

Requested by Representative HOLVEY

**PROPOSED AMENDMENTS TO
HOUSE BILL 2495**

1 On page 1 of the printed bill, line 2, after “477.281,” insert “477.750,
2 477.755.”.

3 Delete lines 6 through 28 and delete pages 2 through 5 and insert:

4 **“SECTION 1.** ORS 321.015 is amended to read:

5 “321.015. (1) For the calendar years beginning January 1, [2018] **2020**, and
6 January 1, [2019] **2021**, there is levied a privilege tax of 90.00 cents per
7 thousand feet, board measure, upon taxpayers for the privilege of harvesting
8 of all merchantable forest products harvested on forestlands. Subject to ORS
9 321.145, the proceeds of the tax shall be transferred as provided in ORS
10 321.152 (2) to the Forest Research and Experiment Account for use for the
11 forest resource research, experimentation and studies described in ORS
12 526.215 and for the Forest Research Laboratory established under ORS
13 526.225.

14 “(2) [*Except as provided in ORS 477.760,*] In addition to the tax levied by
15 subsection (1) of this section, there is levied a forest products harvest tax
16 upon taxpayers [*of*] **at the following rates:**

17 **“(a) Except as provided in ORS 477.760,** 62.5 cents per thousand feet,
18 board measure, for the privilege of harvesting all merchantable forest pro-
19 ducts harvested on forestlands for the payment of benefits related to fire
20 suppression as provided in ORS 321.005 to 321.185, 321.560 to 321.600 and
21 477.440 to 477.460.

1 “(b) **\$10 per thousand feet, board measure, for the privilege of har-**
2 **vesting all merchantable forest products harvested on forestlands for**
3 **the purposes for which moneys in the Wildfire Suppression Fund cre-**
4 **ated under section 2 of this 2019 Act may be expended.**

5 “(3) For the calendar years beginning January 1, [2018] **2020**, and January
6 1, [2019] **2021**, in addition to the taxes levied under subsections (1) and (2)
7 of this section, there is levied a privilege tax upon taxpayers for the privilege
8 of harvesting all merchantable forest products harvested on forestlands in
9 the amount of 156.61 cents per thousand feet, board measure, for the purpose
10 of administering the Oregon Forest Practices Act in an amount not to exceed
11 40 percent of the total expenditures approved by the Legislative Assembly for
12 this purpose, including salary adjustments approved by the Legislative As-
13 sembly for fiscal years [2018 and 2019] **2020 and 2021**.

14 “(4) For the calendar years beginning January 1, [2018] **2020**, and January
15 1, [2019] **2021**, in addition to the taxes levied by subsections (1) to (3) of this
16 section, there is levied a privilege tax of 10 cents per thousand feet, board
17 measure, upon taxpayers for the privilege of harvesting all merchantable
18 forest products harvested on forestlands. Subject to ORS 321.145, the pro-
19 ceeds of the tax shall be transferred as provided in ORS 321.152 (5) to the
20 subaccount established pursuant to ORS 350.520 for use by Oregon State
21 University for the purpose of making investments in professional forestry
22 education at the College of Forestry.

23 “(5) Subject to subsection (6) of this section, the taxes shall be measured
24 by and be applicable to each per thousand feet, board measure, on the total
25 quantity of forest products harvested in this state measured by use of any
26 log scale which is or may be in general use in the logging industry and
27 which is designed to measure total volume of merchantable forest products
28 in board feet. However, if the Department of Revenue finds that the scale
29 used by any taxpayer in computing the taxes due under ORS 321.005 to
30 321.185 and 321.560 to 321.600 does not accurately reflect the total quantity

1 of merchantable forest products harvested by the taxpayer, it may require the
2 taxpayer to adopt another log scale in general use in the industry which in
3 the department's opinion will accurately reflect merchantable harvest in
4 board feet.

