

House Bill 3160

Sponsored by Representative MARSH, Senator FREDERICK

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**.

Establishes Oregon Wildfire Preparedness and Community Protection Fund and directs State Fire Marshal, State Forestry Department and Oregon Watershed Enhancement Board to make expenditures from fund for various activities related to restoration, protection and recovery from wildfires.

Requires insurer each year to remit to Director of Department of Consumer and Business Services surcharge of \$10 for each policy of insurance that is casualty insurance or property insurance. Permits insurer each year to recoup from insureds amount insurer remitted to director. Requires director to deposit proceeds of surcharge into Oregon Wildfire Preparedness and Community Protection Fund.

A BILL FOR AN ACT

1 Relating to wildfire recovery.

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

3 **SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made a part of ORS**
4 **chapter 477.**

5 **SECTION 2. (1)(a) The Oregon Wildfire Preparedness and Community Protection Fund is**
6 **established in the State Treasury, separate and distinct from the General Fund. Moneys in**
7 **the Oregon Wildfire Preparedness and Community Protection Fund are continuously appro-**
8 **propriated as provided in paragraph (b) of this subsection for the purposes specified in section**
9 **3 of this 2021 Act.**

10 **(b) The moneys in the Oregon Wildfire Preparedness and Community Protection Fund**
11 **are continuously appropriated during each biennium in the following manner:**

12 **(A) Fifty percent of the moneys are appropriated to the State Fire Marshal;**

13 **(B) Twenty five percent of the moneys are appropriated to the State Forestry Depart-**
14 **ment; and**

15 **(C) Twenty five percent of the moneys are appropriated to the Oregon Watershed En-**
16 **hancement Board.**

17 **(2) The Director of the Department of Consumer and Business Services shall pay into the**
18 **State Treasury to the credit of the Oregon Wildfire Preparedness and Community Protection**
19 **Fund all moneys the director receives from the surcharge described in section 5 of this 2021**
20 **Act. Moneys in the Oregon Wildfire Preparedness and Community Protection Fund may be**
21 **invested in the same manner as other state moneys, and any interest earned on the invest-**
22 **ments must be credited to the fund.**

23 **(3) The State Treasurer shall keep a record of all moneys deposited into the Oregon**
24 **Wildfire Preparedness and Community Protection Fund. The record must indicate, by sepa-**
25 **rate account, the source from which the moneys are derived, the interest earned and the**
26 **activity or program against which any withdrawal is charged.**
27

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 (4) If moneys credited to any one account are withdrawn, transferred or otherwise used
 2 for a program other than the program or activity for which the account is established, in-
 3 terest accrues on the amount withdrawn from the date of the withdrawal until such funds
 4 are restored.

5 (5) The State Fire Marshal, the Oregon Watershed Enhancement Board and the State
 6 Forestry Department, in addition to and not in lieu of the moneys derived from the sur-
 7 charge described in subsection (2) of this section, may accept, from whatever source, gifts
 8 or grants of moneys given for the purposes set forth in section 3 of this 2021 Act and shall
 9 deposit such moneys into the Oregon Wildfire Preparedness and Community Protection
 10 Fund. All moneys deposited in this manner are available for appropriation as described in
 11 subsection (1)(b) of this section, unless the donor or grantor of the moneys specifies a con-
 12 dition for the use of the moneys, in which case the agency that received the gift or grant
 13 shall use the moneys in conformance with the condition the donor or grantor specified.

14 **SECTION 3.** (1)(a) The State Fire Marshal shall expend moneys or provide grants from
 15 the Oregon Wildfire Preparedness and Community Protection Fund established under section
 16 2 of this 2021 Act to assist communities in:

17 (A) Preparing for and protecting against wildfires;

18 (B) Funding full-time firefighters; and

19 (C) Developing and implementing community wildfire protection plans and programs that
 20 are based upon or that comply with standards promulgated by the National Fire Protection
 21 Association’s Firewise USA and the Fire Adapted Communities Learning Network or that
 22 otherwise serve community needs for protection against wildfires.

23 (b) The State Fire Marshal shall adopt rules to guide the State Fire Marshal’s imple-
 24 mentation of the programs described in this subsection. At a minimum, the rules must:

25 (A) Specify the purposes, goals and criteria for funding projects under paragraph (a) of
 26 this subsection, along with criteria for evaluating the success of each project;

27 (B) Specify the purposes, goals and eligibility criteria for grants under paragraph (a) of
 28 this subsection, along with criteria for determining whether a grant recipient has made use
 29 of grant moneys in accordance with the purposes and goals; and

30 (C) Provide forms and specify application procedures by means of which a community
 31 may apply for a grant under paragraph (a) of this subsection.

32 (2)(a) The State Forestry Department shall use moneys from the Oregon Wildfire
 33 Preparedness and Community Protection Fund to:

34 (A) Restore landscape resiliency;

35 (B) Reduce hazardous fuel levels to improve forest health; and

36 (C) Reduce forest vulnerability to drought, insect infestation and disease by taking ap-
 37 propriate forest management actions such as thinning and prescribed burning.

