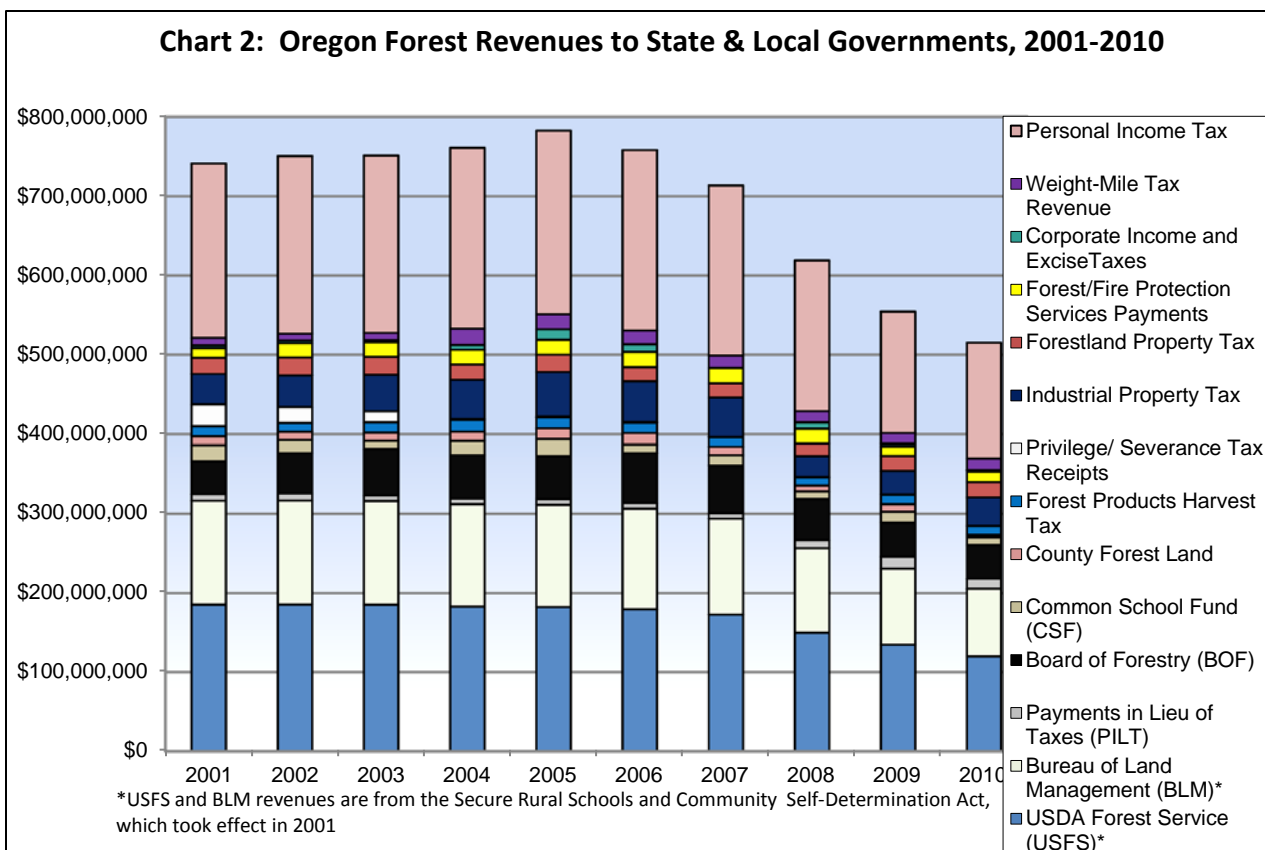
Chart 1 at the right shows the volume of timber harvested from Oregon forests between 1978 and 2011. The biggest change over the period is the decline in the harvest from forestland managed by the USFS and BLM. These harvests reached a maximum of 4.9 billion board feet in 1988, and rapidly declined in the early 1990's.



The harvest from privately owned forestland reached a maximum of 3.7 billion board feet in 1989, held fairly constant at about 3.4 billion board feet through 1995, and fell to 2.7 billion board feet by 2009. The depressed housing market from the recession starting in 2008 caused the lowest timber demand in recent history. More recently, harvest has been increasing and the forecast is for about 3.6 billion board feet through 2012. The harvest from other public forestland has varied between 0.2 and 0.6 billion board feet per year.

Each of these revenue sources is discussed in the following sections of this report. The first section deals with revenues from privately owned forestland, both property taxes and privilege taxes. The second section deals with revenue from publicly owned forestland and the final section pertains to the Forest Products Harvest Tax.

Tax Revenue from Private Forests



Standing timber itself had been exempt from property tax since 1961 in eastern Oregon and 1977 in western Oregon. When these exemptions were made, severance taxes were imposed to replace property taxes on the timber. The forest land under the timber has been subject to a property tax since 1856. There were two major changes in forest tax policy which affected revenues from private forestland during the 1990's. These changes were brought about in response to citizen-initiated statewide efforts to reduce the overall property tax burden on all properties. In 1993, the Legislature changed the forestland taxable values from 100% to 20% of the total assessed value and redefined the severance tax as a privilege tax. The 1999 Legislature created a new program for forestland in large ownerships (optional for forestland in small ownerships), under which privilege taxes on harvested timber were phased out by 2003 while forestland assessed values were increased to 75% of the value for highest and best use forestland for two years beginning in 2000 and then 100% by 2003. This program is referred to as the Oregon Forest Land Program (OFLP) because it creates a uniform treatment of property tax on forestlands statewide. In 2001, HB 3537 changed the process by which specially assessed forestland values are determined from a statutorily defined list of values to a determination of value by the Department of Revenue annually in rule. The 2003 Legislature completed the transition from the 1993 tax program by including all forestland in small ownerships into the 1999 program thereby creating one consistent program for all forestland owners.

Forest land is assessed in a manner that reflects the value of the land when the highest and best use is the production of timber. Values could be higher for other uses, such as residential development, but the taxation of timber land does not reflect these higher values, as long as the land remains in timber production. Measure 50 also created a Maximum Specially Assessed Value (MSAV) at 90% of the 1995 taxable value, grown by 3% per year. Taxation is therefore based on the lesser of the MSAV and the Specially Assessed Value (SAV) for timber use. SAV's are established by the Department of Revenue each year for 8 site classes that vary by timber growth potential.

