

Requested by Representative WITT

**PROPOSED AMENDMENTS TO
HOUSE BILL 2357**

1 On page 1 of the printed bill, line 2, delete “321.684” and delete lines 3
2 and 4 and insert “526.060, 526.610, 526.615 and 526.650.”.

3 Delete lines 14 through 27 and delete pages 2 through 5 and insert:

4 **“SECTION 2. The State Forestry Department shall:**

5 **“(1) Provide support for any committee created by the State Board**
6 **of Forestry to serve owners of small forestlands.**

7 **“(2) Aid owners of small forestlands in understanding the Oregon**
8 **Forest Practices Act and implementing sustainable forestry methods.**

9 **“(3) Conduct education initiatives for owners of small forestlands.**

10 **“SECTION 3.** ORS 321.017 is amended to read:

11 “321.017. (1) In addition to the taxes levied under ORS 321.015 (1) to (4),
12 there hereby is levied a privilege tax upon taxpayers on the harvesting of
13 all merchantable forest products harvested on forestlands in the amount
14 provided in subsection (2) of this section.

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

1 Labor Statistics of the United States Department of Labor.

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

5 “(4) The tax levied by subsection (1) of this section shall be due and
6 payable to the Department of Revenue in the manner and procedure, includ-
7 ing penalties and interest, as set forth for the collection of the privilege tax
8 in ORS 321.005 to 321.185.

9 “(5) The revenue from the tax levied by subsection (1) of this section shall
10 be remitted to the State Treasurer who shall deposit it in a suspense account
11 established under ORS 321.145 (1). After payment of refunds, which shall be
12 paid in the same manner as other forest products harvest tax refunds are
13 paid in ORS 321.145 (2), the balance of the additional tax imposed under
14 subsection (1) of this section shall be [*deposited in the Oregon Forest Re-*
15 *sources Institute Fund.*] **credited to the State Forestry Department Ac-**
16 **count and deposited as follows:**

17 “(a) **Fifty percent in the Sound Forestry Practices Subaccount es-**
18 **tablished in ORS 526.060;**

19 “(b) **Thirty-three percent in the Oregon Forest Resources Institute**
20 **Fund established in ORS 526.675; and**

21 “(c) **Seventeen percent in the Family Forestlands Subaccount es-**
22 **tablished in ORS 526.060.**

23 “**SECTION 4.** ORS 321.145 is amended to read:

24 “321.145. (1) The revenue from the taxes levied [*by*] **under** ORS 321.005
25 to 321.185 and 321.560 to 321.600 shall be remitted to the State Treasurer who
26 shall deposit it in a suspense account established under the provisions of
27 ORS 293.445.

28 “(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys
29 necessary to pay refunds of the taxes levied under ORS 321.015 [*(1) to (4)*
30 *hereby*] **and 321.017** is appropriated continuously to the Department of Rev-

1 enue from the suspense account referred to in subsection (1) of this section,
2 and shall be used by the department for the payment of all refunds of taxes
3 levied under ORS 321.015 [(1) to (4)] **and 321.017** that have been audited and
4 approved by the department. Any penalties, interest and taxes then due from
5 the taxpayer shall be applied in that order in computing any refund, and only
6 the balance due the taxpayer, if any, shall be refunded. The department shall
7 on its records charge each refund against the revenue from the tax with re-
8 spect to which the refund is made.

9 **“SECTION 5.** ORS 526.060 is amended to read:

10 “526.060. (1) Except as provided in ORS 526.121, 530.147 and 530.280, all
11 assessments, federal apportionments or contributions, and other moneys re-
12 ceived by the forester or State Board of Forestry, shall be paid into the State
13 Treasury and credited to the State Forestry Department Account, which is
14 established separate and distinct from the General Fund. All moneys in the
15 State Forestry Department Account are continuously appropriated, and shall
16 be used by the forester, under the supervision and direction of the board, for
17 the purposes authorized by law.

18 “(2) The forester shall keep a record of all moneys deposited in the State
19 Forestry Department Account. The record shall indicate by separate cumu-
20 lative accounts the source from which the moneys are derived and the indi-
21 vidual activity or program against which each withdrawal is charged. All
22 moneys in the account received pursuant to ORS 527.610 to 527.770 and
23 527.992 shall be used only for carrying out the duties, functions and powers
24 of the State Forestry Department in administering ORS 527.610 to 527.770
25 and 527.992.

26 “(3) The Urban and Community Forestry Subaccount is established as a
27 subaccount of the State Forestry Department Account. Moneys in the Urban
28 and Community Forestry Subaccount are continuously appropriated to the
29 State Forestry Department to be used for urban and community forest ac-
30 tivities described in ORS 469.634 and 469.652.

1 “(4) The State Forest Enhancement Donation Subaccount is established
2 as a subaccount to the State Forestry Department Account. Moneys in the
3 State Forest Enhancement Donation Subaccount are continuously appropri-
4 ated to the State Forestry Department to be used for the purposes described
5 in ORS 526.065.

6 “(5) The State Forest Nursery Subaccount is established as a subaccount
7 to the State Forestry Department Account. Moneys in the State Forest
8 Nursery Subaccount are continuously appropriated to the State Forestry
9 Department to be used for the purposes described in ORS 526.235.

10 “(6) The State Forest Tree Seed Bank Subaccount is established as a
11 subaccount to the State Forestry Department Account. Moneys in the State
12 Forest Tree Seed Bank Subaccount are continuously appropriated to the
13 State Forestry Department to be used for the purposes described in ORS
14 526.470.

