

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, 526.650 and 526.675; repealing ORS 321.017; prescribing an effective
5 date; and providing for revenue raising that requires approval by a three-
6 fifths 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)(a) For the calendar years beginning January 1, [2020] **2022**,
10 and January 1, [2021] **2023**, there is levied a privilege tax of [90.00] **318** cents
11 per thousand feet, board measure, upon taxpayers for the privilege of har-
12 vesting [of] all merchantable forest products harvested on forestlands.

13 **“(b)(A) In addition to the tax levied under paragraph (a) of this**
14 **subsection, except as provided in ORS 477.760, there is levied a privi-**
15 **lege tax of 94 cents per thousand feet, board measure, upon taxpayers**
16 **for the privilege of harvesting all merchantable forest products har-**
17 **vested on forestlands.**

18 **“(B) Subject to ORS 477.760, the proceeds of the tax shall be dedi-**
19 **cated to paying benefits related to fire suppression as provided in ORS**
20 **321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.**

21 **“(C) Subject to 321.145, the proceeds of the tax shall be transferred**

1 as provided in ORS 321.152.

2 “(c)(A) In addition to the taxes levied under paragraphs (a) and (b)
3 of this subsection, there is levied a privilege tax of 81 cents per thou-
4 sand feet, board measure, upon taxpayers for the privilege of harvest-
5 ing all merchantable forest products harvested on forestlands.

6 “(B) The proceeds of the tax shall be used for the purposes for
7 which moneys in the Oregon Forest Resources Institute Fund may be
8 used.

9 “(C) Subject to 321.145, the proceeds of the tax shall be transferred
10 as provided in ORS 321.152.

11 “(2) Subject to ORS 321.145, the proceeds of the tax imposed under
12 subsection (1)(a) of this section shall be dedicated in the following
13 percentages to the following purposes and transferred as provided in ORS
14 321.152 [(2) to the Forest Research and Experiment Account for use]:

15 “(a) **28.3 percent** for the forest resource research, experimentation and
16 studies described in ORS 526.215 and for the Forest Research Laboratory
17 established under ORS 526.225.

18 “[2) Except as provided in ORS 477.760, in addition to the tax levied by
19 subsection (1) of this section, there is levied a forest products harvest tax upon
20 taxpayers of 62.5 cents per thousand feet, board measure, for the privilege of
21 harvesting all merchantable forest products harvested on forestlands for the
22 payment of benefits related to fire suppression as provided in ORS 321.005 to
23 321.185, 321.560 to 321.600 and 477.440 to 477.460.]

24 “[3) For the calendar years beginning January 1, 2020, and January 1,
25 2021, in addition to the taxes levied under subsections (1) and (2) of this sec-
26 tion, there is levied a privilege tax upon taxpayers for the privilege of har-
27 vesting all merchantable forest products harvested on forestlands in the
28 amount of 138.72 cents per thousand feet, board measure, for the purpose of
29 administering the Oregon Forest Practices Act in an amount not to exceed 40
30 percent of the total expenditures approved by the Legislative Assembly for this

1 *purpose, including salary adjustments approved by the Legislative Assembly*
2 *for fiscal years 2020 and 2021.]*

3 **“(b) 65.1 percent to fund the budgeted amount for administration**
4 **of the Oregon Forest Practices Act, and the forest practices monitor-**
5 **ing program, in an amount not to exceed 40 percent of the total ex-**
6 **penditures approved by the Legislative Assembly for this purpose,**
7 **including salary adjustments approved by the Legislative Assembly for**
8 **fiscal years 2022 and 2023.**

9 *“(4) (c) [For the calendar years beginning January 1, 2020, and January*
10 *1, 2021, in addition to the taxes levied by subsections (1) to (3) of this section,*
11 *there is levied a privilege tax of 10 cents per thousand feet, board measure,*
12 *upon taxpayers for the privilege of harvesting all merchantable forest products*
13 *harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall*
14 *be transferred as provided in ORS 321.152 (5) to the subaccount established*
15 *pursuant to ORS 350.520] 6.6 percent for use by Oregon State University for*
16 *the purpose of making investments in professional forestry education at the*
17 *College of Forestry.*