Timber Tax History

Western Oregon Generally

In 1977, the value of standing timber was exempted from property tax and a 6.5% severance tax was imposed on timber harvests in lieu of property taxes on standing timber. For Reforestation lands, this legislation repealed the Forest Fee and Yield Tax and reduced its 12.5% yield tax by 0.25% per year. It was scheduled to reach 6.5% in 2002. For non-reforestation lands, the 6.5% rate was in effect through June 30, 1991. Private forestland is taxed as part of the local property tax system. All forestland is assessed based on its value in forest use (specially assessed value.)

| | Eastern Oregon | | Western Oregon | |
|----------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Period | Regular | Reforestation | Regular | Reforestation |
| Initial | 5.00% | 12.50% | 6.50% | 12.50% |
| 1991-92 | 4.35% | 8.00% | 5.85% | 8.30% |
| 1992-93 | 3.90% | 7.20% | 5.30% | 7.50% |
| 1993 2nd | 3.50% | 6.40% | 4.70% | 6.60% |
| 1994 | 3.30% | 5.61% | 4.40% | 5.75% |
| 1995 | 2.90% | 4.78% | 3.80% | 4.82% |
| 1996-99 | 1.80% | 1.80% | 3.20% | 3.20% |
| 2000 | 1.10% | - | 1.90% | - |
| 2001 | 1.10% | - | 1.90% | - |
| 2002 | 0.80% | - | 1.40% | - |
| 2003 | 0.00% | - | 0.00% | - |

For all timber lands in Oregon, the 1991 Legislature redefined the severance tax as a privilege tax and reduced the tax rate and the additional rate on reforestation lands for harvests between 1991 and 1993. The 1993 Legislature further reduced these rates for harvests in calendar years 1994 through 1996. In 1999, privilege taxes were phased out during a three-year period, after which

privilege taxes were eliminated on the large ownership program. Table 1 summarizes the privilege tax rates over time.

Prior to 1995-96, property tax applied to 100% of SAV. For 1995-96 and 1996-97, forest land was taxed on 20% of its specially assessed value. Measure 50 also required the creation of a maximum specially assessed value (MSAV) at 90% of the 1995 SAV. Taxes were applied on the lesser of 20% of the SAV or the MSAV.

The 1999 Legislature made further changes. It created the Oregon Forest Land Program (OFLP) which is required for forestland in large ownerships (5,000 acres or more) and optional for forestland in smaller ownerships. The taxation of smaller ownerships is discussed below in the section "Small Tract Optional Tax." Under OFLP, for 2000-01 through 2002-03, assessed value is the lesser of 75% of SAV or MSAV. The MSAV was also redefined in 1999 as 75% of 1995 levels indexed to grow by 103% each year to reach year 2000. Beginning in 2003-04, taxes would be assessed on the lesser of SAV or MSAV (redefined.) Small tract forestland was also added to the OFLP in 2003, but retained the option to be taxed under the Small Tract Forestland Option.

The method of determining specially assessed values has also changed over this period. Values are determined for 8 site classes (FA through FG & FX), which measure ability to produce timber. Prior to 1995-96 these values also varied by market area and by value zone and were determined by indexing values set in 1977 by the Oregon Supreme Court. The 1993 Legislature set new values for each site class in statute, which applied to all areas of western Oregon. These were indexed annually and took effect in 1995-96. The indexes used over this period also changed. The 1999 Legislature required the Department of Revenue to convene working groups to review these values, to develop a process for class action appeal of forestland values, and to review the method of taxing forestland not covered by the new program. The 2001 Legislature passed HB 3537, which changed the valuation from a statutorily determined schedule of values to values determined by the Department of Revenue based on a statistical model which may include forestland sales, stumpage values, immediate harvest values, log prices, or other commercially reasonable factors for real market value analysis of forestland.

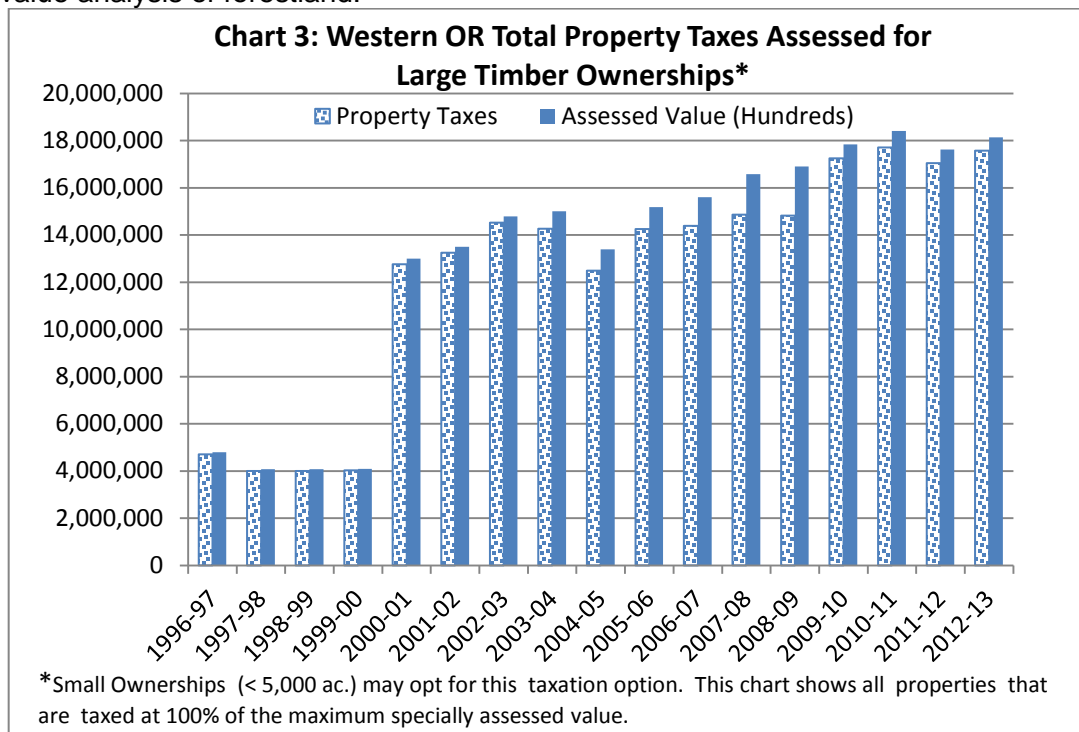


Chart 3 above shows the specially assessed value of forest land and the property tax revenue from these lands in Western Oregon. The Oregon Forest Land Program became the default forestland tax program in 2003, and small owners were provided the opportunity to opt out.

