

HB 2070-2
(LC 537)
6/2/21 (ASD/ps)

Requested by Representative NATHANSON

**PROPOSED AMENDMENTS TO
HOUSE BILL 2070**

1 On page 1 of the printed bill, line 2, after the first semicolon delete the
2 rest of the line and delete line 3 and insert “creating new provisions;
3 amending ORS 321.015, 321.145, 321.152, 321.185, 477.281, 477.750, 477.755,
4 477.760 and 526.675; repealing 321.017; prescribing an effective date; and pro-
5 viding for revenue raising that requires approval by a three-fifths
6 majority.”.

7 Delete lines 5 through 31 and delete page 2 and insert:

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

9 “321.015. (1) [*For the calendar years beginning January 1, 2020, and Jan-*
10 *uary 1, 2021,*] There is levied a privilege tax of [*90.00*] **452.56** cents per
11 thousand feet, board measure, upon taxpayers for the privilege of harvesting
12 [*of*] all merchantable forest products harvested on forestlands.

13 **“(2)** Subject to ORS 321.145, the proceeds of the tax shall be **dedicated**
14 **in the following percentages to the following purposes and** transferred
15 as provided in ORS 321.152 [*(2) to the Forest Research and Experiment Ac-*
16 *count for use*]:

17 **“(a) 21.8 percent** for the forest resource research, experimentation and
18 studies described in ORS 526.215 and for the Forest Research Laboratory
19 established under ORS 526.225.

20 “[*(2)*] **(b)** [*Except as provided in*] **Subject to** ORS 477.760, [*in addition to*
21 *the tax levied by subsection (1) of this section, there is levied a forest products*

1 *harvest tax upon taxpayers of 62.5 cents per thousand feet, board measure, for*
2 *the privilege of harvesting all merchantable forest products harvested on*
3 *forestlands] 15.1 percent* for the payment of benefits related to fire sup-
4 pression as provided in ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440
5 to 477.460.

6 “[(3) *For the calendar years beginning January 1, 2020, and January 1,*
7 *2021, in addition to the taxes levied under subsections (1) and (2) of this sec-*
8 *tion, there is levied a privilege tax upon taxpayers for the privilege of har-*
9 *vesting all merchantable forest products harvested on forestlands in the*
10 *amount of 138.72 cents per thousand feet, board measure, for the purpose of*
11 *administering the Oregon Forest Practices Act in an amount not to exceed 40*
12 *percent of the total expenditures approved by the Legislative Assembly for this*
13 *purpose, including salary adjustments approved by the Legislative Assembly*
14 *for fiscal years 2020 and 2021.]*

15 “(c) **33.6 percent for the following purposes:**

16 “(A) **First, funding the budgeted amount for administration of the**
17 **Oregon Forest Practices Act and the forest practices monitoring pro-**
18 **gram; and**

19 “(B) **For any amount in excess of the amount necessary for sub-**
20 **paragraph (A) of this paragraph, funding fire suppression, fire miti-**
21 **gation, forest health and habitat conservation.**

22 “[4] (d) [*For the calendar years beginning January 1, 2020, and January*
23 *1, 2021, in addition to the taxes levied by subsections (1) to (3) of this section,*
24 *there is levied a privilege tax of 10 cents per thousand feet, board measure,*
25 *upon taxpayers for the privilege of harvesting all merchantable forest products*
26 *harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall*
27 *be transferred as provided in ORS 321.152 (5) to the subaccount established*
28 *pursuant to ORS 350.520] 2.4 percent for use by Oregon State University for*
29 *the purpose of making investments in professional forestry education at the*
30 *College of Forestry.*

1 “(e) 27.1 percent to be used for the purposes for which moneys in
2 the Oregon Forest Resources Institute Fund may be used.

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

8 “[(5)] (b) [*Subject to subsection (6) of this section,*] **With respect to forest**
9 **products in excess of the amount excluded under paragraph (a) of this**
10 **subsection,** the taxes shall be measured by and be applicable to each per
11 thousand feet, board measure, on the total quantity of forest products har-
12 vested in this state measured by use of any log scale which is or may be in
13 general use in the logging industry and which is designed to measure total
14 volume of merchantable forest products in board feet.

15 “(c) [*However*] **Notwithstanding paragraph (b) of this subsection,** if
16 the Department of Revenue finds that the scale used by any taxpayer in
17 computing the taxes due under ORS 321.005 to 321.185 and 321.560 to 321.600
18 does not accurately reflect the total quantity of merchantable forest products
19 harvested by the taxpayer, it may require the taxpayer to adopt another log
20 scale in general use in the industry which in the department’s opinion will
21 accurately reflect merchantable harvest in board feet.

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

26 “(4) **The rate of the tax levied under subsection (1) of this section**
27 **shall be adjusted annually for inflation since 2021 based on the Con-**
28 **sumer Price Index for All Urban Consumers, West Region (All Items),**
29 **as published by the Bureau of Labor Statistics of the United States**
30 **Department of Labor.**

1 **“SECTION 2.** ORS 321.145 is amended to read:

2 “321.145. (1) The revenue from the [*taxes*] **tax** levied [*by*] **under** ORS
3 321.005 to 321.185 and 321.560 to 321.600 shall be remitted to the State
4 Treasurer who shall deposit it in a suspense account established under the
5 provisions of ORS 293.445.