18 **“(3)(a) The first 25,000 feet, board measure, of forest products har-**
19 **vested annually by any taxpayer during each calendar year shall be**
20 **excluded from the total quantity of harvested forest products that**
21 **constitutes the measure of the taxes under ORS 321.005 to 321.185 and**
22 **321.560 to 321.600.**

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

30 **“(c) [However] Notwithstanding paragraph (b) of this subsection, if**

1 the Department of Revenue finds that the scale used by any taxpayer in
2 computing the taxes due under ORS 321.005 to 321.185 and 321.560 to 321.600
3 does not accurately reflect the total quantity of merchantable forest products
4 harvested by the taxpayer, it may require the taxpayer to adopt another log
5 scale in general use in the industry which in the department's opinion will
6 accurately reflect merchantable harvest in board feet.

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

11 “(4) **Changes to the rates of the privilege taxes levied under sub-**
12 **section (1) of this section or the percentages of the tax dedicated under**
13 **subsection (2) of this section, and review of the programs funded by**
14 **the taxes, shall be based on the harvest forecast contained in the most**
15 **recently released quarterly economic and revenue forecast as of the**
16 **last day of February of an odd-numbered year.**

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

18 “321.145. (1) The revenue from the taxes levied [by] **under** ORS 321.005
19 to 321.185 and 321.560 to 321.600 shall be remitted to the State Treasurer who
20 shall deposit it in a suspense account established under the provisions of
21 ORS 293.445.

22 “(2)(a) Notwithstanding the provisions of ORS 291.238, the amount of
23 moneys necessary to pay refunds of the taxes levied under ORS 321.015 [(1)
24 to (4) hereby] is appropriated continuously to the Department of Revenue
25 from the suspense account referred to in subsection (1) of this section, and
26 shall be used by the department for the payment of all refunds of taxes levied
27 under ORS 321.015 [(1) to (4)] that have been audited and approved by the
28 department.

29 “(b) Any penalties, interest and taxes then due from the taxpayer shall
30 be applied in that order in computing any refund, and only the balance due

1 the taxpayer, if any, shall be refunded.

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

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

6 “321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Depart-
7 ment of Revenue’s suspense account referred to in ORS 321.145 on February
8 10, May 10, August 10 and November 10 of each year shall be transferred to
9 the respective appropriation accounts described in subsections (2) to ~~[(5)]~~ **(6)**
10 of this section.

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

14 “(3) That part of the moneys derived from taxes *[levied by]* **dedicated**
15 **under** ORS 321.015 ~~[(3)]~~ **(2)(b)** shall be transferred to the State Forestry
16 Department Account referred to in ORS 526.060. Notwithstanding ORS
17 291.238, the moneys transferred to the State Forestry Department Account
18 under this section are **continuously** appropriated *[continuously for and shall*
19 *be used by]* **to** the State Forester **to carry out**, under the supervision and
20 direction of the State Board of Forestry, *[for the purposes of administering*
21 *the Oregon Forest Practices Act and the forest practices monitoring program]*
22 **the purposes set forth in ORS 321.015 (2)(b).**

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

26 “[~~(5)]~~ **(4)** That part of the moneys derived from taxes *[levied by]* **dedicated**
27 **under** ORS 321.015 ~~[(4)]~~ **(2)(c)** shall be transferred to the subaccount estab-
28 lished pursuant to ORS 350.520.

