

OPPOSITION TO HB 2466

FACTS ABOUT FOREST LANDOWNER TAXATION FOR FIRE COSTS

Oregon's densely forested land base is at annual risk of catastrophic wildfire emanating from either public or private forestland. To ensure resources exist to combat fire, the state long ago created a coordinated fire program.

As detailed below, forestland owners *already contribute more than their share* to fire preparedness.

Oregon's Unparalleled Fire Financing

- Since 1992, Oregon forestland owners have paid \$83.2 million *more than* the state of Oregon in actual emergency fire suppression costs.
- Oregon is the *only state* funding structure that includes forest landowner payments for both base preparedness *and* emergency fire suppression costs.
- Oregon is the *only state* that has an insurance policy to protect any portion of its general fund exposure from extreme wildfire costs.
- Landowners have borne most of the costs of the insurance policy (premium and deductible), yet the policy applies exclusively to the state General Fund, not to landowner fire losses.

Forest Landowner Fire Taxes & Fees

Landowners fund the Oregon Forest Land Protection Fund through four different taxes:

- The Forest Products Harvest Tax;
- A per acre tax at an Eastside rate or Westside rate;
- Minimum lot charge; and
- Improved lot charge.

A 2008 study by the Oregon Department of Forestry concluded that *landowners annually contribute \$13.6 million in addition to fire patrol assessments* in readiness, equipment availability, gates, ponds, and staff training.

Private Forestland Not Primary Source of Fires

Two-thirds of fires are started by lightning strikes or activities by the general public. Lightning fires are typically started at higher elevations, more often on federal lands where public policy choices have resulted in fuel loading that lead to extreme fire risk.



Western States' Fire Protection Funding Structures – 6 / 2015 Rev.

