

House Bill 2357

Sponsored by Representatives SALINAS, HOLVEY, Senator GOLDEN; Representatives PHAM, WILDE (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Eliminates Oregon Forest Resources Institute and Oregon Forest Resources Institute Fund.

Establishes Sound Forestry Practices Subaccount as subaccount of State Forestry Department Account.

Requires that revenue from levy of additional privilege tax under forest products harvest tax be credited to State Forestry Department Account for deposit in Sound Forestry Practices Subaccount.

Directs State Forestry Department to use moneys in Sound Forestry Practices Subaccount to develop and apply sound forestry practices in collaboration with other state agencies.

A BILL FOR AN ACT

1
2 Relating to forest management; creating new provisions; amending ORS 321.017, 321.145, 321.684,
3 526.060 and 526.274; and repealing ORS 526.600, 526.605, 526.610, 526.615, 526.620, 526.625,
4 526.630, 526.632, 526.635, 526.640, 526.645, 526.650, 526.655, 526.660, 526.665, 526.670 and 526.675.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. (1) In collaboration with other state agencies, the State Forestry Department shall develop and apply sound forestry practices to:**

7 (a) **Promote forest health;**

8 (b) **Incorporate regulation or monitoring of pesticide use in forests;**

9 (c) **Employ adaptive resource management; and**

10 (d) **As related to forest management, advance climate science or climate policy.**

11 (2) **The department shall undertake projects that further the purposes described in subsection (1) of this section.**

12 **SECTION 2. ORS 321.017 is amended to read:**

13 321.017. (1) In addition to the taxes levied under ORS 321.015 (1) to (4), there hereby is levied
14 a privilege tax upon taxpayers on the harvesting of all merchantable forest products harvested on
15 forestlands in the amount provided in subsection (2) of this section.

16 (2) **The State Board of Forestry shall establish annually, at the beginning of each calendar**
17 **year**, the rate of tax levied in subsection (1) of this section [*shall be established annually at the be-*
18 *ginning of each calendar year by the board of directors of the Oregon Forest Resources Institute*], at
19 a rate not to exceed 75 cents per thousand feet, board measure, adjusted annually for inflation since
20 1991 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as
21 published by the Bureau of Labor Statistics of the United States Department of Labor.

22 (3) The tax shall be measured by and be applicable to each per thousand feet, board measure,
23 and such shall be subject to and determined by the procedures and provisions of ORS 321.015 (5)
24 and (6).

25 (4) The tax levied by subsection (1) of this section shall be due and payable to the Department
26
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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 of Revenue in the manner and procedure, including penalties and interest, as set forth for the col-
 2 lection of the privilege tax in ORS 321.005 to 321.185.

3 (5) The revenue from the tax levied by subsection (1) of this section shall be remitted to the
 4 State Treasurer who shall deposit it in a suspense account established under ORS 321.145 (1). After
 5 payment of refunds, which shall be paid in the same manner as other forest products harvest tax
 6 refunds are paid in ORS 321.145 (2), the balance of the additional tax imposed under subsection (1)
 7 of this section shall be **credited to the State Forestry Department Account and** deposited in the
 8 [*Oregon Forest Resources Institute Fund*] **Sound Forestry Practices Subaccount established in**
 9 **ORS 526.060.**

10 **SECTION 3.** ORS 321.145 is amended to read:

11 321.145. (1) The revenue from the taxes levied [by] **under** ORS 321.005 to 321.185 and 321.560
 12 to 321.600 shall be remitted to the State Treasurer who shall deposit it in a suspense account es-
 13 tablished under the provisions of ORS 293.445.

14 (2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay re-
 15 funds of the taxes levied under ORS 321.015 [(1) to (4) hereby] **and 321.017** is appropriated contin-
 16 uously to the Department of Revenue from the suspense account referred to in subsection (1) of this
 17 section, and shall be used by the department for the payment of all refunds of taxes levied under
 18 ORS 321.015 [(1) to (4)] **and 321.017** that have been audited and approved by the department. Any
 19 penalties, interest and taxes then due from the taxpayer shall be applied in that order in computing
 20 any refund, and only the balance due the taxpayer, if any, shall be refunded. The department shall
 21 on its records charge each refund against the revenue from the tax with respect to which the refund
 22 is made.

