



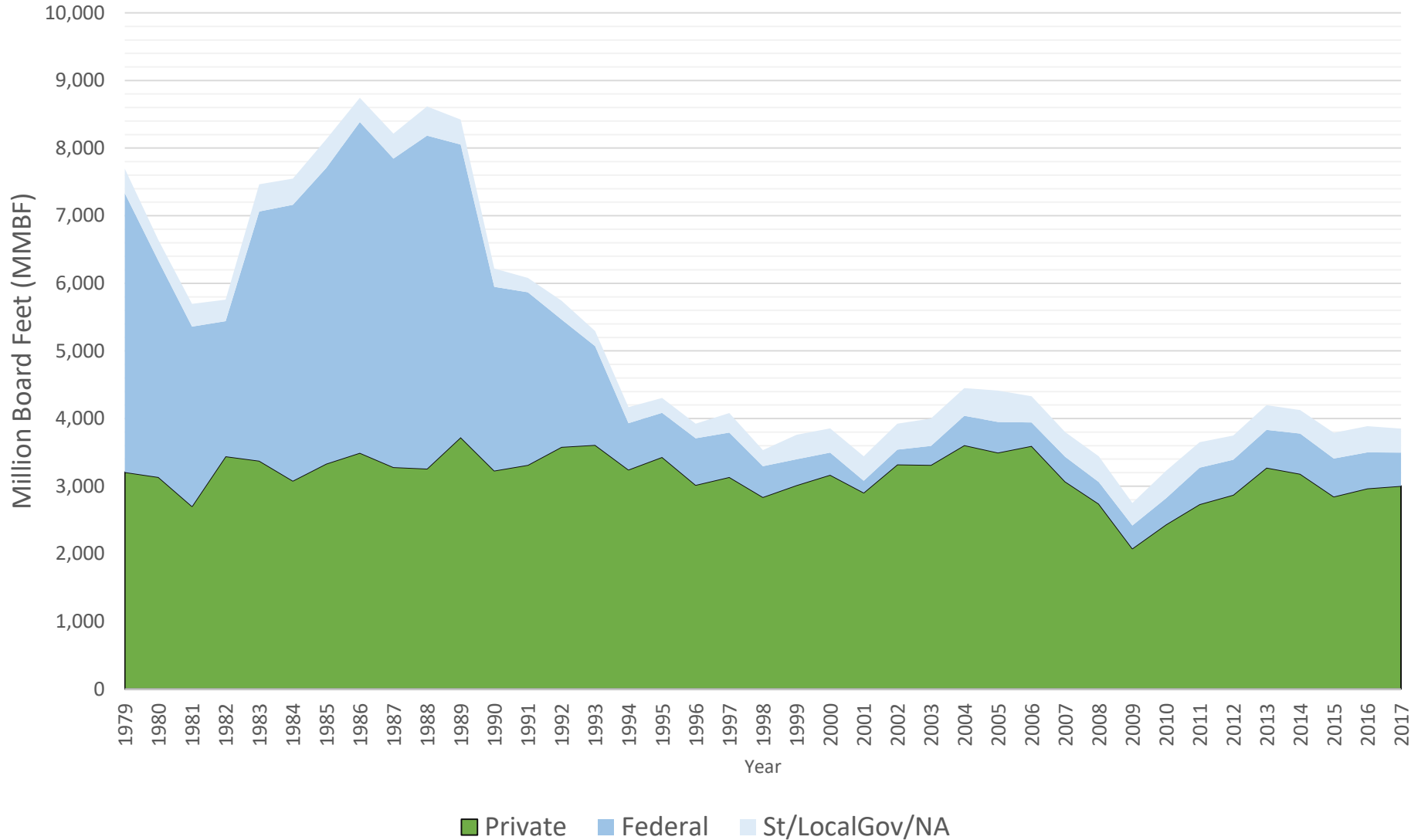
HB 2495

Representative
Paul Holvey

April 17th, 2019

Revenue

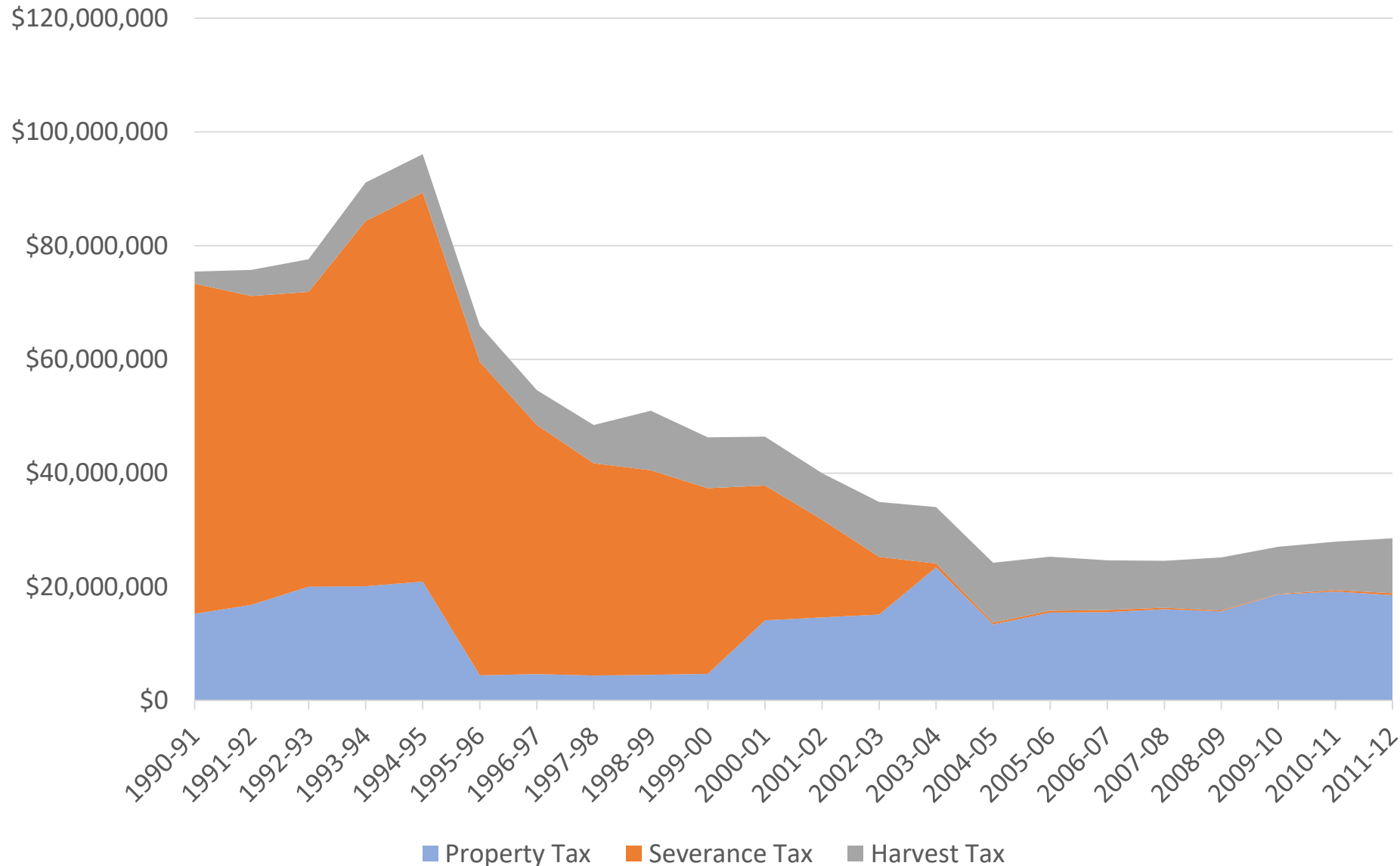
Oregon Timber Harvest



Factors Impacting Timber Harvest levels:

- **1990:** Endangered Species Act
- **1994:** Northwest Forest Plan
- **2007-2009:** Economic recession

Private Timber Tax Revenue 1990-2012



Factors Impacting Timber Tax Revenue:

- **1997:** Passage of Measure 50
- **1999:** HB 3575 phased out of severance tax