29 **“(5) Moneys from the tax imposed under ORS 321.015 (1)(b) shall be**
30 **transferred to the Oregon Forest Land Protection Fund described in**

1 **ORS 477.750.**

2 **“(6) Moneys from the tax imposed under ORS 321.015 (1)(c) shall be**
3 **transferred to the Oregon Forest Resources Institute Fund created**
4 **under ORS 526.675.**

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

6 “321.185. (1) There hereby is established in the State Treasury in the
7 General Fund an account to be known as the Forest Research and Exper-
8 iment Account, which account hereby is appropriated continuously to the
9 Higher Education Coordinating Commission for distribution to Oregon State
10 University for the purposes of ORS 526.215 and 526.225.

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

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

16 “477.281. (1) The obligation of an owner of timberland or grazing land for
17 payment of assessments and taxes for fire protection of forestland is limited
18 to:

19 “(a) The payment of moneys pursuant to ORS 321.015 [(2)] **(1)(b)**, 477.277,
20 477.295, 477.760 (4) and 477.880 to maintain the Oregon Forest Land Pro-
21 tection Fund; and

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

24 “(2) As used in this section, ‘obligation of an owner of timberland or
25 grazing land for payment of assessments and taxes for fire protection of
26 forestland’ does not include the duties or obligations of the owner under ORS
27 477.066, 477.068 or 477.120 or the obligations of an owner of land included in
28 a rural fire protection district pursuant to ORS 478.010.

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

30 “477.750. (1) The Oregon Forest Land Protection Fund is created, separate

1 and distinct from the General Fund. This fund shall be held by the State
2 Treasurer as a trust fund for the uses and purposes provided in ORS 477.750
3 to 477.775 and 477.880. The State Treasurer shall deposit and invest moneys
4 in the fund as provided by law, taking into account its uses and purposes.
5 Interest earned by the fund shall be credited to the fund.

6 “(2) Notwithstanding any other law and as limited by ORS 477.750 to
7 477.775 and 477.880, that part of the suspense account created by ORS 321.145
8 that is derived from the tax levied by ORS 321.015 [(2)] (1)(b) after refunds
9 and other costs permitted by law, shall be credited to the Oregon Forest
10 Land Protection Fund.

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

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

16 “(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land
17 Protection Fund are continuously appropriated to the Emergency Fire Cost
18 Committee for the purposes of:

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

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

23 “(c) Contributing to the payment of emergency fire suppression costs in-
24 surance premiums, subject to the payment limitation established in ORS
25 477.775 (4);

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

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

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

5 “(a) \$13.5 million; or

6 “(b) The sum of:

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

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

11 “(C) Contributions to the payment of emergency fire suppression costs
12 insurance premiums, subject to the payment limitation established in ORS
13 477.775 (4);

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

16 “(E) Any amounts expended for nonroutine purchases described in sub-
17 section (2)(e) of this section.

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

19 “477.760. (1) The reserve base of the Oregon Forest Land Protection Fund
20 is \$22.5 million. On or about the last day of February of each year the
21 Emergency Fire Cost Committee shall meet and determine the unencumbered
22 balance of the fund as of the preceding February 16.

23 “(2) In order to maintain the reserve base of the fund at \$22.5 million, the
24 Emergency Fire Cost Committee may request and the State Treasurer may
25 approve transfers to the fund in accordance with ORS 293.205 to 293.225, if
26 the moneys in this fund fall below the reserve base, whether or not there are
27 sufficient moneys in the fund to pay the obligations of the fund. Repayment
28 of any such transfers shall be made from moneys paid into the fund pursuant
29 to ORS 321.015 [(2)] (1)(b), 477.277 and 477.880 and from such other moneys
30 as may be credited to the fund therefor.

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

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

9 “(b) \$30 million, and that no repayment obligations are outstanding from
10 transfers made pursuant to subsection (2) of this section, then the Depart-
11 ment of Revenue may not collect the taxes described in ORS 321.015 [(2)]
12 **(1)(b)** for the following calendar year and the surcharge for each improved
13 lot or parcel described in ORS 477.277 and the assessments described in ORS
14 477.880 may not be collected until the calendar year or fiscal year following
15 the determination of the committee that the unencumbered balance in the
16 fund is less than or equal to \$22.5 million.