Prior to Measure 50, property tax levies submitted by local taxing districts were reduced by

estimated privilege tax revenues (timber tax offsets.) Measure 50 ended this offset process for school districts and created an offset tax rate for other districts. The offset rate reduced the districts' base rates. Estimates were required because actual fiscal year privilege taxes were not known at the time levies were submitted. To assure that revenues transferred to the districts by the county treasurers were equal to the offset amounts, the legislature established reserve accounts and required any distributions in excess of the offset amounts to be held and distributed in the following year. The 1999 legislation ended this complicated process in 2001-02 by holding the county share for distribution in August of the following fiscal year. As privilege tax revenue declined, the offset rate declined and the tax rate imposed by the district increased.

Eastern Oregon (highlights differences from treatment in western Oregon)

In 1990, harvests from private forestland in eastern Oregon paid a severance tax at the rate of 5% of immediate harvest value. This tax was enacted in 1961 in lieu of property tax on the value of standing timber. Roughly 114,000 acres were classified as Reforestation lands and paid an alternative rate following the repeal of the Forest Fee & Yield Tax in 1977. This alternative rate was scheduled to decrease 0.25% per year, scheduled to fall to zero in 2008. The 5% rate was in effect through June 30, 1991. As with western Oregon, the 1991 and 1993 Legislatures redefined the severance tax as a privilege tax and reduced the tax rate and the alternative tax rate on reforestation lands. By 1996, harvests from all private forestland in eastern Oregon paid a privilege tax at a rate of 1.8% of immediate harvest value. The new program (OLFP) created by the 1999 Legislature also applies to eastern Oregon. Harvests from forestland, under OLFP, paid privilege taxes at reduced rates for 2000 through 2002 and were exempt from privilege taxes thereafter. Table 1 shows the privilege taxation rates over time. Small ownerships have the option to pay privilege taxes and property taxes on 20% of the specially assessed value for eastern Oregon. Details about this program are described below in the section about the Small Tract Optional program.

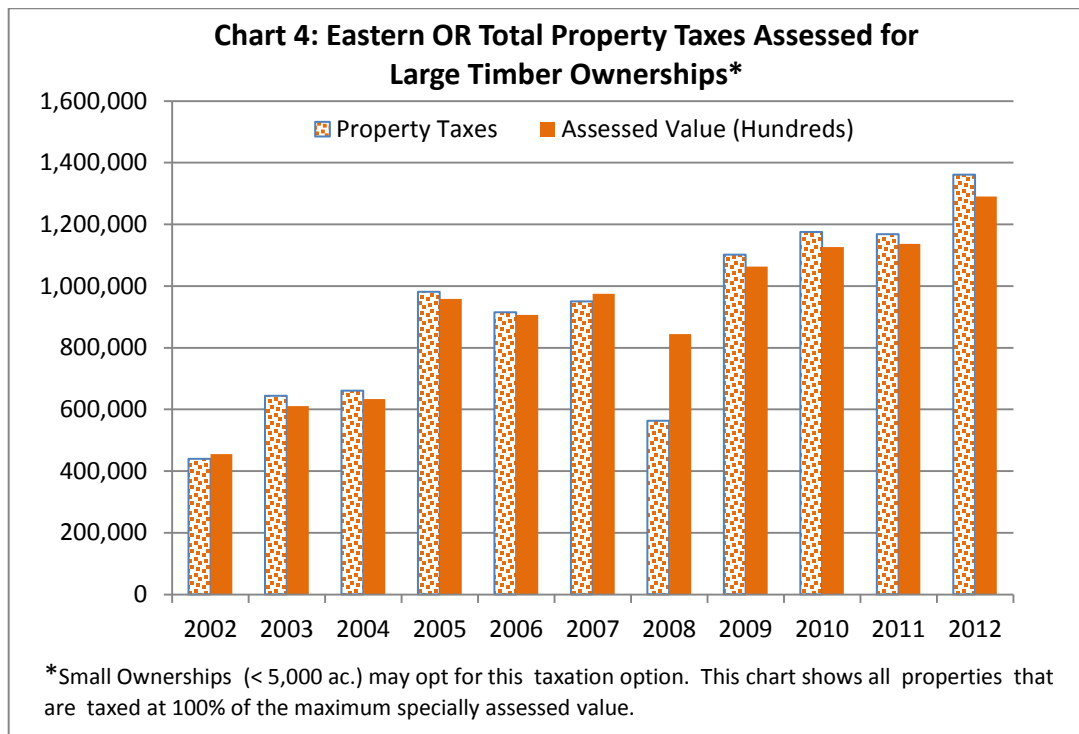


Chart 4 above shows the property taxes and assessed value for property taxes in eastern Oregon. Like western Oregon, private forestland in eastern Oregon is taxed as part of the local property tax system. Prior to 1995-96 assessed value was 100% of specially assessed value (assessed value was an increasing percent of specially assessed value for the 114,000 acres of Reforestation lands formerly under the Forest Fee and Yield Tax). For 1995-96 and 1996-97 it was assessed at 20% of its specially assessed value. Since 1997-98 it has been assessed at the lesser of 20% of its

specially assessed value or its maximum assessed value. OFLP created by the 1999 Legislature is required for forestland in large ownerships (5,000 acres or more) and included the Small Tract Forest Land Option in 2003. Under OFLP, for 2000-01 through 2002-03, assessed value is of the lesser 75% of specially assessed value or maximum assessed value. Beginning in 2003-04, assessed value is the lesser of specially assessed value or maximum assessed value. In 2001, HB 3537 changed the method of valuation for eastern Oregon in the same way as it changed the method of valuation for western Oregon (described above.)

