

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 3533
Revenue Area: Forest Revenue
Economist: Christine Broniak
Date: 4-14-2015

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Specifies that certain state forestland may be sold as provided by resolution of the State Land Board.

Revenue Impact (in \$Millions):

	2015-17	2017-19	2019-21
Common School Fund	\$30.8	\$32.5	\$34.3

Impact Explanation:

The measure expands the circumstances in which lands from the Elliott State Forest may be sold. The forest's 93,000 acres are managed for timber harvest. The proceeds of the harvest go to the Common School Fund. Recent lawsuits concerning the marbled murrelet, a seabird protected by the Endangered Species Act, have reduced the timber harvest levels allowed in the forest and the associated revenues. A loss of \$3 million was sustained in 2013, and similar losses are projected into the future. To the extent that this measure increases the amount of sales of acreage on the forest, these losses will be avoided.

A land sale recently resulted in a transfer of ownership of 1,453 acres to a timber company. The proceeds of the sale, at \$4.2 million, were \$2,891 per acre. If the entire forest were sold to private entities due to this measure, the upper end of the impact would be \$268.8 million in revenues to the Common School Fund. Impacts would be scaled down if this measure results in the sale of a smaller amount of land than the entire forest. For the purposes of this impact statement, an intermediate value of ten percent of the forest is assumed to be sold per biennium due to this measure. Revenue impacts for this are above and include avoided losses of \$2 million per year and a 3 percent appreciation in the value of the land being sold.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is