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

23 “(A) The harvest tax referred to in ORS 321.015 [(2)] **(1)(b)**.

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

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

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

27 “(b) The increases to taxes, assessments and charges shall be apportioned
28 based upon the proportionate levels of revenues received from each source
29 by the Oregon Forest Land Protection Fund. Any such increases shall be
30 computed on or before January 1 of each year, and shall be based upon rev-

1 enues received during the previous four quarters. Any such increases shall
2 be made in the appropriate calendar or fiscal year following that in which
3 the requested transfers from the State Treasurer or from other sources are
4 made.

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

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

7 “526.675. (1) The Oregon Forest Resources Institute Fund is created in the
8 State Treasury, separate and distinct from the General Fund. Except as
9 otherwise provided by law, all moneys received by the Oregon Forest Re-
10 sources Institute shall be paid into the State Treasury and credited to the
11 fund. All moneys in the fund are appropriated continuously to the institute
12 to carry out its duties, functions and powers. Interest earnings on all moneys
13 in the fund shall be retained in the fund.

14 “(2) The board of directors of the institute may repay moneys from the
15 fund to persons who paid a privilege tax levied under ORS [321.017] **321.015**
16 **(1)(c)**. The board may repay the amount of tax paid upon application by the
17 person who paid the tax. The board shall adopt rules necessary for the im-
18 plementation of this subsection. Rules adopted by the board shall include
19 standards for the repayment of moneys and limits on the amount that may
20 be requested.

21 **“SECTION 11.** ORS 526.650 is amended to read:

22 “526.650. (1) Notwithstanding ORS 526.645 (2), [*no funds shall be expended*
23 *by*] the Oregon Forest Resources Institute **may not expend funds** for the
24 purpose of supporting or opposing litigation or other legal action which is
25 unrelated to the administration of the institute.

26 “(2) [*No funds shall be expended by*] The institute **may not expend funds**
27 for the purpose of influencing, or attempting to influence, any legislation or
28 any rulemaking or other administrative activity of any state board, commis-
29 sion or agency.

30 **“(3) The institute may not expend moneys in the Oregon Forest**

1 Resources Institute Fund that are derived from the privilege tax im-
2 posed under ORS 321.015 (1)(c) for the purpose of designing, producing
3 or purchasing general advertising, in any medium, on behalf of the
4 institute or its members.

5 **“SECTION 12.** Not later than February 1, 2022, the Legislative Rev-
6 enue Officer shall submit, in the manner provided in ORS 192.245, a
7 report to the interim committees of the Legislative Assembly related
8 to revenue on the following subjects:

9 **“(1)** The exclusion under ORS 321.015 (3)(a) of the first 25,000 feet,
10 board measure, of forest products from the total quantity of harvested
11 forest products that constitutes the measure of the taxes under ORS
12 321.005 to 321.185 and 321.560 to 321.600;

13 **“(2)** The contribution of in-kind supplies and services described in
14 ORS 477.317 (2);

15 **“(3)** The provision of ORS 321.015 (2)(b) that the moneys from the
16 privilege tax levied under ORS 321.015 (1)(a) and dedicated to the ad-
17 ministration of the Oregon Forest Practices Act not exceed 40 percent
18 of the total expenditures approved by the Legislative Assembly for the
19 purpose;

20 **“(4)** The \$10 million limitation on the annual expenditure from the
21 Oregon Forest Land Protection Fund under ORS 477.755 (3)(b)(A); and

22 **“(5)** Any other related subject the Legislative Revenue Officer con-
23 siders important for the purpose of preparing the report.

24 **“SECTION 13.** This 2021 Act takes effect on the 91st day after the
25 date on which the 2021 regular session of the Eighty-first Legislative
26 Assembly adjourns sine die.”.

27