



Oregon

Kate Brown, Governor

Department of Forestry

State Forester's Office
2600 State Street
Salem, OR 97310-1336
503-945-7200
FAX 503-945-7212
www.oregon.gov/ODF



"STEWARDSHIP IN FORESTRY"

May 11, 2015

The Honorable Richard Devlin, Co-Chair
The Honorable Dan Rayfield, Co-Chair
Joint Committee on Ways and Means, Subcommittee on Natural Resources
Room H-178, State Capitol
Salem, OR 97310

**RE: State Forests May 7 Policy Option Package Hearing – Responses to County
Distribution Formula**

Dear Co-Chairs Devlin and Rayfield, and members of the subcommittee:

Thank you for the opportunity last week to provide an overview of our agency's Policy Option Packages for State Forests. This letter contains information in response to a question posed during our May 7 hearing regarding the revenue distribution to Counties.

The Department was asked: *What is the formula for distributing revenue to the Trust Land Counties and why isn't it 25-75% split?*

ORS 530.110

ORS 530.110 was amended in 1965 to establish the current split of 63.75% to the counties and 36.25% for ODF. ORS 530.110 reads as follows:

- (1) All revenues derived from lands acquired without cost to the state, or acquired from counties pursuant to ORS 530.030, shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used in accordance with the following distribution:
 - (a) Fifteen percent shall be credited to the State Forests Protection Subaccount of the State Forestry Department Account until the amount in such subaccount reaches \$475,000. Thereafter, the revenues shall be disposed of as stated in paragraphs (b) and (c) of this subsection, unless needed to maintain the \$475,000 level.
 - (b) Seventy-five percent of all such revenues remaining after the percentage disposed of as stated in paragraph (a) of this subsection, shall be disposed of as provided in ORS 530.115.
 - (c) Twenty-five percent of all such revenues remaining after the percentage disposed of as stated in paragraph (a) of this subsection, shall be used for the purposes set out in subsection (3) of this section.

Distribution Calculation

During the hearing, ORS 530.110(1) sections (b) and (c) were cited. The distribution formula reflects the combination of all three sections. The language in section (a) states that 15% is *first* credited to the Department. The remaining 85% is then split using the 75%-25% split. Therefore the final distribution is 63.75% (75% of 85%) to counties and 36.25% (15% + [25% of 85%]) to the Department.

Sincerely,



Nancy Hirsch
Deputy State Forester

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