

HB 2161 -1 STAFF MEASURE SUMMARY

House Committee On Agriculture, Land Use, Natural Resources, and Water

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Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 2/7, 3/9

WHAT THE MEASURE DOES:

Makes various changes to the Private Forest Accord (Accord) implementing statutes. Changes provisions on how certified stumpage value is calculated in the context of the small forestland owner tax credit. Prohibits Accord Board of Forestry single package rulemaking, State Fish and Wildlife Commission conforming rulemaking, post-disturbance harvest rulemaking, and tethered logging rulemaking from applying to activities on land within an exclusive farm use (EFU) zone. Excludes application of Accord provisions on beaver taking and trapping on privately owned forestland to small forestland within an EFU zone. Prohibits State Forester or their representative from conducting Oregon Forest Practices Act (OFPA) compliance inspections and monitoring compliance through photogrammetric mapping or other methods in EFU zones. Lowers civil penalty limit for OFPA compliance violations occurring within an EFU zone from \$10,000 to \$5,000. Prohibits State Forester from requiring the provision of financial assurance for a new operation and prohibits State Forester from imposing increased penalties for violations in EFU zones, upon finding a history of significant violations that shows a pattern of willful disregard for OFPA requirements.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Removes all provisions of the measure as introduced except for changes to the methodology for calculating certified stumpage value in the context of the forestland owner tax credit.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

BACKGROUND:

The Oregon Forest Practices Act (OFPA) was first enacted by the legislature in 1971. The FPA establishes standards for all commercial activities involving the establishment, management, or harvesting of trees on Oregon's forestland, including building and maintaining roads, harvesting, applying pesticides, and replacing harvested trees.

The Private Forest Accord (Accord) is the product of facilitated mediation sessions between the forest industry and environmental interests that was directed by Senate Bill 1602 (2020 First Special Session). The purpose of the mediation sessions was to recommend substantive and procedural changes to OFPA laws and regulations to advance the attainment of federal regulatory assurances for aquatic and riparian-dependent species.

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The Accord was signed in 2021, and the signatories proposed state legislation that was enacted in 2022. Senate Bill 1502 created a tax credit for a small forestland owner who elects to adopt large forestland owner riparian area prescriptions when conducting timber harvest. The tax credit amount is equal to the sum of the certified stumpage value of the specified standing timber not harvested in the conservation area, the cost of establishing the stumpage value, and if applicable, one-half of the certified stumpage value of retained timber in a dry channel area adjacent to the forest conservation area. Senate Bill 1501 directed the Oregon Board of Forestry to adopt a single rule package by November 30, 2022 to implement the Accord, and enacted statutory Accord agreements related to just compensation, landslide modeling, a habitat conservation plan, pass-through protection for Endangered Species Act agreements, small forestland owners, beaver conservation, mitigating effects on aquatic wildlife, adaptive management, other provisions of the OFPA, and appropriations.

HB 2161 would modify calculation methodology for the small forestland owner tax credit and limit Private Forest Accord application on lands zoned for exclusive farm use.