23 **SECTION 4.** ORS 526.060 is amended to read:

24 526.060. (1) Except as provided in ORS 526.121, 530.147 and 530.280, all assessments, federal ap-
 25 portionments or contributions, and other moneys received by the forester or State Board of Forestry,
 26 shall be paid into the State Treasury and credited to the State Forestry Department Account, which
 27 is established separate and distinct from the General Fund. All moneys in the State Forestry De-
 28 partment Account are continuously appropriated, and shall be used by the forester, under the
 29 supervision and direction of the board, for the purposes authorized by law.

30 (2) The forester shall keep a record of all moneys deposited in the State Forestry Department
 31 Account. The record shall indicate by separate cumulative accounts the source from which the
 32 moneys are derived and the individual activity or program against which each withdrawal is
 33 charged. All moneys in the account received pursuant to ORS 527.610 to 527.770 and 527.992 shall
 34 be used only for carrying out the duties, functions and powers of the State Forestry Department in
 35 administering ORS 527.610 to 527.770 and 527.992.

36 (3) The Urban and Community Forestry Subaccount is established as a subaccount of the State
 37 Forestry Department Account. Moneys in the Urban and Community Forestry Subaccount are con-
 38 tinuously appropriated to the State Forestry Department to be used for urban and community forest
 39 activities described in ORS 469.634 and 469.652.

40 (4) The State Forest Enhancement Donation Subaccount is established as a subaccount to the
 41 State Forestry Department Account. Moneys in the State Forest Enhancement Donation Subaccount
 42 are continuously appropriated to the State Forestry Department to be used for the purposes de-
 43 scribed in ORS 526.065.

44 (5) The State Forest Nursery Subaccount is established as a subaccount to the State Forestry
 45 Department Account. Moneys in the State Forest Nursery Subaccount are continuously appropriated

1 to the State Forestry Department to be used for the purposes described in ORS 526.235.

2 (6) The State Forest Tree Seed Bank Subaccount is established as a subaccount to the State
3 Forestry Department Account. Moneys in the State Forest Tree Seed Bank Subaccount are contin-
4 uously appropriated to the State Forestry Department to be used for the purposes described in ORS
5 526.470.

6 (7) The State Forest Tree Seed Orchard Subaccount is established as a subaccount to the State
7 Forestry Department Account. Moneys in the State Forest Tree Seed Orchard Subaccount are con-
8 tinuously appropriated to the State Forestry Department to be used for the purposes described in
9 ORS 526.472.

10 **(8) The Sound Forestry Practices Subaccount is established as a subaccount of the State**
11 **Forestry Department Account. Moneys in the Sound Forestry Practices Subaccount are**
12 **continuously appropriated to the State Forestry Department for the purposes described in**
13 **section 1 of this 2021 Act.**

14 [(8)] (9) Notwithstanding ORS 291.238, the moneys credited to the subaccounts established under
15 subsections (5), (6), [and] (7) **and (8)** of this section shall be continuously available on a revolving
16 basis.

17 **SECTION 5.** ORS 526.274 is amended to read:

18 526.274. In furtherance of the policy established in ORS 526.271, the State Board of Forestry, in
19 consultation with the Governor, may:

20 (1) In conformance with federal law, including Public Law 108-7, direct the State Forester to
21 facilitate the development of stewardship contracts utilizing private contractors and, when appro-
22 priate, to seek and enter into a stewardship contract agreement with federal agencies to carry out
23 forest management activities on federal lands. The State Forester may, under the stewardship con-
24 tract agreements:

- 25 (a) Perform road and trail maintenance;
- 26 (b) Set prescribed fires to improve forest health, composition, structure and condition;
- 27 (c) Manage vegetation;
- 28 (d) Perform watershed restoration and maintenance;
- 29 (e) Restore wildlife habitat;
- 30 (f) Control exotic weeds and species; and
- 31 (g) Perform other activities related to stewardship.

32 (2) Create a forum for interagency cooperation and collaborative public involvement regarding
33 federal forest management issues that may include, at the discretion of the board, the appointment
34 of advisory committees, the use of existing advisory committees and procedures for holding public
35 hearings.

36 (3) Provide guidelines for the State Forestry Department and State Forester to follow that con-
37 tain directions regarding the management of federal lands and that specify the goals and objectives
38 of the board regarding the management of federal lands.

39 (4) Participate, to the extent allowed by federal law, in the development of federal forest policies
40 and the forest management planning processes of federal agencies.