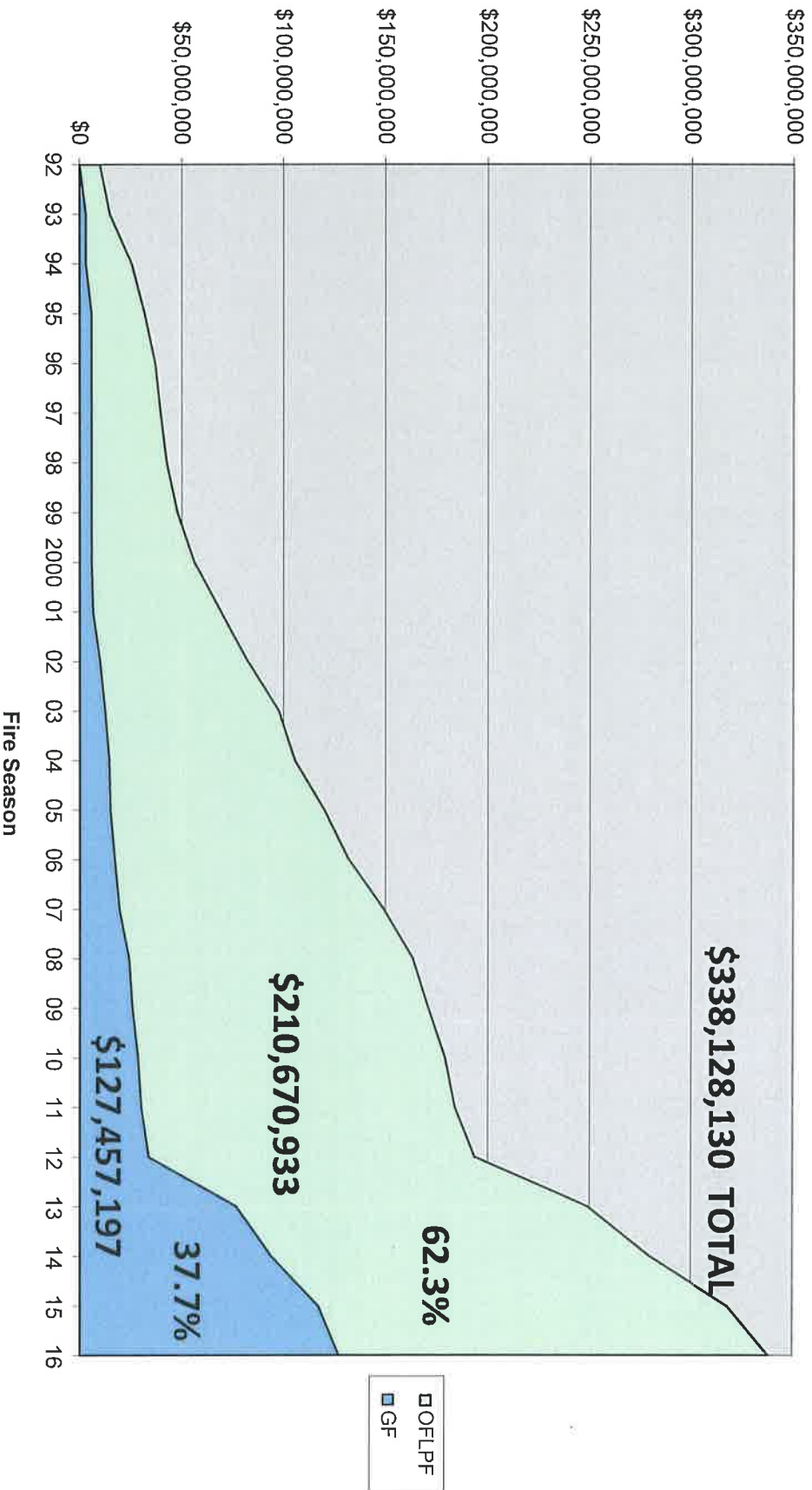
State	Basic Level *	Emergency Level	Catastrophic Level	Comments
Oregon	50% Landowners 50% General Fund	Above local extended attack <u>Insurance deductible</u> First \$20 M - Shared Next \$30 M - GF	\$25 M Insurance (Above Insurance) < \$75 M 100% General Fund	Structure demonstrates state with most landowner contribution in preparedness, suppression and participation.
Washington	50% Landowners 50% General Fund (statute states "equity")	100% General Fund		General Fund contribution variable contingent upon state's financial status
California	100% General Fund	100% General Fund		Provides some structural protection in cooperative areas
Alaska	100% General Fund (Preparedness) (12% SFA)	100% General Fund (Separate appropriation for Suppression)	100% General Fund	State is responsible for all fires on state, private, municipal lands. Reimbursed for federal lands fires.
Idaho	50% Landowners 50% General Fund	100% General Fund		Basic Level similar to Oregon's structure
Montana	33% Forested Landowners (40% of 33% from forested landowners > 20acres, 60% from <20 acres) 66% General Fund	100% General Fund		All costs beyond first day are emergency level (100% General Fund) State now has shared responsibility w/landowners on all private lands
Wyoming	50% Counties 50% General Fund	20% Counties 80% General Fund	100% General Fund	Participating Counties contribute to an Emergency Fire Suppression Account
Colorado	18 % General Fund 50% Special General Fund 24 % Federal SFA Formula 8% Cooperators	100% County Fund	Then.... General Fund via Governor Executive Order.	Basic level excludes suppression funding. Emergency and Catastrophic Levels are suppression funds.
New Mexico	100% General Fund	100% General Fund		State of New Mexico is responsible for all wildland fires on non-federal and non-municipal land.

* This chart displays western state's fire protection funding sources. Actual dollar amounts at the Basic Level vary significantly. Oregon is unique in that in addition to preparedness costs, all costs associated with initial attack and larger fire costs (until district deductibles are met) are included at the Basic Level making direct comparisons difficult.

* All states receive federal funds via formula grants (e.g. State Fire Assistance (SFA)) to support and supplement basic protection systems.

Comparison of Cumulative General Fund and OFLPF 1992-2016 Est.

Includes: Insurance Premiums, Severity, E-Board & Net Emergency Fire Suppression Costs



NOTE: Does not include resource or property loss borne exclusively by landowner or environmental damage.