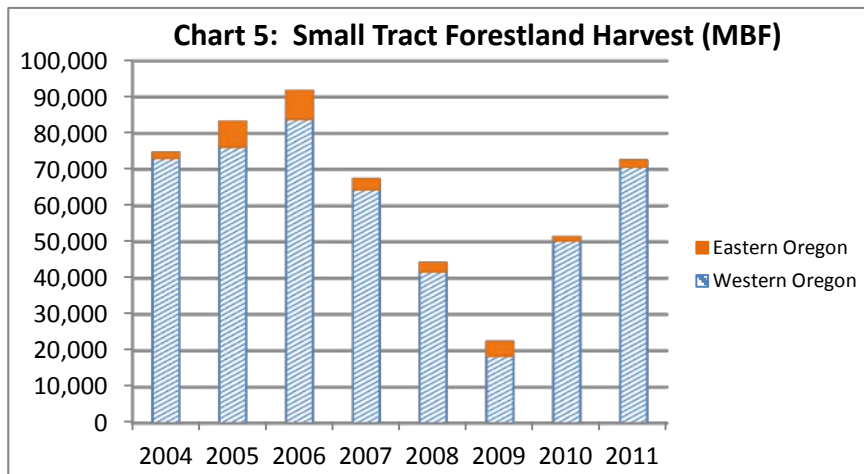
The method of assessing specially assessed value has varied over this period and is slightly different than those that apply to western Oregon. One value applies to all forestland in eastern Oregon with no distinction by productivity class. Prior to 1995-96, specially assessed value was based on indexing the \$25 per acre value set by the legislature for 1982. The 1993 Legislature set a statutory value of \$47 per acre, which was indexed based on immediate harvest value. The review of forestland values required by the 1999 Legislature applied to both eastern and western Oregon (see above). The value is now based on the market value of highest and best use forestlands.

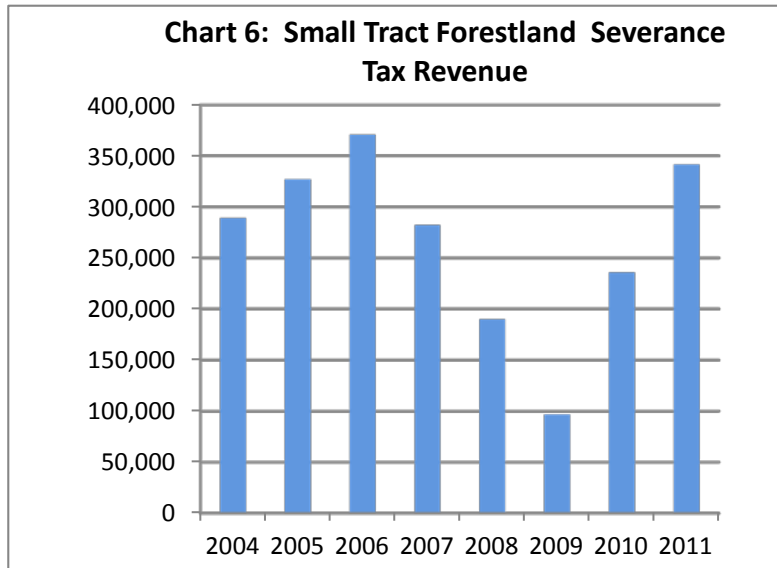
Prior to 1997-98, property tax offsets depended on the 1964 value of standing timber but were otherwise similar to those for western Oregon. In 1990-91, \$4.2 million was distributed. Of this 79.4% went to schools (64.4% to K-12 schools, 12.1% to ESD's, and 2.9% to community colleges), 17.1% went to county governments and 3.5 % went to all other taxing districts. These distribution percentages were fairly stable through 1996-97, though the county's share fell slightly in favor of schools and other districts. In 1997-98, Measure 50 eliminated the calculation of district tax rates used in the distribution formula. As a result, the county assessors used the district prime rates in computing the offset amounts. This reduced the school share through 2000-01 to about 50%. The 1999 legislation ended this process in 2001-02.

Before the passage of the Small Tract Forestland Option bill in 2003 (HB 2197), small forestland owners in western Oregon had the option to be taxed under the Western Oregon Small Tract Optional Tax (WOSTOT) program, which taxed forestlands based on productivity values. Prior to 1997-98, these values were determined for 5 site classes by the Department of Forestry using an income approach. Timber harvested from lands under WOSTOT was not subject to severance or privilege taxes.

The 1997 Legislature redefined productivity value as the specially assessed values determined by the Department of Revenue. This required matching the Department of Forestry’s site classes to Revenue’s site classes. In this process, the Legislature redefined maximum assessed value to be 90% of the 1995-96 specially assessed values. Since harvests from these lands are exempt from privilege taxes, they were assessed at 100% of their productivity value prior to 1997-98 and have been assessed at the lesser of their productivity value or their maximum assessed value since 1997-98. In 2003, the Small Tract Forestland Option Bill, HB 2197, allowed for an assessment of land less than 5,000 acres at 20% of the Department of Revenue’s specially assessed value for forestland. Severance taxes were added to make up for the 80% of property tax revenue that is deferred. The 2003 bill eliminated the Western Oregon Small Tract Optional Tax and added the small Tract Forestland Option Program to the Oregon Forest Land Program.

Harvests from small ownerships opting not to be taxed under OFLP pay a property tax on 20% of their assessed value, and are subject to a severance tax at harvest intended to recover the 80% in lost property tax value. The tax rates began at \$3.03 per MBF (thousand board feet) in eastern Oregon and at \$3.89 per MBF in western Oregon in 2004 and are indexed by the year over year percentage change in specially assessed forestland values. The values for eastern and western Oregon in 2012 are \$3.80/MBF and \$4.88/MBF, respectively. Severance tax receipts are allocated to counties to help offset administrative costs.



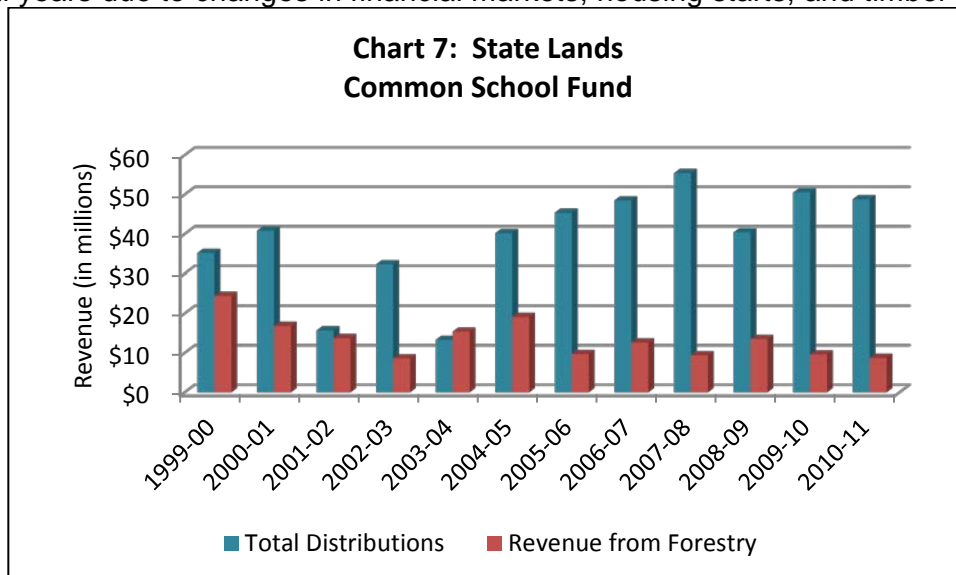


Shared Revenue from Public Forests

State privilege (severance) tax laws and property taxes do not apply to publicly owned forestland or timber harvested from those lands. Instead, local governments receive, under federal and state law, a share of the revenue earned from management of these lands. Most of this revenue is from timber sales.