15 “(7) The State Forest Tree Seed Orchard Subaccount is established as a
16 subaccount to the State Forestry Department Account. Moneys in the State
17 Forest Tree Seed Orchard Subaccount are continuously appropriated to the
18 State Forestry Department to be used for the purposes described in ORS
19 526.472.

20 **“(8) The Sound Forestry Practices Subaccount is established as a**
21 **subaccount of the State Forestry Department Account. Moneys in the**
22 **Sound Forestry Practices Subaccount are continuously appropriated**
23 **to the State Forestry Department for the purposes described in section**
24 **1 of this 2021 Act.**

25 **“(9) The Family Forestlands Subaccount is established as a subac-**
26 **count of the State Forestry Department Account. Moneys in the**
27 **Family Forestlands Subaccount are continuously appropriated to the**
28 **State Forestry Department for the purposes described in section 2 of**
29 **this 2021 Act.**

30 “[8] (10) Notwithstanding ORS 291.238, the moneys credited to the sub-

1 accounts established under subsections (5), (6), [*and*] (7), **(8) and (9)** of this
2 section shall be continuously available on a revolving basis.

3 **“SECTION 6.** ORS 526.610 is amended to read:

4 “526.610. There is created the Oregon Forest Resources Institute. The in-
5 stitute shall be governed by a board of directors appointed by the State
6 Forester. In making the appointments, the State Forester shall take into
7 consideration any nominations or recommendations made to the State
8 Forester by producers or organizations that represent producers. The board
9 shall consist of [*11*] **13** voting members plus two nonvoting members ap-
10 pointed as follows:

11 “(1) Three voting members to represent small producers of 20 million
12 board feet or less per year.

13 “(2) Three voting members to represent medium producers of more than
14 20 million board feet but less than 100 million board feet per year.

15 “(3) Three voting members to represent large producers of 100 million
16 board feet or more per year.

17 “(4) One voting member who is an owner of between 100 and 2,000 acres
18 of forestland and who has no direct financial interest in any forest products
19 processing activity.

20 “(5) After consideration of the recommendations of the other appointed
21 members in subsections (1) to (4) of this section, one voting member who is
22 an hourly wage employee of a producer or a person who represents such
23 employees. [*The member appointed under this subsection need not comply with*
24 *the requirements of ORS 526.615 (3) to (6).*]

25 **“(6) One voting member who represents the environmental com-
26 munity.**

27 **“(7) One voting member who has experience with a fishery or a
28 wildlife-related science.**

29 “[*(6)(a)*] **(8)(a)** Two nonvoting members:

30 “(A) The Dean of the College of Forestry at Oregon State University.

1 “(B) An individual jointly appointed by the President of the Senate and
2 the Speaker of the House of Representatives to represent the public. The
3 public representative may not be a member of or significantly affiliated with
4 any organization of or business in the timber industry or any organization
5 or business known to support or promote environmental or conservation is-
6 sues. A person appointed under this subparagraph serves at the pleasure of
7 the President of the Senate and the Speaker of the House of Representatives.

8 “(b) Members referred to in this subsection are not subject to ORS 526.615
9 to 526.625.

10 **“SECTION 7.** ORS 526.615 is amended to read:

11 “526.615. (1) [*Except as provided in ORS 526.610 (5), each*] **A** voting mem-
12 ber of the board of directors of the Oregon Forest Resources Institute **who**
13 **is described in ORS 526.610 (1), (2), (3), (4), (6) or (7) must** [*shall have the*
14 *following qualifications*]:

15 “[1] (a) Be a citizen of the United States.

16 “[2] (b) Be a bona fide resident of this state.

17 **“(2) A voting member who is described in ORS 526.610 (1), (2), (3)**
18 **or (4) must also:**

19 “[3] (a) Be a producer in this state, an employee of such a producer or
20 own between 100 and 2,000 acres of forestland in this state on which harvest
21 taxes are paid, but have no direct financial interest in any forest products
22 processing activity.

23 “[4] (b) Have been actively engaged in producing forest products for a
24 period of at least five years.

25 “[5] (c) Derive a substantial proportion of income from the production
26 of forest products.

27 “[6] (d) Have demonstrated, through membership in producers’ organ-
28 izations or organizations representing landowners who meet the requirements
29 of ORS 526.610 (4), a profound interest in the development of Oregon’s forest
30 products industry.

1 **“SECTION 8.** ORS 526.650 is amended to read:

2 “526.650. (1) Notwithstanding ORS 526.645 (2), [*no funds shall be expended*
3 *by the Oregon Forest Resources Institute*] **the Oregon Forest Resources**
4 **Institute may not expend funds:**

5 **“(a)** For the purpose of supporting or opposing litigation or other legal
6 action [*which*] **that** is unrelated to the administration of the institute.

7 “[(2)] **(b)** [*No funds shall be expended by the institute*] For the purpose of
8 influencing, or attempting to influence, [*any*] legislation or [*any*] a
9 rulemaking or other administrative activity of [*any*] a state board, commis-
10 sion or agency.

11 **“(c) On generalized advertising for public education related to forest**
12 **practices, including the adequacy or effectiveness of any particular**
13 **forest practice.**

14 **“(d) On educational materials, trainings, tours or other outreach**
15 **that does not include a conservation perspective.**

16 **“(2) The institute shall:**

17 **“(a) Maintain records of interactions between institute staff and**
18 **elected officials, members of boards and commissions and senior**
19 **agency employees.**

20 **“(b) By January 15 of each year, present a report summarizing the**
21 **records to the Governor.**

22 **“(c) Make the report available to the public on a website maintained**
23 **by the institute.”.**

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