41 (5) Provide guidelines for the department to follow in implementing this section.

42 (6) Coordinate with Oregon State University, the State Department of Fish and Wildlife, [the
43 *Oregon Forest Resources Institute*,] the Department of Environmental Quality, the Oregon Business
44 Development Department, the State Department of Energy and other agencies of the executive de-
45 partment, as defined in ORS 174.112, to assist the State Forestry Department in carrying out the

1 provisions of this section.

2 **SECTION 6.** ORS 321.684 is amended to read:

3 321.684. (1) The Department of Revenue may:

4 (a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or au-
5 thorized representative, a copy of the taxpayer's forest products harvest tax report or return re-
6 quired by ORS 321.045 or 321.741 that is filed with the department for any year, or a copy of any
7 report filed by the taxpayer in connection with the return.

8 (b) Publish a list of taxpayers who are entitled to unclaimed tax refunds.

9 (c) Publish statistics classified so as to prevent the identification of taxable value or any par-
10 ticulars contained in any report or return.

11 (d) Disclose a taxpayer's name, address and Social Security number or employer identification
12 number to the extent necessary in connection with the processing and mailing of forms for any re-
13 port or return required in the administration of ORS 321.045 and 321.741.

14 *[(e) Disclose to the State Forester, upon request of the forester, for the purpose of soliciting nomi-
15 nations and recommendations referred to in ORS 526.610, the names of producers meeting producer
16 class qualifications established under ORS 526.610 who filed forest products harvest tax returns.]*

17 *[(f)]* (e) Disclose appraisal data collected to make determinations of specially assessed value of
18 forestland under ORS 321.201 to 321.222 to any member of a forestland value advisory committee the
19 department has convened under ORS 321.213.

20 (2) The department also may disclose and give access to information described in ORS 321.682
21 to:

22 (a) The Commissioner of Internal Revenue or authorized representative, for tax purposes only.

23 (b) The United States Forest Service, Bureau of Land Management and the State Forestry De-
24 partment pursuant to their regulatory programs and for investigative purposes related to timber
25 theft.

26 (c) The Attorney General, assistants and employees in the Department of Justice or other legal
27 representative of the State of Oregon, to the extent the department considers disclosure or access
28 necessary for the performance of the duties of advising or representing the department pursuant to
29 ORS 321.045 and 321.741.

30 (d) Employees of the State of Oregon, other than the Department of Revenue or Department of
31 Justice, to the extent the department considers disclosure or access necessary for such employees
32 to perform their duties under contracts or agreements between the department and any other de-
33 partment, agency or subdivision of the State of Oregon in the department's administration of the tax
34 laws.

35 (e) The Legislative Revenue Officer or the authorized representative of the Legislative Revenue
36 Officer upon compliance with ORS 173.850. The officer or representative may not remove from the
37 premises of the department any materials that would reveal the identity of any taxpayer or any
38 other person or the volume of harvest and value reported on individual returns and reports.

39 (f) Any agency of the State of Oregon, or any person, or any officer or employee of the agency
40 or person to whom disclosure or access is given by state law and not otherwise referred to in this
41 section, including but not limited to the Secretary of State as Auditor of Public Accounts under
42 section 2, Article VI of the Constitution of the State of Oregon.

43 (3) Each officer or employee of the department and each person described or referred to in
44 subsection (2)(b) to (f) of this section to whom disclosure or access to the tax information is given
45 under subsection (2) of this section or any other provision of state law, prior to beginning employ-

1 ment or the performance of duties involving such disclosure or access, shall be advised in writing
2 of the provisions of ORS 321.682 and 321.686 relating to penalties for the violation of ORS 321.682,
3 and shall, as a condition of employment or performance of duties, execute a certificate for the de-
4 partment, in a form prescribed by the department, stating in substance that the person has read
5 these provisions of law, that the person has had them explained and that the person is aware of the
6 penalties for the violation of ORS 321.682.

7 **SECTION 7. ORS 526.600, 526.605, 526.610, 526.615, 526.620, 526.625, 526.630, 526.632, 526.635,**
8 **526.640, 526.645, 526.650, 526.655, 526.660, 526.665, 526.670 and 526.675 are repealed.**

9 **SECTION 8. All moneys in the Oregon Forest Resources Institute Fund that are unex-**
10 **pendent and unobligated on the date that ORS 526.675 is repealed shall revert to the General**
11 **Fund.**

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