State Forest Lands

The State Forester manages 821,000 acres of forestland. 119,774 of these acres were deeded to the state from the federal government for education. They are managed by Department of Forestry on behalf of the State Land Board and the Department of State Lands as the Common School Forest Lands. Forestry’s expenses for managing these lands are paid from Common School Fund earnings. Chart 7 shows the distribution to counties from the Common School Fund for fiscal years 2000 to 2011. It also shows the timber revenues in each year. The Common School Fund operates similarly to an endowment fund where the revenue is invested and only the earnings of the fund are distributed. The market value of the Common School Fund was about \$1.1 billion on December 31, 2010. Fund earnings are distributed first to the counties and is allocated according to the number of school aged children ages 4 to 20 and then to school districts according to the average daily membership. Annual distributions have fluctuated in recent fiscal years due to changes in financial markets, housing starts, and timber prices.



Aside from Common School Fund forestland, the remaining 701,000 acres managed by the state forester are called Board of Forestry lands. The majority of these lands were deeded to the state after counties had foreclosed on some private forestland in the 1930's and 1940's that had been burned or cut over. The counties in turn transferred ownership of this land to the state for reforestation in exchange for a share of revenue generated from these lands.

There are currently six large state forests that make up the majority of state forest lands. These include Clatsop State Forest, Elliott State Forest, Gilchrist State Forest, Santiam State Forest, Sun Pass State Forest, and Tillamook State Forest. Smaller tracts are scattered in the Western Oregon coast range. State forest lands are actively managed to provide economic, social, and environmental benefits to Oregon. Revenue, after deductions for protection, development, and management costs, is distributed to the counties where the land generating the revenue is located. Counties keep at least 10% of the revenues for management and supervision. The County School Funds are credited with 25% of the balance and the remaining 75% is allocated among taxing districts with trust lands based on district tax rates. The distribution by county is shown in table B1 of Appendix B for fiscal year 2011 and the three latest years.

U.S. Forest Service Lands

Historically, the U.S. Forest Service shared revenue from timber sales with counties in effect as a payment in lieu of property tax and in recognition of the impact transporting logs has on road systems. Throughout most of the century, counties had received 25% of the revenues for timber harvest on federal land. To forestall the precipitous fall in these revenues in the early 1990's following harvest reductions primarily related to the Endangered Species Act, the federal government provided, in the 1993 Omnibus Budget Reconciliation Act, for an alternative payment plan for fiscal years 1994 through 1998. This plan applies to counties with forest reserves affected by the curtailment of harvests due to concerns about the Spotted Owl. The Secure Rural Schools and Community Self-Determination Act (HR 2389), passed by Congress in October 2000, repeals the Owl guarantees and sets 2000-01 payments equal to the higher of the 25% payment or the average of the three highest payments between 1984 and 1999. This Act applies to all federal forest reserves, whether or not affected by Endangered Species Act legislation. County receipts are split in two ways (there are statutory exceptions for several counties). The county road funds receive 75%. The county school funds receive 25%, which is distributed based on the number of students. These revenues are not offset against property tax levies. The distribution of U.S. Forest Service payments by county is shown in table B2 of Appendix B. The federal timber payments to counties have been reauthorized for fiscal year 2012, at a reduced level from 2011. The future of these payments is uncertain at the time of this writing.

Oregon and California Railroad Lands (O&C)

The Oregon and California Railroad lands are remnants of a huge land grant made in 1869 to a private company for building a north-south railroad through western Oregon. Lands reverted to the federal government when the company violated the terms of the grant. There are about 2.5 million acres in 18 counties, which are all in western Oregon except for Klamath County. The greatest concentration of land is in Coos, Douglas, Lane, Jackson, and Josephine counties. The land is primarily administered by the Bureau of Land Management (BLM). Land in national forests is managed by the U.S. Forest Service.

Under a 1937 federal Act, counties receive 50% of the revenues from timber sales on lands in the county. These are effectively payments in lieu of property and privilege taxes and in recognition of the impact that transporting logs has on road systems. The 1993 and 2000 federal Acts also apply to forestland managed by BLM (see the U.S. Forest Service Lands above, for a discussion of these Acts). Thus the federal government has provided alternative or minimum payments as a declining percentage of average payments between 1986 and 1990 through 1999-00 and made minimum payments through 2005-06 based on the average of the three highest payments between 1986 and 1999. The Secure Rural Schools Act county payment calculation uses multiple variables, including acres of Federal land within an eligible county, a county's share of the counties' average of the 3 highest receipt and safety net payments during fiscal year 1986 through fiscal year 1999, and an income adjustment based on the per capita personal income for each county. The Secure

Rural Schools and Community Self-Determination Act has been reauthorized for fiscal year 2012.

The distribution to each county is a fixed percent of the total based on the adjusted 1915 assessed value of O&C land. There are no requirements for redistribution to local governments within the counties. This county revenue is a general budget resource and not offset against the county's property tax levy. The distribution of BLM O&C payments by county is shown in table B3 of Appendix B.

Coos Bay Wagon Road

The Coos Bay Wagon Road (CBWR) is similar to the O&C situation. These lands were granted by the federal government to the Coos Bay Wagon Road Company to help finance the building of a wagon road between Coos Bay and Roseburg. Land reconveyed to the federal government is managed by the BLM. There are about 75,000 acres in Coos and Douglas counties.

The CBWR lands were omitted from the 1937 Act which covers O&C lands. Under a 1939 Act, the federal government makes in lieu tax payments to local taxing districts. CBWR lands were not covered by the 1993 Act but are included in the 2000 Act (see the U.S. Forest Service Lands above, for a discussion of these Acts.)