Timber Tax Revenue

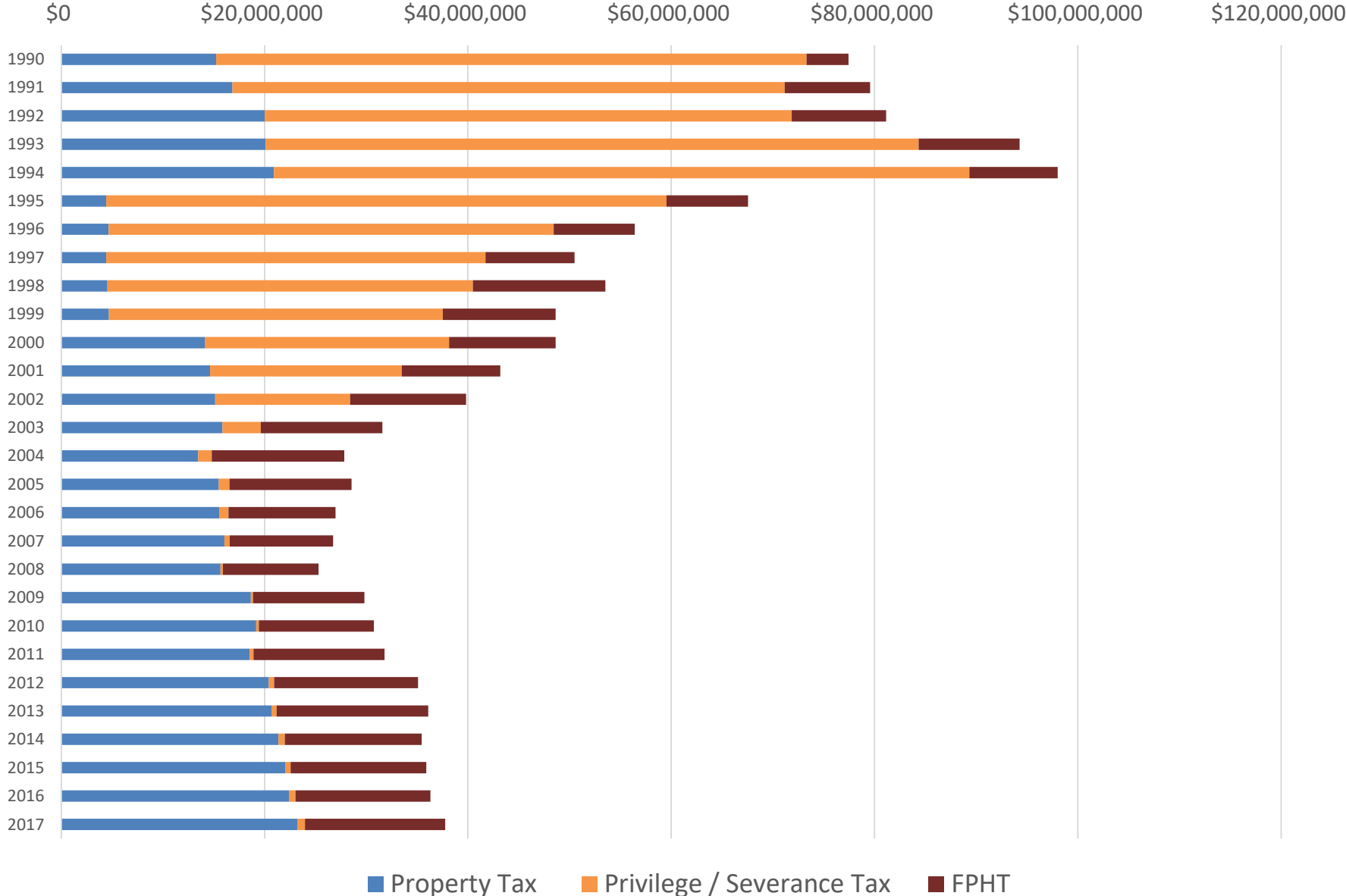


Table 1: Historical Privilege Tax Rates Over Time

	Eastern Oregon		Western Oregon	
Period	Regular	Reforestation	Regular	Reforestation
Initial	5.00%	12.50%	6.50%	12.50%
1991-92	4.35%	8.00%	5.85%	8.30%
1992-93	3.90%	7.20%	5.30%	7.50%
1993 2nd	3.50%	6.40%	4.70%	6.60%
1994	3.30%	5.61%	4.40%	5.75%
1995	2.90%	4.78%	3.80%	4.82%
1996-99	1.80%	1.80%	3.20%	3.20%
2000	1.10%	-	1.90%	-
2001	1.10%	-	1.90%	-
2002	0.80%	-	1.40%	-
2003	0.00%	-	0.00%	-

Fire Budget

OR Department of Forestry

(ODF)

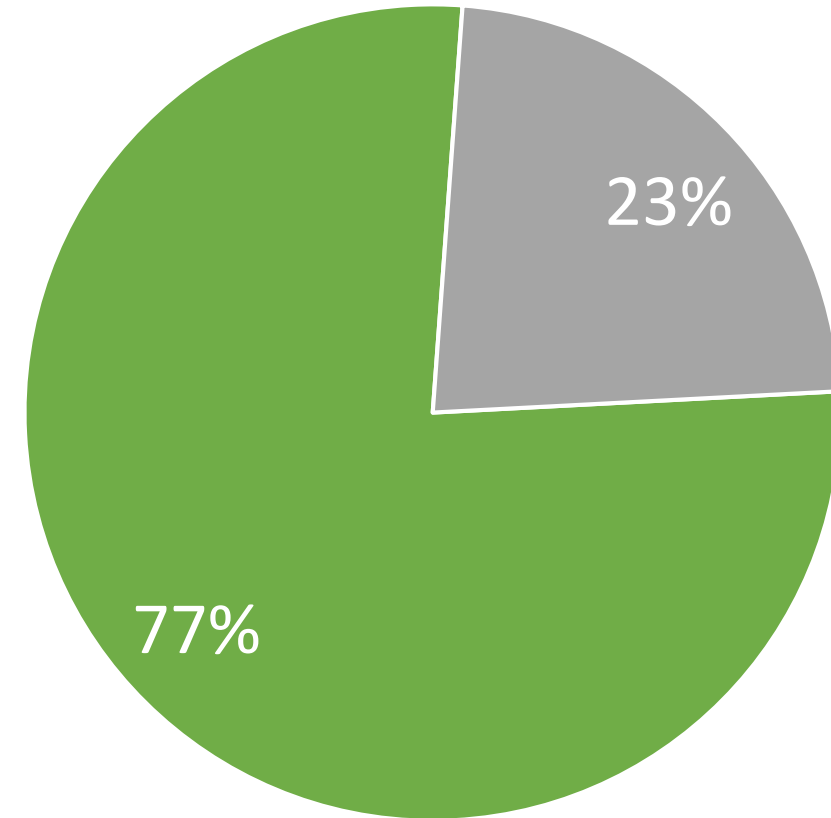
- Protects approximately 16 million out of Oregon's 30 million acres of forestland
- Cost associated with Base Fire Protection is allocated on a per-acre analysis
- Emergency fire costs are covered by:
 - General Fund
 - Other public funding
 - Federal funding
 - Insurance*
 - Private landowners