38 (b) In implementing the programs described in paragraph (a) of this subsection, the State
 39 Forestry Department shall give priority to programs, activities or projects that protect lives,
 40 communities and infrastructure, that improve and enhance watershed health, water quality
 41 and resiliency in response to changes in the climate and that achieve reductions in wildfire
 42 risk. After seeking and receiving necessary permissions and cooperation, the State Forestry
 43 Department may conduct programs on federal, state, local and private lands.

44 (c) The State Forestry Department shall adopt rules to guide the department’s imple-
 45 mentation of the programs described in this subsection.

1 (3) The Oregon Watershed Enhancement Board shall use moneys from the Oregon
 2 Wildfire Preparedness and Community Protection Fund to conduct or fund recovery activ-
 3 ities, such as reforestation, watershed rehabilitation, drinking water protection, slope sta-
 4 bilization and erosion control, in areas that have been subjected to wildfires.

5 (4) The State Fire Marshal, the State Forestry Department and the Oregon Watershed
 6 Enhancement Board shall jointly:

7 (a) Consult and cooperate with each of the other agencies identified in this subsection in
 8 adopting rules to implement the areas of responsibility each agency has under this section;
 9 and

10 (b) Coordinate with each of the other agencies in developing and implementing programs
 11 and activities to the maximum extent practicable in order to reduce duplication and over-
 12 lapping or redundant efforts. At a minimum, coordination must consist of cooperatively de-
 13 veloping and implementing:

14 (A) Work plans;

15 (B) Programs and activities; and

16 (C) Monitoring and reporting activities.

17 (5) By December 31 of each year, the State Fire Marshal, the State Forester and the
 18 executive director of the Oregon Watershed Enhancement Board shall submit a joint report
 19 to the Governor and an interim committee of the Legislative Assembly with oversight over
 20 forestry issues that details the agencies' activities under this section. The report, at a min-
 21 imum, must include:

22 (a) A list of the amounts the agencies expended from the Oregon Wildfire Preparedness
 23 and Community Protection Fund during the previous 12 months;

24 (b) A list of the projects the agencies funded or conducted in the previous 12 months,
 25 together with the cost of each project and a summary of the goals and results of each
 26 project;

27 (c) A list of all grants the State Fire Marshal awarded within the previous 12 months
 28 under subsection (1)(a) of this section, along with a list of the grant recipients, the amount
 29 each grant recipient received and the purpose and goals of each grant; and

30 (d) A list of projects, grants and other activities the agencies have planned for the up-
 31 coming calendar year.

32 **SECTION 4.** Section 5 of this 2021 Act is added to and made a part of ORS chapter 742.

33 **SECTION 5.** (1)(a) Every insurer that transacts insurance in this state shall remit to the
 34 Director of the Department of Consumer and Business Services an annual surcharge of \$10
 35 for each policy of insurance the insurer issues in this state that is casualty insurance or
 36 property insurance. The surcharge is in addition to and not in lieu of any other tax, fee or
 37 charge that the insurer is otherwise liable to pay. The insurer shall remit the proceeds of
 38 the surcharge each calendar year as provided in paragraph (c) of this subsection.

39 (b) Regardless of the number of policies of insurance an insurer issues that are casualty
 40 insurance or property insurance, the minimum amount that an insurer that transacts in-
 41 surance in this state must remit to the director each calendar year under paragraph (a) of
 42 this subsection is \$1,000.

43 (c) Each insurer shall pay the amount due to the director under this subsection not later
 44 than July 15 of each year. The director shall forward to the Department of Revenue the name
 45 and amount in arrears of each insurer that fails to pay the amount due by July 31 of each

1 year. The Department of Revenue shall treat the insurer's failure to pay the surcharge as
2 equivalent to a failure to pay a tax at the time the tax becomes due and may apply the
3 penalties and procedures set forth in ORS 314.400 for collecting taxes due from a taxpayer.

4 (2)(a) Each insurer that is subject to the requirement set forth in subsection (1) of this
5 section may recoup the amount for which the insurer is liable by one of the following
6 methods:

7 (A) The insurer may each year charge and collect from each of the insurer's insureds
8 not more than the amount of the surcharge on each of the insured's policies of insurance
9 that is casualty insurance or property insurance. Except as provided in paragraph (b) of this
10 subsection, the insurer shall charge each insured not more than \$10 per policy.

11 (B) The insurer may recoup the surcharge through the insurer's premium rates.

12 (b) An insurer that, in the first year after the surcharge is due, does not recoup under
13 paragraph (a) of this subsection the entire amount the insurer remitted to the director under
14 subsection (1) of this section may, during the following year, recoup the remaining amount
15 by collecting a surcharge that exceeds the amount specified in paragraph (a)(A) of this sub-
16 section.

17 (3)(a) A surcharge that an insurer collects under subsection (2) of this section is not a
18 premium for any purpose, including liability for any tax upon premiums or any commissions
19 that an insurance producer may receive.

20 (b) If an insurer elects to collect a surcharge under subsection (2)(a) of this section, the
21 insurer shall disclose the amount and nature of the surcharge on a bill or policy declaration
22 the insurer provides to an insured.

23 (4) The director shall deposit all moneys the director receives under this section into the
24 Oregon Wildfire Preparedness and Community Protection Fund established under section 2
25 of this 2021 Act.

26 SECTION 6. The surcharge described in section 5 of this 2021 Act applies to policies of
27 insurance that an insurer issues or renews on or after the effective date of this 2021 Act.

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