



# Oregon

Kate Brown, Governor

## Department of Forestry

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"SUSTAINSHIP IN FORESTRY"

March 10, 2015

The Honorable Shemia Fagan, Chair  
House Consumer Protection and Government Effectiveness Committee  
Room 453, State Capitol  
Salem, OR 97310

**RE: HB 2132 – Counties Retaining Percentage of Forest Patrol Assessment and Surcharge**

Dear Chair Fagan and Members of the Committee:

The Department of Forestry appreciates the opportunity to provide testimony regarding the financial implications of HB 2132.

I would first like to recognize the working relationships we have with the county assessors. Each of our local Fire Protection Districts work closely with each of the county assessors to help make the complicated process of collecting the annual forest patrol assessment proceed as smoothly as possible.

The Oregon Department of Forestry (ODF) provides wildfire protection on about sixteen million acres of private, county, state, and federally owned forestland in Oregon. The Department provides this service through a complete and coordinated protection system, involving the participation of many public agencies and landowner partners. A primary source of revenue for this protection is a "forest patrol assessment" from owners of protected forestland. The county assessors have levied and collected significant portions of the "forest patrol assessment" on private forestland owners who are not members of a forest patrol association, since 1913.

The HB 2132 would allow counties to charge up to a 1% administrative fee for the counties' work in the collection of assessments and surcharges imposed under ORS 477.205 - 477.281. Based on the assumption that all counties would charge the 1% administrative fee on the statewide total imposed of \$21,294,086 for Fiscal Year 15, the counties could charge the Department \$212,941. For the 2015-17 biennium, the total amount the counties could charge the Department is \$425,882 assuming the rates were flat for the two years.

In order to maintain that adequate level of protection, and pay the counties these charges, they would have to be considered a cost of protection and the Department would include the fee within the Agency and District budgeting processes. As required by ORS 477.210, District budgets are established to provide for an adequate level of protection and result in a per acre rate to all landowners in the District. Generally, the total cost of \$425,882 would be split equally among private landowners, public landowners and the general fund at approximately \$141,961 each, across the full biennium by including this cost in the District budget.

Section 2 of HB 2132 includes a provision that would require the Department to reimburse counties when they incur “uncommon administrative costs”. The term “uncommon” is not defined and so the Department is unable to determine what the fiscal impact will be to the budget.

As deliberations on this bill continue, I would offer that the Department and the Counties have recognized challenges in the application of the forest patrol assessment; both financial challenges to the counties and process challenges statewide. Accordingly, we have created a collaborative statewide ODF/Counties ad-hoc committee in April 2013 to seek to gain efficiencies in this system. As the discussion on this bill evolves, please note that this committee may be available to have a role in further efforts on this topic.

The Department of Forestry again thanks the committee for the opportunity to provide testimony regarding HB 2132, and I would be happy to answer any questions.

Sincerely,



*ear* Nancy Hirsch  
Division Chief  
Fire Protection Division

c: Doug Decker, State Forester  
Richard Whitman, Governor's Natural Resources Assistant  
ODF Executive Team