

# House Bill 2298

Sponsored by Representative HUDSON (Pre-session filed.)

## 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**.

Transfers revenue from levy of additional privilege tax under forest products harvest tax to Forest Research and Experiment Account that is appropriated to Higher Education Coordinating Commission for distribution to Oregon State University.

Expands board of directors of Oregon Forest Resources Institute to include as voting members one person who represents environmental community and one person who has experience with fishery or wildlife-related science.

Prohibits institute from expending funds for certain advertising or outreach. Requires institute to maintain records of staff interactions with certain individuals, report to Governor on records and make report publicly available.

Instructs State Forestry Department to review and consider factual accuracy of communications and publications produced or recommended by institute. Provides that department may approve or disapprove communications or publications.

## A BILL FOR AN ACT

1  
2 Relating to the Oregon Forest Resources Institute; creating new provisions; and amending ORS  
3 321.017, 526.600, 526.610, 526.615 and 526.650.

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

5 **SECTION 1.** ORS 321.017 is amended to read:

6 321.017. (1) In addition to the taxes levied under ORS 321.015 (1) to (4), there hereby is levied  
7 a privilege tax upon taxpayers on the harvesting of all merchantable forest products harvested on  
8 forestlands in the amount provided in subsection (2) of this section.

9 (2) **The State Board of Forestry shall establish annually, at the beginning of each calendar**  
10 **year**, the rate of tax levied in subsection (1) of this section [*shall be established annually at the be-*  
11 *ginning of each calendar year by the board of directors of the Oregon Forest Resources Institute,*] at  
12 a rate not to exceed 75 cents per thousand feet, board measure, adjusted annually for inflation since  
13 1991 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as  
14 published by the Bureau of Labor Statistics of the United States Department of Labor.

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

18 (4) The tax levied by subsection (1) of this section shall be due and payable to the Department  
19 of Revenue in the manner and procedure, including penalties and interest, as set forth for the col-  
20 lection of the privilege tax in ORS 321.005 to 321.185.

21 (5) The revenue from the tax levied by subsection (1) of this section shall be remitted to the  
22 State Treasurer who shall deposit it in a suspense account established under ORS 321.145 (1). After  
23 payment of refunds, which shall be paid in the same manner as other forest products harvest tax  
24 refunds are paid in ORS 321.145 (2), the balance of the additional tax imposed under subsection (1)  
25 of this section shall be [*deposited in the Oregon Forest Resources Institute Fund*] **transferred as**

**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 **provided in ORS 321.152 (2) to the Forest Research and Experiment Account, subject to ORS**  
 2 **321.145.**

3 **SECTION 2.** ORS 526.610 is amended to read:

4 526.610. (1) There is created the Oregon Forest Resources Institute. The institute shall be gov-  
 5 erned by a board of directors [*appointed by the State Forester. In making the appointments, the State*  
 6 *Forester shall take into consideration any nominations or recommendations made to the State Forester*  
 7 *by producers or organizations that represent producers. The board shall consist*] **consisting** of [11]  
 8 **13** voting members plus two nonvoting members [*appointed as follows*].

9 **(2) After consideration of any nominations or recommendations made to the State**  
 10 **Forester by producers or organizations that represent producers, the State Forester shall**  
 11 **appoint to the board:**

12 [(1)] (a) Three voting members to represent small producers of 20 million board feet or less per  
 13 year.

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

16 [(3)] (c) Three voting members to represent large producers of 100 million board feet or more  
 17 per year.

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

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

25 **(3) The President of the Senate and the Speaker of the House of Representatives shall**  
 26 **jointly appoint to the board:**

27 **(a) One voting member who represents the environmental community.**

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

29 **(c) One nonvoting member to represent the public who may not be a member of or sig-**  
 30 **nificantly affiliated with any organization of or business in the timber industry of any or-**  
 31 **ganization or business known to support or promote environmental or conservation issues.**

32 **(4) The members appointed under subsection (3) of this section serve at the pleasure of**  
 33 **the President of the Senate and the Speaker of the House of Representatives.**

34 [(6)(a) *Two nonvoting members*.]

35 [(A)] **(5) The Dean of the College of Forestry at Oregon State University shall serve on the**  
 36 **board as a nonvoting member.**

37 **(6) The nonvoting members are not subject to ORS 526.615 to 526.625.**

38 [(B) *An individual jointly appointed by the President of the Senate and the Speaker of the House*  
 39 *of Representatives to represent the public. The public representative may not be a member of or sig-*  
 40 *nificantly affiliated with any organization of or business in the timber industry or any organization*  
 41 *or business known to support or promote environmental or conservation issues. A person appointed*  
 42 *under this subparagraph serves at the pleasure of the President of the Senate and the Speaker of the*  
 43 *House of Representatives.*]

44 [(b) *Members referred to in this subsection are not subject to ORS 526.615 to 526.625.*]

45 **SECTION 3.** ORS 526.650 is amended to read:

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

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

5 ~~(2)~~ (b) ~~*[No funds shall be expended by the institute]*~~ For the purpose of influencing, or attempt-  
 6 ing to influence, *[any]* legislation or *[any]* a rulemaking or other administrative activity of *[any]* a  
 7 state board, commission or agency.

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

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

12 (2) **The institute shall:**

13 (a) **Maintain records of interactions between institute staff and elected officials, members**  
 14 **of boards and commissions and senior agency employees.**

15 (b) **By January 15 of each year, present a report summarizing the records described in**  
 16 **paragraph (a) of this subsection to the Governor.**

17 (c) **Make the report described in paragraph (b) of this subsection available to the public**  
 18 **on a website maintained by the institute.**

19 **SECTION 4. The State Forestry Department shall:**

20 (1) **Review, and may approve or disapprove, communications and publications produced**  
 21 **or recommended by the Oregon Forest Resources Institute.**

22 (2) **Consider whether the communications or publications described in subsection (1) of**  
 23 **this section are factually accurate.**

24 **SECTION 5.** ORS 526.600 is amended to read:

25 526.600. As used in ORS 526.600 to 526.675, unless the context requires otherwise:

26 (1) "Institute" means the Oregon Forest Resources Institute.

27 (2) "Producer" means a producer of forest products and includes any person, partnership, asso-  
 28 ciation, corporation, cooperative or other business entity involved in the growing, harvesting or  
 29 producing of timber or timber products. "Producer" does not include landowners who meet the re-  
 30 quirement of ORS 526.610 ~~[(4)]~~ **(2)(d).**

31 **SECTION 6.** ORS 526.615 is amended to read:

32 526.615. Except as provided in ORS 526.610 ~~[(5)]~~ **(2)(e)**, each voting member of the board of di-  
 33 rectors of the Oregon Forest Resources Institute shall have the following qualifications:

34 (1) Be a citizen of the United States.

35 (2) Be a bona fide resident of this state.

36 (3) Be a producer in this state, an employee of such a producer or own between 100 and 2,000  
 37 acres of forestland in this state on which harvest taxes are paid, but have no direct financial in-  
 38 terest in any forest products processing activity.

39 (4) Have been actively engaged in producing forest products for a period of at least five years.

40 (5) Derive a substantial proportion of income from the production of forest products.

41 (6) Have demonstrated, through membership in producers' organizations or organizations repre-  
 42 senting landowners who meet the requirements of ORS 526.610 ~~[(4)]~~ **(2)(d)**, a profound interest in the  
 43 development of Oregon's forest products industry.