

HB 3374 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development and Trade

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 4/5, 4/17

WHAT THE MEASURE DOES:

Establishes the Oregon County Assistance Fund (Fund). Appropriates moneys to the Fund from the General Fund. Directs the Department of Revenue to make grants to specified counties if the voters of that county pass a levy on or after the effective date of the Act and before January 1, 2020. Specifies counties receiving this grant must have received payments from the Secure Rural Schools Program beginning July 1, 2008 in an amount that was greater than 10 percent of the total property taxes imposed on that county in that year. Sunsets grant program July 1, 2025. Sunsets Fund July 1, 2026. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

- Current government funding in former O&C counties
- Decreasing timber revenues
- Percentage of publicly owned land in Oregon counties

EFFECT OF AMENDMENT:

-1 Replaces measure. Establishes the Oregon County Assistance Fund (Fund). Directs Department of Revenue to make grants from the Fund in amounts not to exceed \$150,000 to counties seeking to consolidate or share services. Specifies counties receiving this grant must have received payments from the Secure Rural Schools Program beginning July 1, 2008 in an amount that was greater than 30 percent of the total property taxes imposed on that county in that year. Sunsets the Fund on July 1, 2026. Takes effect on the 91st day after sine die.

Fiscal: Fiscal lite

Revenue: Revenue lite

BACKGROUND:

The Secure Rural Schools (SRS) program provided assistance to rural counties and school districts affected by the decline in revenue from timber harvests on federal lands. Historically, rural communities and schools have relied on a share of receipts from timber harvests to supplement local funding for education services and roads. During the 1980s, forest management practices changed substantially, diminishing the revenue-generating activity permitted. The resulting steep decline in timber sales decreased the revenues that rural counties and school districts received from forest management activities. The SRS program expired in September 2015.

House Bill 3374 creates the Oregon County Assistance Fund (Fund), and directs the Oregon Department of Revenue to use moneys from the Fund to provide grants to counties that formerly received a set proportion of funding from the SRS program in previous years until July 1, 2026.