6 “(2)(a) Notwithstanding the provisions of ORS 291.238, the amount of
7 moneys necessary to pay refunds of the [*taxes*] **tax** levied under ORS 321.015
8 [(1) to (4) *hereby*] is appropriated continuously to the Department of Revenue
9 from the suspense account referred to in subsection (1) of this section, and
10 shall be used by the department for the payment of all refunds of taxes levied
11 under ORS 321.015 [(1) to (4)] that have been audited and approved by the
12 department.

13 “(b) Any penalties, interest and taxes then due from the taxpayer shall
14 be applied in that order in computing any refund, and only the balance due
15 the taxpayer, if any, shall be refunded.

16 “(c) **On its records** the department shall [*on its records*] charge each re-
17 fund against the revenue from the tax with respect to which the refund is
18 made.

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

20 “321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Depart-
21 ment of Revenue’s suspense account referred to in ORS 321.145 on February
22 10, May 10, August 10 and November 10 of each year shall be transferred to
23 the respective appropriation accounts described in subsections (2) to [(5)] **(6)**
24 of this section.

25 “(2) That part of the moneys derived from taxes [*levied by*] **dedicated**
26 **under** ORS 321.015 [(1)] **(2)(a)** shall be transferred to the Forest Research
27 and Experiment Account described in ORS 321.185.

28 **“(3) That part of the moneys derived from taxes dedicated under**
29 **ORS 321.015 (2)(b) shall be transferred to the Oregon Forest Land**
30 **Protection Fund described in ORS 477.750.**

1 “[~~(3)~~] **(4)** That part of the moneys derived from taxes [*levied by*] **dedicated**
2 **under** ORS 321.015 [~~(3)~~] **(2)(c)** shall be transferred to the State Forestry
3 Department Account referred to in ORS 526.060. Notwithstanding ORS
4 291.238, the moneys transferred to the State Forestry Department Account
5 under this section are **continuously** appropriated [*continuously for and shall*
6 *be used by*] **to** the State Forester **to carry out**, under the supervision and
7 direction of the State Board of Forestry, [*for the purposes of administering*
8 *the Oregon Forest Practices Act and the forest practices monitoring program*]
9 **the purposes set forth in ORS 321.015 (2)(c).**

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

13 “(5) That part of the moneys derived from taxes [*levied by*] **dedicated**
14 **under** ORS 321.015 [~~(4)~~] **(2)(d)** shall be transferred to the subaccount estab-
15 lished pursuant to ORS 350.520.

16 “**(6) That part of the moneys from taxes dedicated under ORS**
17 **321.015 (2)(e) shall be transferred to the Oregon Forest Resources In-**
18 **stitute Fund created under ORS 526.675.**

19 “**SECTION 4.** ORS 321.185 is amended to read:

20 “321.185. (1) There hereby is established in the State Treasury in the
21 General Fund an account to be known as the Forest Research and Exper-
22 iment Account, which account hereby is appropriated continuously to the
23 Higher Education Coordinating Commission for distribution to Oregon State
24 University for the purposes of ORS 526.215 and 526.225.

25 “(2) The Forest Research and Experiment Account shall consist of [*allo-*
26 *cations from harvest taxes as provided in ORS 321.015 (1)*] **that part of the**
27 **moneys derived from taxes dedicated under ORS 321.015 (2)(a) and**
28 **transferred under ORS 321.152 (2).**

29 “**SECTION 5.** ORS 477.281 is amended to read:

30 “477.281. (1) The obligation of an owner of timberland or grazing land for

1 payment of assessments and taxes for fire protection of forestland is limited
2 to:

3 “(a) The payment of moneys pursuant to ORS 321.015 [(2)] **(2)(b)**, 477.277,
4 477.295, 477.760 (4) and 477.880 to maintain the Oregon Forest Land Pro-
5 tection Fund; and

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

8 “(2) As used in this section, ‘obligation of an owner of timberland or
9 grazing land for payment of assessments and taxes for fire protection of
10 forestland’ does not include the duties or obligations of the owner under ORS
11 477.066, 477.068 or 477.120 or the obligations of an owner of land included in
12 a rural fire protection district pursuant to ORS 478.010.

13 **“SECTION 6.** ORS 477.750 is amended to read:

14 “477.750. (1) The Oregon Forest Land Protection Fund is created, separate
15 and distinct from the General Fund. This fund shall be held by the State
16 Treasurer as a trust fund for the uses and purposes provided in ORS 477.750
17 to 477.775 and 477.880. The State Treasurer shall deposit and invest moneys
18 in the fund as provided by law, taking into account its uses and purposes.
19 Interest earned by the fund shall be credited to the fund.