5 “(6) The first 25,000 feet, board measure, of forest products harvested an-
6 nually by any taxpayer during each calendar year shall be excluded from the
7 total quantity of harvested forest products that constitutes the measure of
8 the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

9 **“SECTION 2. (1) The Wildfire Suppression Fund is created in the**
10 **State Treasury, separate and distinct from the General Fund. Moneys**
11 **in the fund are continuously appropriated to the State Forester for:**

12 **“(a) Paying, or contributing to the payment of, emergency fire**
13 **suppression costs.**

14 **“(b) Providing funds for the purchase of emergency fire suppression**
15 **costs insurance under ORS 477.775.**

16 **“(c) Acquiring and placing centrally managed fire suppression re-**
17 **sources for statewide use.**

18 **“(d) Acquiring fast-mobilizing, short-term contingency resources to**
19 **be used based on predictions of severe fire weather, widespread light-**
20 **ning events or serious resource shortage due to a heavy fire season in**
21 **this state, in the western region of the United States or nationally.**

22 **“(e) Enhancing forest protection district resources in cases where**
23 **land productivity or other economic factors seriously limit the ability**
24 **of the State Forester to perform fire protection responsibilities.**

25 **“(f) Mitigating forest patrol assessment rates in cases where land**
26 **productivity or other economic factors seriously limit the ability of the**
27 **owners of forestlands in the forest protection district to comply with**
28 **ORS 477.210 (1).**

29 **“(2) The fund consists of:**

30 **“(a) Moneys transferred to the fund under ORS 321.152 (4)(b);**

1 **“(b) Moneys appropriated, allocated, transferred or otherwise cred-**
2 **ited to the fund by the Legislative Assembly;**

3 **“(c) Moneys or other property obtained by the fund by gift, grant,**
4 **contribution, bequest or any other form of donation; and**

5 **“(d) Moneys from any other source deposited in or credited to the**
6 **fund.**

7 **“SECTION 3.** ORS 321.152 is amended to read:

8 “321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Depart-
9 ment of Revenue’s suspense account referred to in ORS 321.145 on February
10 10, May 10, August 10 and November 10 of each year shall be transferred to
11 the respective appropriation accounts described in subsections (2) to (5) of
12 this section.

13 “(2) That part of the moneys derived from taxes levied by ORS 321.015 (1)
14 shall be transferred to the Forest Research and Experiment Account de-
15 scribed in ORS 321.185.

16 “(3) That part of the moneys derived from taxes levied by ORS 321.015 (3)
17 shall be transferred to the State Forestry Department Account referred to in
18 ORS 526.060. Notwithstanding ORS 291.238, the moneys transferred to the
19 State Forestry Department Account under this section are appropriated
20 continuously for and shall be used by the State Forester, under the super-
21 vision and direction of the State Board of Forestry, for the purposes of ad-
22 ministering the Oregon Forest Practices Act and the forest practices
23 monitoring program.

24 “(4) That part of the moneys derived from taxes levied by ORS 321.015
25 [(2)] **(2)(a)** shall be transferred to the Oregon Forest Land Protection Fund
26 described in ORS 477.750.

27 **“(b) That part of the moneys derived from taxes levied by ORS**
28 **321.015 (2)(b) shall be transferred to the Wildfire Suppression Fund**
29 **created in section 2 of this 2019 Act.**

30 “(5) That part of the moneys derived from taxes levied by ORS 321.015 (4)

1 shall be transferred to the subaccount established pursuant to ORS 350.520.

2 **“SECTION 4.** ORS 477.750 is amended to read:

3 “477.750. (1) The Oregon Forest Land Protection Fund is created, separate
4 and distinct from the General Fund. This fund shall be held by the State
5 Treasurer as a trust fund for the uses and purposes provided in ORS 477.750
6 to 477.775 and 477.880. The State Treasurer shall deposit and invest moneys
7 in the fund as provided by law, taking into account its uses and purposes.
8 Interest earned by the fund shall be credited to the fund.

9 “(2) Notwithstanding any other law and as limited by ORS 477.750 to
10 477.775 and 477.880, that part of the suspense account created by ORS 321.145
11 that is derived from the tax levied by ORS 321.015 [(2)] **(2)(a)** after refunds
12 and other costs permitted by law, shall be credited to the Oregon Forest
13 Land Protection Fund.

14 **“SECTION 5.** ORS 477.755 is amended to read:

15 “477.755. (1) As used in this section, ‘annual expenditure’ means the ex-
16 penses of the Oregon Forest Land Protection Fund obligated in any 12-month
17 period designated by the Emergency Fire Cost Committee by rule, corre-
18 sponding to the policy period of any insurance for emergency fire costs.