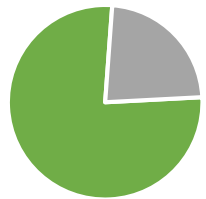
*Insurance only kicked in during the 2013 and 2014 fire season

Acres Protected by ODF

*Based on Per-Acre Analysis

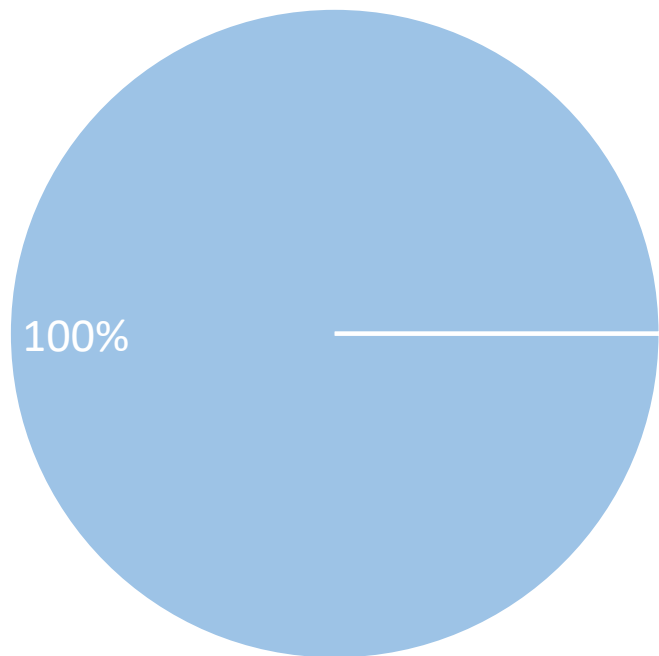
■ Private Acres ■ Public Acres





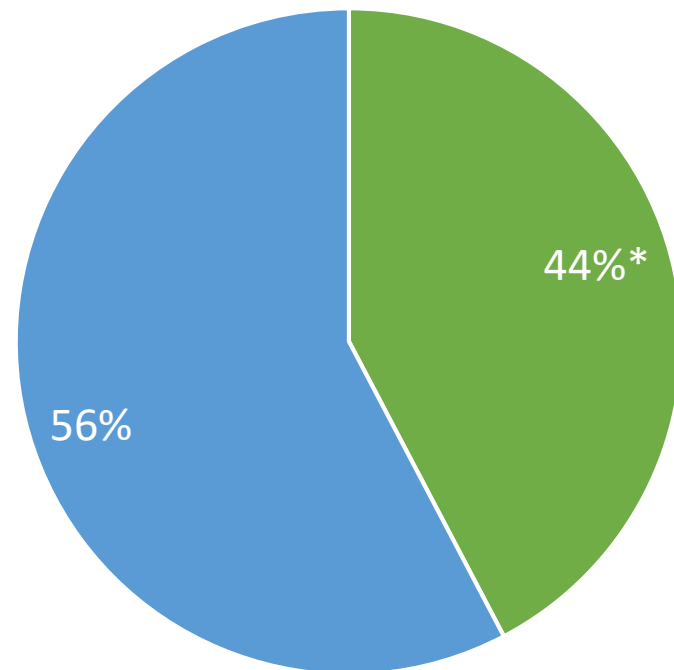
Who Pays What for **Base** Fire Budget 2017-2019 Biennium

