

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2373 - 3

80th Oregon Legislative Assembly – 2019 Regular Session
 Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Krista Dauenhauer
 Reviewed by: Matt Stayner
 Date: 3/22/2019

Measure Description:

Allows State Forester to order use of wildfire suppression personnel, equipment and services on any federal lands within state borders.

Government Unit(s) Affected:

Department of Forestry (ODF)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The legislation permits the State Forester, within the Department of Forestry (ODF), to use wildfire suppression personnel, equipment, and services to control wildfire on non-military federal lands within the state of Oregon. The State Forester may use wildfire suppression personnel, equipment, or services on military land withdrawn from public access, and tribal land, only when permission from the appropriate military authority or tribal government is granted prior to entry.

At this time, all the ramifications of this measure cannot be fully predicted and therefore the fiscal impact cannot be determined. The ODF budget currently provides funding for fire suppression activities on 16 million acres of land which is funded by Federal Funds, Other Funds from public and private landowners and, by the state’s General Fund. For the current biennium, budgeted ODF wildfire suppression activities are anticipated to be about \$125 million at the current service level. Additionally, the average cost of emergency, or unbudgeted, wildfire suppression on lands that are currently protected by ODF, or on federal lands where ODF has a cost-recovery agreement, has been \$72,362,515 per-year from 2012 through 2018 as shown in the following table. (note that of the \$195.57 million in costs paid by Federal Funds, \$112.29 million of that amount is Federal Emergency Management Agency (FEMA) reimbursements for costs incurred on ODF protected lands)

Summary of Emergency Fire Costs

	General Fund	Public Other	Public Total		Federal Funds		Insurance		Private		Total Funds	
2012 Fire Season	\$ 3,216,407	\$ 723,278	\$ 3,939,685	39.57%	\$ -	0.00%	\$ -	0.00%	\$ 6,016,571	60.43%	\$ 9,956,256	100.00%
2013 Fire Season	\$ 43,044,839	\$ 1,573,417	\$ 44,618,256	33.98%	\$ 47,500,000	36.18%	\$ 25,000,000	19.04%	\$ 14,184,515	10.80%	\$ 131,302,771	100.00%
2014 Fire Season	\$ 18,259,057	\$ 1,483,355	\$ 19,742,412	22.35%	\$ 30,851,232	34.92%	\$ 25,000,000	28.30%	\$ 12,748,628	14.43%	\$ 88,342,272	100.00%
2015 Fire Season	\$ 25,033,277	\$ 1,429,705	\$ 26,462,982	30.64%	\$ 45,172,387	52.30%	\$ -	0.00%	\$ 14,732,705	17.06%	\$ 86,368,074	100.00%
2016 Fire Season	\$ 12,902,268	\$ 972,639	\$ 13,874,907	53.09%	\$ 2,772,625	10.61%	\$ -	0.00%	\$ 9,488,971	36.31%	\$ 26,136,504	100.00%
2017 Fire Season	\$ 27,883,296	\$ 1,552,669	\$ 29,435,965	53.21%	\$ 11,101,866	20.07%	\$ -	0.00%	\$ 14,778,458	26.72%	\$ 55,316,289	100.00%
2018 Fire Season*	\$ 36,798,359	\$ 1,348,012	\$ 38,146,371	34.96%	\$ 58,172,078	53.31%	\$ -	0.00%	\$ 12,796,988	11.73%	\$ 109,115,437	100.00%
Total	\$ 167,137,503	\$ 9,083,075	\$ 176,220,578	34.79%	\$ 195,570,188	38.61%	\$ 50,000,000	9.87%	\$ 84,746,837	16.73%	\$ 506,537,603	100.00%

*The 2018 fire season costs are estimated as of 11/15/18

ODF estimates that the additional federal lands contemplated by the bill could double the number of acres for which the agency provides wildfire suppression activities. The measure contains no requirements for the State Forester to put in place a mechanism to ensure cost recoveries from federal sources when providing suppression activities on the federal lands before allocating suppression resources to those lands, therefore the legislation could have a significant impact on the agency’s necessary level of funding; particularly imperiling the General Fund, since there is a statutory limit on the amount of private/public funding that can be allocated from the Oregon Forest Land Protection Fund. Furthermore, the additional liability may impact the state’s ability to contract for catastrophic wildfire insurance as the retention amount would be more likely to be exceeded.

This legislation warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund and Other Funds from landowners.