Public Domain Land

When Oregon became a state in 1859, certain federal land was retained under Public Domain designation. This is former homestead land that is now managed by BLM. Receipts from this land include timber, land, and material sales. The federal government specified in the Admissions Act (to the Union) that 5% of the net receipts from this land is to be distributed to the state. Currently 20% is set aside for management expense, so the state receives 4% of total receipts. These payments are not covered by the 2000 Act. Oregon statutes dedicate this revenue to counties based on the square mile area of each county. The law stipulates that the county is to use its receipts for public roads and bridges. County receipts from public domain forestland average about half a million dollars a year.

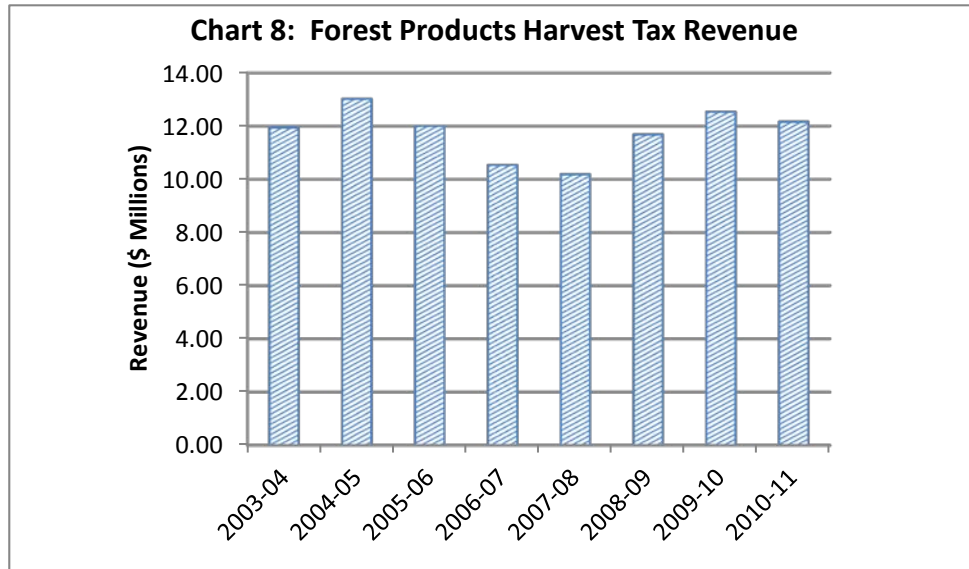
Forest Products Harvest Taxes

Forest Products Harvest Taxes are imposed per 1,000 board feet of timber harvested from all lands in Oregon including public and private forestland and land otherwise classified (except harvests of short-rotation hardwoods). They include a number of tax rates levied to fund separate state agency programs and the Oregon Forest Resources Institute. The rates effective for calendar year 2012 and 2013 harvests include:

- \$0.8739 to fund forest research at Oregon State University,
- \$0.625 to support the Oregon Forest Land Protection Fund (OFLPF),
- \$1.2952 for various Department of Forestry programs (primarily the Forest Practices Act),
- \$0.89 to fund the Oregon Forest Resources Institute (subject to Board action)

Forest Products Harvest Taxes do not go to local governments but are included in this report to help complete the picture of revenue from timber. Revenue has increased much more slowly because of the decline in the volume of timber harvested, primarily timber harvested from U.S. Forest Service and BLM-managed lands.

The legislature adjusts these tax rates biannually to meet the needs of the programs funded. Thus, annual variations reflect the changing nature of programs funded, the level of funding for these programs, and unexpected variations in harvest volume. Chart 8 shows the revenues from Forest Products Harvest Tax in recent years.



APPENDIX A

Local Government Revenue from Timber in Oregon

Table A1: Revenue From Privately Owned Forestland

| Fiscal Year | Property Tax | | | | Severance or Privilege Tax | | | Total Private Forest Land |
|-------------|----------------|-------------|----------------|---------------|----------------------------|----------------|---------------|---------------------------|
| | Western Oregon | Small Tract | Eastern Oregon | Total | Western Oregon | Eastern Oregon | Total | |
| 1990-91 | \$ 13,576,001 | \$ 617,654 | \$ 1,046,157 | \$ 15,239,812 | \$ 54,427,234 | \$ 3,658,417 | \$ 58,085,651 | \$ 73,325,463 |
| 1991-92 | 15,151,704 | 741,557 | 934,436 | 16,827,696 | 49,835,376 | 4,500,574 | 54,335,950 | 71,163,646 |
| 1992-93 | 18,376,592 | 755,058 | 883,609 | 20,015,258 | 45,326,106 | 6,508,663 | 51,834,769 | 71,850,027 |
| 1993-94 | 18,720,952 | 604,859 | 772,142 | 20,097,952 | 56,298,605 | 7,941,012 | 64,239,617 | 84,337,569 |
| 1994-95 | 19,517,773 | 691,848 | 706,765 | 20,916,386 | 61,557,996 | 6,849,282 | 68,407,278 | 89,323,664 |
| 1995-96 | 3,513,039 | 735,242 | 183,904 | 4,432,185 | 49,931,936 | 5,183,531 | 55,115,467 | 59,547,652 |
| 1996-97 | 3,724,824 | 731,708 | 203,120 | 4,659,652 | 40,903,334 | 2,881,821 | 43,785,155 | 48,444,807 |
| 1997-98 | 3,778,551 | 449,669 | 190,652 | 4,418,872 | 34,593,652 | 2,709,291 | 37,302,943 | 41,721,815 |
| 1998-99 | 3,891,908 | 463,159 | 196,371 | 4,551,438 | 32,974,010 | 2,954,982 | 35,928,992 | 40,480,430 |
| 1999-00 | 4,008,665 | 477,054 | 202,262 | 4,687,981 | 29,948,793 | 2,730,213 | 32,679,006 | 37,366,987 |
| 2000-01 | 12,940,633 | 492,680 | 689,573 | 14,122,886 | 20,987,924 | 2,689,688 | 23,677,612 | 37,800,498 |
| 2001-02 | 13,412,991 | 508,815 | 710,260 | 14,632,066 | 15,863,788 | 1,310,816 | 17,174,604 | 31,806,670 |
| 2002-03 | 13,879,641 | 524,615 | 731,568 | 15,135,825 | 9,483,298 | 650,710 | 10,134,008 | 25,269,833 |
| 2003-04 | 14,262,688 | 542,453 | 1,047,181 | 23,439,670 | 624,766 | 60,901 | 685,667 | 24,125,336 |
| 2004-05 | 12,490,359 | 231,900 | 660,712 | 13,382,971 | 284,328 | 4,815 | 289,143 | 13,672,114 |
| 2005-06 | 14,240,254 | 266,563 | 981,564 | 15,488,381 | 305,241 | 21,923 | 327,164 | 15,815,545 |
| 2006-07 | 14,387,242 | 263,469 | 915,144 | 15,565,855 | 345,561 | 25,238 | 370,799 | 15,936,654 |
| 2007-08 | 14,850,360 | 257,145 | 950,149 | 16,057,654 | 272,848 | 9,635 | 282,483 | 16,340,137 |
| 2008-09 | 14,822,364 | 284,771 | 562,965 | 15,670,100 | 181,704 | 8,493 | 190,197 | 15,860,297 |
| 2009-10 | 17,249,311 | 305,842 | 1,102,012 | 18,657,165 | 83,198 | 13,745 | 96,943 | 18,754,108 |
| 2010-11 | 17,700,195 | 305,993 | 1,175,119 | 19,181,307 | 231,851 | 3,935 | 235,786 | 19,417,093 |
| 2011-12 | 17,042,234 | 321,734 | 1,167,687 | 18,531,655 | 334,819 | 6,908 | 341,727 | 18,873,382 |