Public Timberland Owners



■ Cost Allocation Paid by Landowners

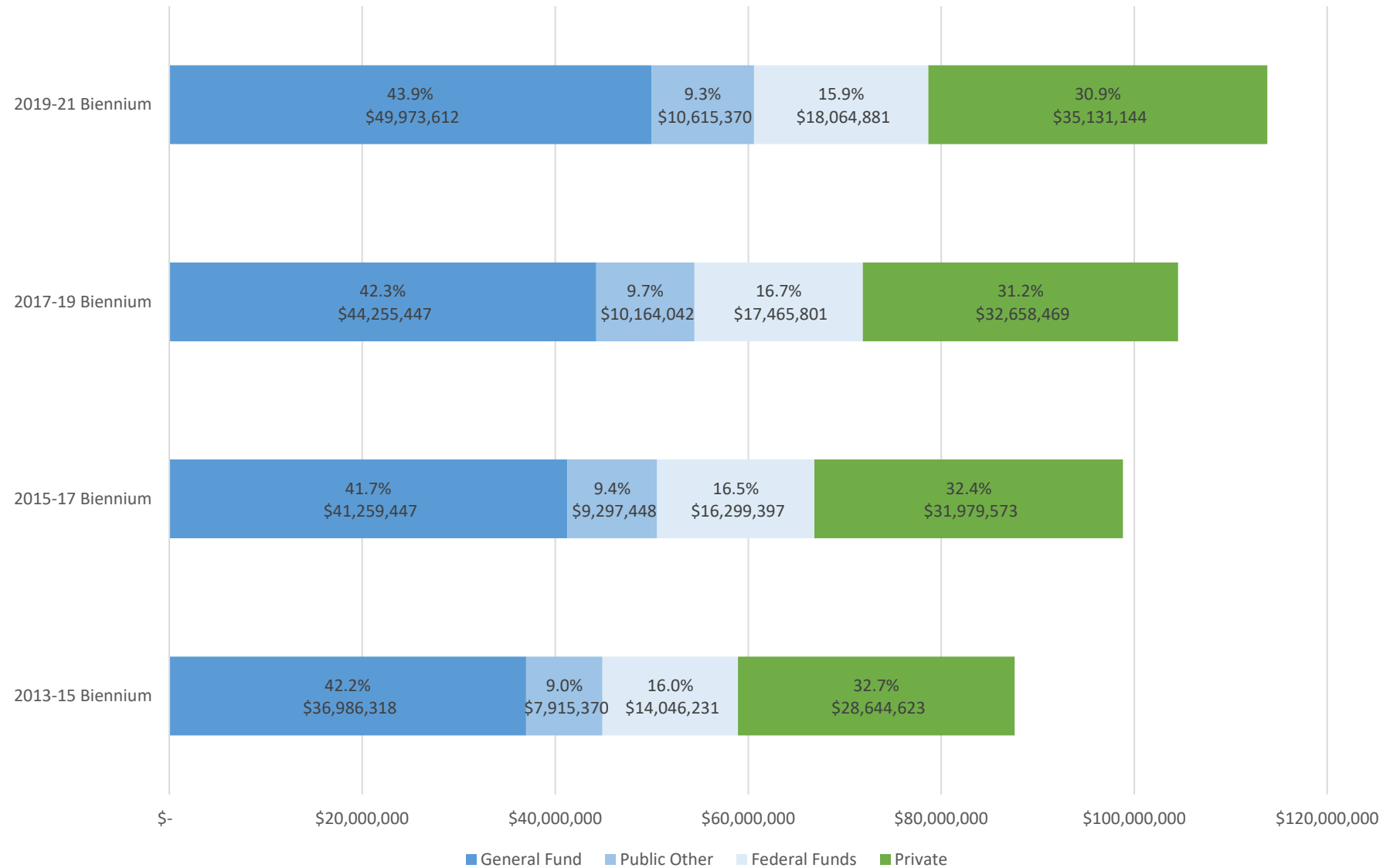
Private Timberland Owners



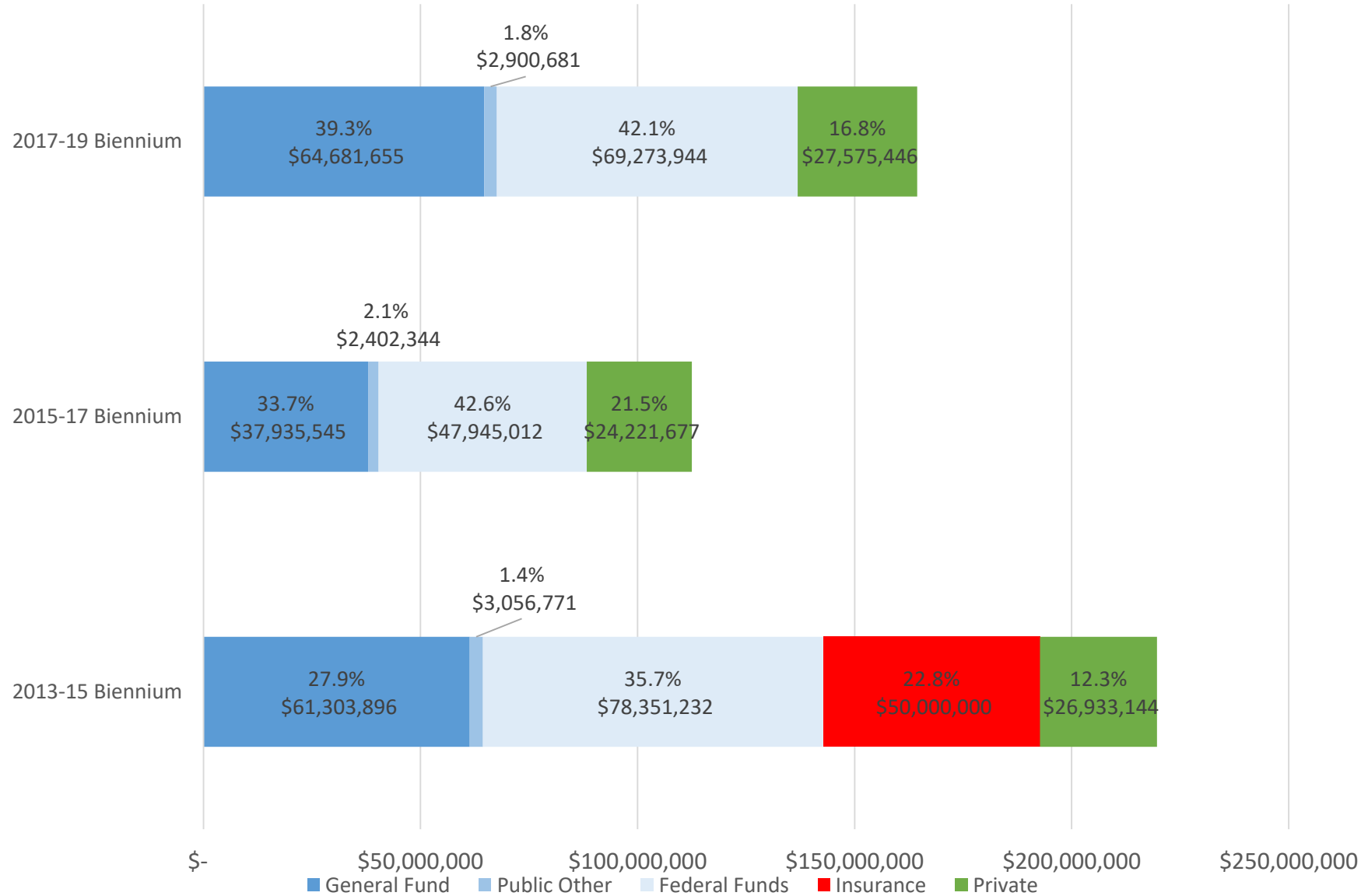
■ Cost Allocation Paid by Landowners
■ Cost Allocation Paid by General Fund

*= 50% of cost allocation minus administrative costs, equates to approximately 44% of cost allocation.

