

HB 2659 STAFF MEASURE SUMMARY

House Committee On Natural Resources

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/26

WHAT THE MEASURE DOES:

Establishes that all timber in Oregon on forestland that is natural or seminatural forest is exempt from certain property taxation. Repeals special assessment and property tax exemptions for forestlands covered by timber plantations and nonforested land. Repeals property tax exemptions for environmentally sensitive logging equipment and skyline and swing yarders. Removes exemption of assessment for principal exterior timber access roads.

Defines "natural forest" as forestland not modified by human uses. Defines nonforested land as forestland covered by recent clear-cuts, logging roads, infrastructure or openings. Defines "seminatural forest" as forestland modified by human uses but supportive of diversity of trees and understory, tree size and age consistent with natural forest. Defines "timber plantation" as forestland intensively logged and replanted, which is now covered by trees at least five meters in height with 40 percent canopy closure. Requires State Forester collaborate with county assessor to develop system for forestland owners to estimate area of their forestland that is natural forest, seminatural forest, timber plantation, and nonforested land. Requires that system use best scientific information available from satellite and ground-based measurements.

Requires counties allocate no less than 30 percent of moneys received as result of changes to special assessment and property tax exemption programs for climate adaptation and climate smart forest practices.

Takes effect on 91st day following adjournment sine die.

Fiscal: May have fiscal impact, no statement yet issued

Revenue: May have revenue impact, no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Oregon Department of Revenue, property in Oregon is valued and taxed based on the real market value. Oregon offers a special assessment program to forestland owners to value and tax properties while timber is growing on the land in an effort to offset increasing property taxes. In 1999, the Oregon Legislature established the forestland special assessment program. Most forestland owners choose to have their property taxed under the this program that is based on a special-assessment value, which produces a lower tax rate than the real market value rate. The landowner is required to be actively growing a marketable species of trees on the property, or plan to grow harvestable trees. Landowners are required to apply for the special assessment program to the county assessor who determines if the land qualifies. The area of land must be at least two contiguous acres with the same ownership.

House Bill 2659 would repeal tax exemptions for forestland covered by timber plantations and nonforested land, establish that forestland that is natural or seminatural receive property tax exemptions, and require counties to allocate moneys as result of these changes to climate adaptation and climate smart forest practices.

This summary has not been adopted or officially endorsed by action of the committee.

PRELIMINARY