

## **HB 2379 -6 STAFF MEASURE SUMMARY**

### **House Committee On Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 4/8

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#### **WHAT THE MEASURE DOES:**

Imposes severance tax on owner of timber at time of harvest at five percent of value of timber. Directs revenue from severance tax to be transferred to newly created Emergency Wildfire Fund. Exempts first 25,000 board feet from tax. Specifies cap on Emergency Wildfire Fund. Repeals forest products harvest taxes and funds certain associated expenditures with severance tax revenues. Abolishes Emergency Fire Cost Committee. Abolishes Oregon Forest Land Protection Fund. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-6 Clarifies that severance tax imposed under the bill is on pond value. Creates Wildfire Management Fund in lieu of creation of the Emergency Wildfire Fund. Replaces 5% severance tax in introduced version with schedule of rates based on acreage. Two percent for owners of 100 acres or less. Three percent for owners of more than 100 acres up to 640 acres. Four percent for owners of more than 640 acres up to 3840 acres. Five percent for all owners of over 3840 acres of forestland. Reduction of one percent for owners who receive Forest Stewardship Certification. Specifies use of funds to Wildfire Management fund (40%), County General Funds (30%), Forest Practices Act (10%), Oregon State University Forest Research (5%), Rural Fire Protection Districts (7.5%), and the Watershed Conservation Grant Fund (7.5%).

#### **BACKGROUND:**