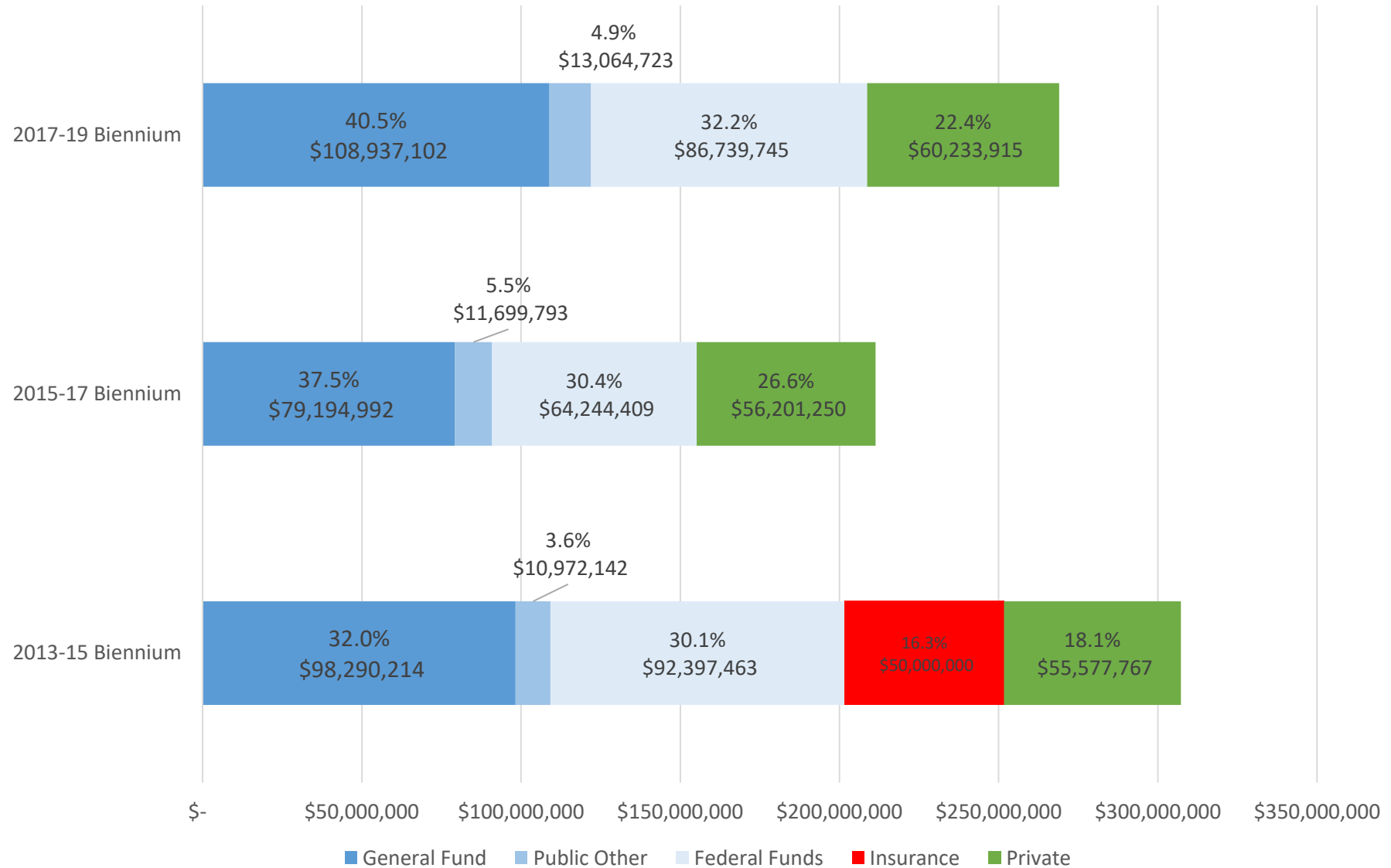
Base Fire Protection Funding



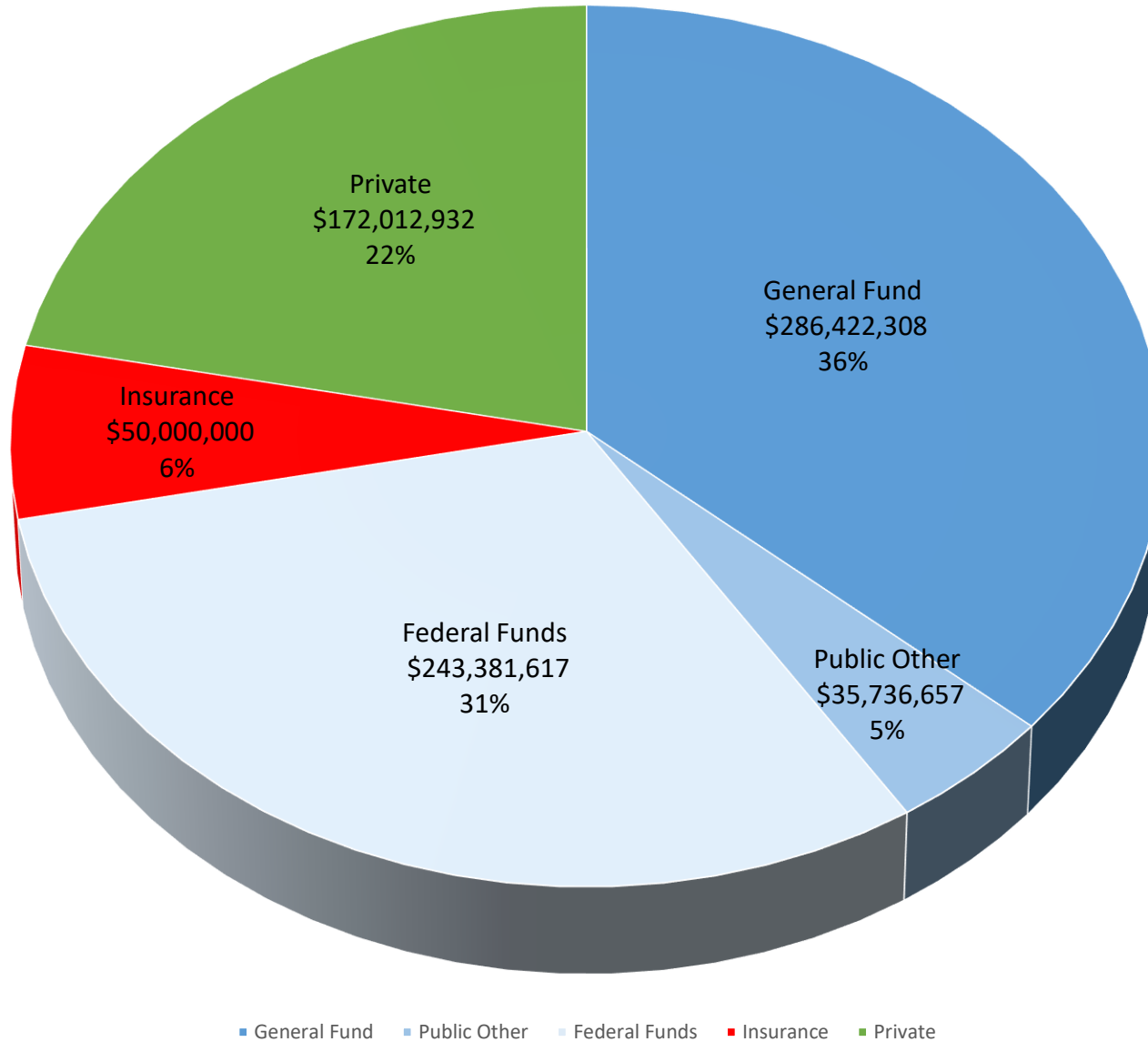
Emergency Fire Funding



Total Fire Funding



Total Fire Funding 2013-2018



FOREST PRODUCTS HARVEST TAX					
Year	OSU Research	Protection Fund	Forest Practices	OFRI	Other
1990-91	\$0.2100	\$0.300	\$0.1600	-	
1991-92	\$0.3000	\$0.500	\$0.5300	\$0.31	-
1992-93	\$0.3000	\$0.660	\$0.5300	\$0.31	-
1993.2,3	\$0.4000	\$0.660	\$0.7700	\$0.31	-
1994	\$0.4000	\$0.660	\$0.7700	\$0.31	-
1995	\$0.4000	\$0.660	\$0.7700	\$0.31	-
1996	\$0.5000	\$0.500	\$0.6000	\$0.51	-
1997	\$0.5000	\$0.500	\$0.6000	\$0.51	-
1998	\$0.5500	\$0.500	\$0.7000	\$0.51	\$1.75
1999	\$0.5500	\$0.500	\$0.7000	\$0.79	-
2000	\$0.6700	\$0.500	\$1.0800	\$0.79	\$0.15
2001	\$0.6700	-	\$1.0800	\$0.79	\$0.15
2002	\$0.6700	\$0.500	\$0.9100	\$0.79	-
2003	\$0.6700	\$0.500	\$0.9100	\$0.79	-
2004	\$0.6700	\$0.500	\$0.7900	\$0.99	-
2005	\$0.6700	\$0.500	\$0.7900	\$0.89	-
2006	\$0.6700	\$0.500	\$0.5500	\$0.89	-
2007	\$0.6700	\$0.500	\$0.5500	\$0.89	-
2008	\$0.9200	\$0.625	\$1.1456	\$0.89	-
2009	\$0.9200	\$0.625	\$1.1456	\$0.89	-
2010	\$0.9200	\$0.625	\$1.1400	\$0.89	-
2011	\$0.9200	\$0.625	\$1.1400	\$0.89	-
2012	\$0.8739	\$0.625	\$1.2952	\$0.89	-
2013	\$0.8739	\$0.625	\$1.2952	\$0.89	-
2014	\$0.8439	\$0.625	\$0.9727	\$0.89	-
2015	\$0.8439	\$0.625	\$0.9727	\$0.99	\$0.10
2016	\$0.9000	\$0.625	\$1.1037	\$1.00	\$0.10
2017	\$0.9000	\$0.625	\$1.5661	\$1.04	\$0.10
2018	\$0.9000	\$0.625	\$1.5700	\$1.04	\$0.10

Forest Products Harvest Tax
Per MBF

How Oregon compares to Washington

Similar forests

Similar climate

2017 Timber Harvest: OR vs WA