19 “(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land
20 Protection Fund are continuously appropriated to the Emergency Fire Cost
21 Committee for the purposes of:

22 “(a) Equalizing emergency fire suppression costs for safeguarding
23 forestland in any forest protection district;

24 “(b) Paying necessary administrative expenses, not to exceed the limit
25 authorized by the Legislative Assembly each biennium;

26 “(c) Contributing to the payment of emergency fire suppression costs in-
27 surance premiums, subject to the payment limitation established in ORS
28 477.775 (4);

29 “(d) Paying costs related to the availability and mobilization of emer-
30 gency fire suppression resources on a statewide basis; and

1 “(e) Paying for nonroutine purchases of supplemental fire prevention, de-
2 tection or suppression resources that will enhance the ability of the forester
3 to perform fire protection responsibilities within a forest protection district.

4 “(3) Notwithstanding any other provision of law, the annual expenditure
5 from the Oregon Forest Land Protection Fund from revenues received from
6 ORS 321.015 [(2)] **(2)(a)**, 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2),
7 477.760 (4) and 477.880 may not exceed the lesser of:

8 “(a) \$13.5 million; or

9 “(b) The sum of:

10 “(A) The lesser of \$10 million or 50 percent of the eligible annual fire
11 suppression costs determined by the committee;

12 “(B) Necessary administrative expenses as determined by the committee
13 and authorized under the limit described in subsection (2)(b) of this section;

14 “(C) Contributions to the payment of emergency fire suppression costs
15 insurance premiums, subject to the payment limitation established in ORS
16 477.775 (4);

17 “(D) The lesser of \$3 million or three-fifths of the actual cost of activities
18 described in ORS 477.777 (1)(b) and (c); and

19 “(E) Any amounts expended for nonroutine purchases described in sub-
20 section (2)(e) of this section.

21 **“SECTION 6.** ORS 477.760 is amended to read:

22 “477.760. (1) The reserve base of the Oregon Forest Land Protection Fund
23 is \$22.5 million. On or about the last day of February of each year the
24 Emergency Fire Cost Committee shall meet and determine the unencumbered
25 balance of the fund as of the preceding February 16.

26 “(2) In order to maintain the reserve base of the fund at \$22.5 million, the
27 Emergency Fire Cost Committee may request and the State Treasurer may
28 approve transfers to the fund in accordance with ORS 293.205 to 293.225, if
29 the moneys in this fund fall below the reserve base, whether or not there are
30 sufficient moneys in the fund to pay the obligations of the fund. Repayment

1 of any such transfers shall be made from moneys paid into the fund pursuant
2 to ORS 321.015 [(2)] **(2)(a)**, 477.277 and 477.880 and from such other moneys
3 as may be credited to the fund therefor.

4 “(3) If the committee determines that the moneys in the fund exceed:

5 “(a) The reserve base, and that no repayment obligations are outstanding
6 from transfers made pursuant to subsection (2) of this section, then the De-
7 partment of Revenue shall reduce the taxes described in ORS 321.015 [(2)]
8 **(2)(a)** by 50 percent for the following calendar year and the surcharge for
9 each improved lot or parcel described in ORS 477.277 and the assessments
10 described in ORS 477.880 shall be reduced by 50 percent for the following
11 fiscal year.

12 “(b) \$30 million, and that no repayment obligations are outstanding from
13 transfers made pursuant to subsection (2) of this section, then the Depart-
14 ment of Revenue may not collect the taxes described in ORS 321.015 [(2)]
15 **(2)(a)** for the following calendar year and the surcharge for each improved
16 lot or parcel described in ORS 477.277 and the assessments described in ORS
17 477.880 may not be collected until the calendar year or fiscal year following
18 the determination of the committee that the unencumbered balance in the
19 fund is less than or equal to \$22.5 million.

20 “(4)(a) Notwithstanding any other provision of law, if the funds referred
21 to in subsection (2) of this section are inadequate to cover repayment of
22 transfers from the State Treasurer or from other sources, the State Forester
23 shall increase the following taxes, assessments and charges in an amount
24 adequate to ensure repayment of the transfers, and any interest accrued
25 thereon, allowing for contingencies in valuation, assessment and collection:

26 “(A) The harvest tax referred to in ORS 321.015 [(2)] **(2)(a)**.

27 “(B) The surcharge on developed lots referred to in ORS 477.277.

28 “(C) The minimum assessment referred to in ORS 477.295.