Source: Legislative Revenue Office

Table A2: Revenue from Publicly Owned Forestland

| Fiscal Year | Federal | | State-Managed Lands | | Coos Bay Wagon Road | Total |
|-------------|----------------|---------------------------|---------------------|---------------|---------------------|--------------------|
| | Forest Service | Bureau of Land Management | State Owned | County Trust | | Public Forest Land |
| 1990-91 | \$ 149,671,845 | \$ 96,602,913 | \$ 11,542,121 | \$ 11,163,898 | \$ 828,958 | \$ 269,809,735 |
| 1991-92 | 141,176,614 | 90,651,931 | 13,118,631 | 20,371,902 | 593,143 | 265,912,221 |
| 1992-93 | 136,540,593 | 78,586,460 | 11,036,233 | 17,283,977 | 574,786 | 244,022,049 |
| 1993-94 | 128,866,867 | 78,586,460 | 11,377,936 | 23,030,584 | 690,214 | 242,552,061 |
| 1994-95 | 119,791,067 | 76,228,866 | 11,117,621 | 31,803,713 | 624,858 | 239,566,125 |
| 1995-96 | 109,647,413 | 73,942,000 | 15,323,965 | 26,986,187 | 602,804 | 226,502,369 |
| 1996-97 | 95,238,953 | 71,723,740 | 17,970,974 | 39,491,154 | 580,751 | 225,005,572 |
| 1997-98 | 92,242,534 | 69,572,028 | 14,849,020 | 28,108,940 | 600,000 | 205,372,522 |
| 1998-99 | 85,505,450 | 67,484,867 | 19,099,362 | 36,186,156 | 600,000 | 208,875,835 |
| 1999-00 | 79,261,910 | 65,460,321 | 36,186,156 | 43,486,540 | 600,000 | 224,994,927 |
| 2000-01 | 129,867,893 | 91,110,270 | 43,486,541 | 27,693,000 | 913,033 | 293,070,737 |
| 2001-02 | 131,195,398 | 92,041,595 | 34,605,675 | 32,567,897 | 922,366 | 291,332,931 |
| 2002-03 | 132,809,995 | 93,174,334 | 42,690,822 | 38,214,828 | 933,717 | 307,823,696 |
| 2003-04 | 134,516,492 | 94,371,546 | 49,801,650 | 39,236,586 | 945,715 | 318,871,989 |
| 2004-05 | 163,613,282 | 114,943,200 | 47,918,084 | 10,095,832 | 1,002,495 | 337,572,893 |
| 2005-06 | 156,253,731 | 117,105,152 | 48,589,600 | 11,947,483 | 1,012,521 | 334,908,487 |
| 2006-07 | 164,910,278 | 116,865,821 | 57,997,327 | 13,270,783 | 1,010,442 | 354,054,651 |
| 2007-08 | 147,790,383 | 104,483,368 | 57,306,159 | 10,082,007 | 911,268 | 320,573,185 |
| 2008-09 | 133,011,345 | 94,035,032 | 51,183,661 | 7,371,785 | 820,142 | 286,421,965 |
| 2009-10 | 119,874,422 | 84,747,622 | 42,472,866 | 9,491,879 | 739,140 | 257,325,929 |
| 2010-11 | 71,355,143 | 39,690,989 | 42,572,163 | 3,203,521 | 346,171 | 157,167,987 |

APPENDIX B

County Distributions of Local Government Revenue from Timber

Table B1: Board of Forestry Payments to Counties*

| County | 2008-09 | 2009-10 | 2010-11 | 5-Year Average |
|--------------|---------------------|---------------------|---------------------|---------------------|
| Benton | \$ 1,120,464 | \$ 513,271 | \$ 1,498,881 | \$ 796,593 |
| Clackamas | 421 | 290,744 | 72,368 | 217,565 |
| Clatsop | 16,344,910 | 11,653,697 | 10,374,500 | 14,945,557 |
| Columbia | 375,044 | 1,165,418 | 11,649 | 1,005,224 |
| Coos | 248,306 | 284,541 | 285,386 | 408,356 |
| Douglas | 540,037 | 257,936 | 76,500 | 492,884 |
| Josephine | 14,597 | 51,694 | 0 | 16,056 |
| Klamath | 1,245,889 | 1,832,680 | 1,611,180 | 1,454,454 |
| Lane | 1,793,781 | 1,512,805 | 2,190,403 | 1,565,657 |
| Lincoln | 1,034,619 | 735,406 | 236,533 | 686,191 |
| Linn | 2,058,517 | 3,622,834 | 2,464,838 | 2,569,057 |
| Marion | 1,785,519 | 1,139,362 | 2,423,766 | 2,321,495 |
| Polk | 77,085 | 757 | 115,798 | 114,547 |
| Tillamook | 11,508,426 | 10,901,019 | 9,277,054 | 11,964,682 |
| Washington | 4,325,251 | 8,609,998 | 8,505,225 | 7,707,680 |
| Total | \$42,472,866 | \$42,572,163 | \$37,795,131 | \$46,265,996 |

Source: Oregon Department of Forestry

* Based on timber sales from state owned forest lands.