20 “(2) Notwithstanding any other law and as limited by ORS 477.750 to
21 477.775 and 477.880, that part of the suspense account created by ORS 321.145
22 that is derived from the tax levied by ORS 321.015 [(2)] **(2)(b)** after refunds
23 and other costs permitted by law, shall be credited to the Oregon Forest
24 Land Protection Fund.

25 **“SECTION 7.** ORS 477.755 is amended to read:

26 “477.755. (1) As used in this section, ‘annual expenditure’ means the ex-
27 penses of the Oregon Forest Land Protection Fund obligated in any 12-month
28 period designated by the Emergency Fire Cost Committee by rule, corre-
29 sponding to the policy period of any insurance for emergency fire costs.

30 “(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land

1 Protection Fund are continuously appropriated to the Emergency Fire Cost
2 Committee for the purposes of:

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

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

7 “(c) Contributing to the payment of emergency fire suppression costs in-
8 surance premiums, subject to the payment limitation established in ORS
9 477.775 (4);

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

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

15 “(3) Notwithstanding any other provision of law, the annual expenditure
16 from the Oregon Forest Land Protection Fund from revenues received from
17 ORS 321.015 [(2)] **(2)(b)**, 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2),
18 477.760 (4) and 477.880 may not exceed the lesser of:

19 “(a) \$13.5 million; or

20 “(b) The sum of:

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

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

25 “(C) Contributions to the payment of emergency fire suppression costs
26 insurance premiums, subject to the payment limitation established in ORS
27 477.775 (4);

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

30 “(E) Any amounts expended for nonroutine purchases described in sub-

1 section (2)(e) of this section.

2 **“SECTION 8.** ORS 477.760 is amended to read:

3 “477.760. (1) The reserve base of the Oregon Forest Land Protection Fund
4 is \$22.5 million. On or about the last day of February of each year the
5 Emergency Fire Cost Committee shall meet and determine the unencumbered
6 balance of the fund as of the preceding February 16.

7 “(2) In order to maintain the reserve base of the fund at \$22.5 million, the
8 Emergency Fire Cost Committee may request and the State Treasurer may
9 approve transfers to the fund in accordance with ORS 293.205 to 293.225, if
10 the moneys in this fund fall below the reserve base, whether or not there are
11 sufficient moneys in the fund to pay the obligations of the fund. Repayment
12 of any such transfers shall be made from moneys paid into the fund pursuant
13 to ORS 321.015 [(2)] **(2)(b)**, 477.277 and 477.880 and from such other moneys
14 as may be credited to the fund therefor.

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

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

23 “(b) \$30 million, and that no repayment obligations are outstanding from
24 transfers made pursuant to subsection (2) of this section, then the Depart-
25 ment of Revenue may not collect the taxes described in ORS 321.015 [(2)]
26 **(2)(b)** for the following calendar year and the surcharge for each improved
27 lot or parcel described in ORS 477.277 and the assessments described in ORS
28 477.880 may not be collected until the calendar year or fiscal year following
29 the determination of the committee that the unencumbered balance in the
30 fund is less than or equal to \$22.5 million.

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

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

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

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

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

11 “(b) The increases to taxes, assessments and charges shall be apportioned
12 based upon the proportionate levels of revenues received from each source
13 by the Oregon Forest Land Protection Fund. Any such increases shall be
14 computed on or before January 1 of each year, and shall be based upon rev-
15 enues received during the previous four quarters. Any such increases shall
16 be made in the appropriate calendar or fiscal year following that in which
17 the requested transfers from the State Treasurer or from other sources are
18 made.

19 **“SECTION 9. ORS 321.017 is repealed.**

20 **“SECTION 10. ORS 526.675 is amended to read:**

21 “526.675. (1) The Oregon Forest Resources Institute Fund is created in the
22 State Treasury, separate and distinct from the General Fund. Except as
23 otherwise provided by law, all moneys received by the Oregon Forest Re-
24 sources Institute shall be paid into the State Treasury and credited to the
25 fund. All moneys in the fund are appropriated continuously to the institute
26 to carry out its duties, functions and powers. Interest earnings on all moneys
27 in the fund shall be retained in the fund.

28 “(2) The board of directors of the institute may repay moneys from the
29 fund to persons who paid a privilege tax levied under ORS [321.017]
30 **321.015**. The board may repay the amount of tax paid upon application by the

1 person who paid the tax. The board shall adopt rules necessary for the im-
2 plementation of this subsection. Rules adopted by the board shall include
3 standards for the repayment of moneys and limits on the amount that may
4 be requested.

5 **“SECTION 11. The amendments to ORS 321.015, 321.145, 321.152,**
6 **321.185, 477.281, 477.750, 477.755, 477.760 and 526.675 by sections 1 to 8 and**
7 **10 of this 2021 Act and the repeal of ORS 321.017 by section 9 of this**
8 **2021 Act apply to the harvesting of merchantable forest products on**
9 **forestlands on or after January 1, 2022.**

10 **“SECTION 12. This 2021 Act takes effect on the 91st day after the**
11 **date on which the 2021 regular session of the Eighty-first Legislative**
12 **Assembly adjourns sine die.”.**

13