29 “(D) The acreage assessments referred to in ORS 477.880 (2).

30 “(b) The increases to taxes, assessments and charges shall be apportioned

1 based upon the proportionate levels of revenues received from each source
2 by the Oregon Forest Land Protection Fund. Any such increases shall be
3 computed on or before January 1 of each year, and shall be based upon rev-
4 enues received during the previous four quarters. Any such increases shall
5 be made in the appropriate calendar or fiscal year following that in which
6 the requested transfers from the State Treasurer or from other sources are
7 made. **Notwithstanding ORS 321.152 (4), the full amount derived from**
8 **an increase in the harvest tax referred to in ORS 321.015 (2)(a) pursu-**
9 **ant to this subsection shall be transferred to the Oregon Forest Land**
10 **Protection Fund created under ORS 477.750.**

11 **“SECTION 7.** ORS 477.777 is amended to read:

12 “477.777. (1) As part of the preparation of the agency request budget
13 submitted to the Oregon Department of Administrative Services pursuant to
14 ORS 291.208 for the State Forestry Department, the State Forester shall
15 prepare, in addition to any amounts budgeted for forest protection districts
16 pursuant to ORS 477.205 to 477.281, a request for a General Fund appropri-
17 ation for the following purposes:

18 “(a) Providing funds for the purchase of emergency fire suppression costs
19 insurance under ORS 477.775.

20 “(b) Acquiring and placing centrally managed fire suppression resources
21 for statewide use.

22 “(c) Acquiring fast-mobilizing, short-term contingency resources to be
23 used based on predictions of severe fire weather, widespread lightning events
24 or serious resource shortage due to a heavy fire season in this state, in the
25 western region of the United States or nationally.

26 “(d) Enhancing forest protection district resources in cases where land
27 productivity or other economic factors seriously limit the ability of the
28 forester to perform fire protection responsibilities.

29 “(e) Mitigating forest patrol assessment rates in cases where land pro-
30 ductivity or other economic factors seriously limit the ability of the owners

1 of forestlands in the forest protection district to comply with ORS 477.210
2 (1).

3 “(2) The State Forester [*shall utilize critical discretion in the expenditure*
4 *of the*] **may expend** funds provided to the State Forestry Department pur-
5 suant to the separate request required under subsection (1) of this section
6 **only if, and to the extent that, available moneys in the Wildfire Sup-**
7 **pression Fund created under section 2 of this 2019 Act are insufficient**
8 **for the expenditure.**

9 “(3) The State Forester shall report to the Emergency Board, each year,
10 after the close of the fire season, on:

11 “(a) The nature and severity of the fire season;

12 “(b) The moneys expended on fire suppression;

13 “(c) The balance remaining from the biennial appropriation; and

14 “(d) Any matters arising out of the fire season that may require attention
15 or warrant future consideration by the board or the Legislative Assembly.

16 “(4) When reporting the nature and severity of the fire season under
17 subsection (3) of this section, for each fire consuming 1,000 or more acres,
18 the State Forester shall provide information regarding the resulting losses
19 on private lands of timber, buildings, fencing and livestock and of grazing
20 land capacity if the land is expected to be unavailable for two or more
21 grazing seasons.

22 **“SECTION 8.** ORS 477.281 is amended to read:

23 “477.281. (1) The obligation of an owner of timberland or grazing land for
24 payment of assessments and taxes for fire protection of forestland is limited
25 to:

26 “(a) The payment of moneys pursuant to ORS 321.015 [(2)] **(2)(a)**, 477.277,
27 477.295, 477.760 (4) and 477.880 to maintain the Oregon Forest Land Pro-
28 tection Fund **created under ORS 477.750**; and

29 “(b) The payment of forest protection district assessments pursuant to
30 ORS 477.060 and 477.205 to 477.281.

1 “(2) As used in this section, ‘obligation of an owner of timberland or
2 grazing land for payment of assessments and taxes for fire protection of
3 forestland’ does not include the duties or obligations of the owner under ORS
4 477.066, 477.068 or 477.120 or the obligations of an owner of land included in
5 a rural fire protection district pursuant to ORS 478.010.

6 “**SECTION 9. This 2019 Act takes effect on the 91st day after the
7 date on which the 2019 regular session of the Eightieth Legislative
8 Assembly adjourns sine die.”**

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