	Oregon	Washington
Total Forest Acres in the State	8,618,948	6,213,349
Harvest Volume (MBF) in 2017	3,851,000	2,644,425
Harvest Value (\$) in 2017	\$1,944,755,000	\$897,705,614

MBF – Thousand Board Feet

2017 Cutting Taxes per Thousand Board Feet

Oregon	Washington
\$3.77/mbf	\$16.97/mbf

MBF – Thousand Board Feet

2017 Timber Taxes: OR vs WA

	Oregon	Washington
<i>Cutting Taxes</i>	\$14,504,236	\$44,885,265
<i>Property Taxes</i>	\$23,258,388	\$25,800,000
TOTAL Tax in 2017 (Property and Cutting)	\$37,762,624	\$70,685,265
Taxes per acre in 2017	\$2.70	\$4.15

MBF – Thousand Board Feet

* – estimate

Data is *annual*

2017 Timber Taxes: OR vs WA

	Oregon	Washington	Taxing by MBF	Taxing on Value
Tax/MBF	\$3.77	\$16.97	\$16.97	\$25.25
<i>Cutting Taxes</i>	<i>\$14,504,236</i>	<i>\$44,885,265</i>	<i>\$65,365,119*</i>	<i>\$97,237,750*</i>
<i>Property Taxes</i>	<i>\$23,258,388</i>	<i>\$25,800,000</i>	<i>\$23,258,388</i>	<i>\$35,768,634*</i>
TOTAL Tax in 2017 (Property and Cutting)	\$37,762,624	\$70,685,265	\$88,623,507*	\$133,006,384*
Taxes per acre in 2017	\$2.70	\$4.15	\$2.70	\$4.15

MBF – Thousand Board Feet

* – estimate

Data is *annual*

A new proposal– a Fire Suppression Fund

HB 2495 (with amendments)

- Increases the Forest Products Harvest Tax to \$16.00/MBF
- Directs increased tax to a newly created Wildfire Suppression Fund within the FPHT

OR

Apply a Severance Tax (while keeping the current FPHT)

- 3% Severance Tax would increase timber revenues by \$58.3 million, to equal \$96.1 million
- Supplements the outrageous costs that our GF is experiencing due to the large costs of forest fires

The End