Does not include Payments to the Common School Fund.

Table B2: U.S. Forest Service Payments to Counties

| County | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|------------|--------------|--------------|-------------|-------------|--------------|
| Baker | \$ 1,291,989 | \$ 1,071,967 | \$ 964,770 | \$ 869,484 | \$ 1,210,649 |
| Benton | 502,009 | 384,826 | 346,344 | 312,137 | 115,303 |
| Clackamas | 7,183,223 | 5,959,940 | 5,363,946 | 4,834,173 | 1,492,919 |
| Clatsop | | | | | |
| Columbia | | | | | |
| Coos | 804,120 | 667,181 | 554,775 | 499,983 | 310,534 |
| Crook | 3,669,487 | 3,044,583 | 2,740,125 | 2,469,495 | 2,335,828 |
| Curry | 5,586,639 | 4,635,250 | 4,171,725 | 3,759,703 | 1,982,037 |
| Deschutes | 4,796,550 | 3,979,711 | 3,581,740 | 3,227,988 | 1,908,782 |
| Douglas | 22,615,100 | 18,763,811 | 16,887,430 | 15,219,536 | 8,229,504 |
| Giliam | | | | | |
| Grant | 10,307,095 | 8,551,825 | 7,696,643 | 6,634,894 | 4,794,362 |
| Harney | 4,230,644 | 3,281,253 | 2,953,127 | 2,661,460 | 2,000,996 |
| Hood River | 2,965,099 | 2,272,966 | 2,166,002 | 1,995,456 | 1,033,341 |
| Jackson | 6,414,397 | 5,322,043 | 4,789,839 | 4,361,768 | 1,961,163 |
| Jefferson | 863,917 | 716,794 | 645,115 | 581,400 | 515,785 |
| Josephine | 3,056,521 | 2,536,004 | 2,282,403 | 2,056,981 | 1,522,023 |
| Klamath | 17,166,295 | 13,275,333 | 12,818,630 | 10,673,591 | 7,686,007 |
| Lake | 5,674,822 | 4,426,935 | 3,984,241 | 3,590,736 | 2,735,822 |
| Lane | 34,097,722 | 28,290,974 | 25,461,877 | 22,947,124 | 10,988,952 |
| Lincoln | 5,284,527 | 4,193,953 | 3,774,557 | 3,363,105 | 1,527,995 |
| Linn | 11,369,505 | 9,433,310 | 8,489,979 | 7,651,462 | 4,746,978 |
| Malheur | 9,606 | 8,663 | 7,797 | 7,027 | 12,569 |
| Marion | 4,273,926 | 3,546,088 | 3,191,480 | 2,876,272 | 1,458,837 |
| Morrow | 379,610 | 301,269 | 271,142 | 244,363 | 278,138 |
| Multnomah | 1,066,512 | 884,888 | 796,399 | 717,742 | 255,136 |
| Polk | 9,822 | 8,858 | 7,972 | 7,185 | 5,484 |
| Sherman | | | | | |
| Tillamook | 2,824,783 | 2,267,304 | 2,069,233 | 1,756,382 | 860,806 |
| Umatilla | 1,035,750 | 128,454 | 126,569 | 116,348 | 100,579 |
| Union | 1,035,750 | 877,634 | 789,870 | 711,859 | 943,911 |
| Wallowa | 1,057,769 | 1,082,577 | 974,320 | 878,090 | 1,321,136 |
| Wasco | 1,412,229 | 2,338,557 | 2,056,318 | 1,853,225 | 938,183 |
| Washington | 2,980,534 | | | | |
| Wheeler | 1,196,034 | 992,353 | 893,118 | 804,909 | 729,330 |
| Yamhill | 784,044 | 650,524 | 585,471 | 527,647 | 256,737 |
| Total | 164,910,278 | 133,895,828 | 121,316,389 | 108,166,525 | 64,259,824 |

Source: U.S. Forest Service

Table B3: BLM Payments to Counties for O&C Lands

| County | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|------------|--------------|--------------|--------------|------------|------------|
| Benton | \$ 2,935,983 | \$ 2,642,384 | \$ 2,381,408 | \$ 833,803 | \$ 792,113 |
| Clackamas | 5,798,827 | 5,218,944 | 4,703,493 | 1,217,142 | 1,156,285 |
| Columbia | 2,152,357 | 1,937,122 | 1,745,801 | 767,194 | 728,834 |
| Coos | 6,164,519 | 5,548,067 | 5,000,110 | 2,277,353 | 2,170,294 |
| Curry | 3,813,643 | 3,432,279 | 3,093,288 | 1,269,480 | 1,206,006 |
| Douglas | 26,173,084 | 23,555,775 | 21,229,279 | 10,678,474 | 10,225,890 |
| Jackson | 16,372,544 | 14,735,289 | 13,379,952 | 5,767,050 | 5,478,697 |
| Josephine | 12,621,591 | 11,359,432 | 10,237,513 | 5,777,441 | 5,488,569 |
| Klamath | 2,444,911 | 2,200,420 | 1,983,094 | 1,160,166 | 1,102,158 |
| Lane | 15,954,610 | 14,359,149 | 12,940,962 | 5,784,749 | 5,495,511 |
| Lincoln | 367,140 | 11,359,432 | 305,091 | 136,315 | 129,499 |
| Linn | 2,758,361 | 2,482,525 | 2,237,337 | 1,341,827 | 1,274,735 |
| Marion | 1,525,457 | 1,372,911 | 1,237,315 | 470,787 | 542,248 |
| Multnomah | 1,138,869 | 1,024,982 | 923,749 | 274,005 | 260,304 |
| Polk | 2,256,841 | 2,031,157 | 1,830,549 | 1,021,370 | 970,302 |
| Tillamook | 585,107 | 526,596 | 474,587 | 248,872 | 236,428 |
| Washington | 658,245 | 592,421 | 533,910 | 172,507 | 163,882 |
| Yamhill | 752,280 | 677,052 | 610,182 | 302,456 | 287,333 |
| Total | 104,483,368 | 94,035,032 | 84,747,622 | 39,690,989 | 37,709,088 |

Source: Bureau of Land Management