

# House Bill 3451

Sponsored by Representative HOLVEY

## 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**.

Eliminates Oregon Forest Resources Institute and Oregon Forest Resources Institute Fund. Directs certain forest products harvest tax moneys from Oregon Forest Resources Institute Fund to General Fund.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the forest products harvest tax; creating new provisions; amending ORS 321.017, 321.145,  
3 321.684 and 526.274; repealing ORS 526.600, 526.605, 526.610, 526.615, 526.620, 526.625, 526.630,  
4 526.632, 526.635, 526.640, 526.645, 526.650, 526.655, 526.660, 526.665, 526.670 and 526.675; and  
5 prescribing an effective date.

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

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

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

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

16 [(3)] (2) The tax **levied under subsection (1) of this section** shall be measured by and be ap-  
17 plicable to each per thousand feet, board measure, and such shall be subject to and determined by  
18 the procedures and provisions of ORS 321.015 (5) and (6).

19 [(4)] (3) The tax [*levied by subsection (1) of this section*] shall be due and payable to the Depart-  
20 ment of Revenue in the manner and procedure, including penalties and interest, as set forth for the  
21 collection of the privilege tax in ORS 321.005 to 321.185.

22 [(5)] (4)(a) The revenue from the tax [*levied by subsection (1) of this section*] shall be remitted  
23 to the State Treasurer [*who shall*] **for** deposit [*it*] in a suspense account established under ORS  
24 321.145 (1).

25 (b) After payment of refunds, which shall be paid in the same manner as other forest products  
26 harvest tax refunds are paid [*in*] **under** ORS 321.145 (2), the balance of the [*additional*] **revenue**  
27 **from the** tax [*imposed under subsection (1) of this section*] shall be deposited in the [*Oregon Forest*  
28 *Resources Institute Fund*] **General Fund**.

29 **SECTION 2.** The amendments to ORS 321.017 by section 1 of this 2023 Act apply to the  
30 **harvesting of merchantable forest products harvested on forestlands on or after January 1,**

**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 **2024.**

2 **SECTION 3. ORS 526.600, 526.605, 526.610, 526.615, 526.620, 526.625, 526.630, 526.632, 526.635,**  
 3 **526.640, 526.645, 526.650, 526.655, 526.660, 526.665, 526.670 and 526.675 are repealed.**

4 **SECTION 4. All moneys in the Oregon Forest Resources Institute Fund that are unex-**  
 5 **pendent and unobligated on the date that ORS 526.675 is repealed shall revert to the General**  
 6 **Fund.**

7 **SECTION 5.** ORS 321.145 is amended to read:

8 321.145. (1) The revenue from the taxes levied [by] **under** ORS 321.005 to 321.185 and 321.560  
 9 to 321.600 shall be remitted to the State Treasurer who shall deposit it in a suspense account es-  
 10 tablished under the provisions of ORS 293.445.

11 (2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay re-  
 12 funds of the taxes levied under ORS 321.015 [(1) to (4) hereby] **and 321.017** is appropriated contin-  
 13 uously to the Department of Revenue from the suspense account referred to in subsection (1) of this  
 14 section, and shall be used by the department for the payment of all refunds of taxes levied under  
 15 ORS 321.015 [(1) to (4)] **and 321.017** that have been audited and approved by the department. Any  
 16 penalties, interest and taxes then due from the taxpayer shall be applied in that order in computing  
 17 any refund, and only the balance due the taxpayer, if any, shall be refunded. The department shall  
 18 on its records charge each refund against the revenue from the tax with respect to which the refund  
 19 is made.

20 **SECTION 6.** ORS 526.274 is amended to read:

21 526.274. In furtherance of the policy established in ORS 526.271, the State Board of Forestry, in  
 22 consultation with the Governor, may:

23 (1) In conformance with federal law, including Public Law 108-7, direct the State Forester to  
 24 facilitate the development of stewardship contracts utilizing private contractors and, when appro-  
 25 priate, to seek and enter into a stewardship contract agreement with federal agencies to carry out  
 26 forest management activities on federal lands. The State Forester may, under the stewardship con-  
 27 tract agreements:

- 28 (a) Perform road and trail maintenance;
- 29 (b) Set prescribed fires to improve forest health, composition, structure and condition;
- 30 (c) Manage vegetation;
- 31 (d) Perform watershed restoration and maintenance;
- 32 (e) Restore wildlife habitat;
- 33 (f) Control exotic weeds and species; and
- 34 (g) Perform other activities related to stewardship.

35 (2) Create a forum for interagency cooperation and collaborative public involvement regarding  
 36 federal forest management issues that may include, at the discretion of the board, the appointment  
 37 of advisory committees, the use of existing advisory committees and procedures for holding public  
 38 hearings.

39 (3) Provide guidelines for the State Forestry Department and State Forester to follow that con-  
 40 tain directions regarding the management of federal lands and that specify the goals and objectives  
 41 of the board regarding the management of federal lands.

42 (4) Participate, to the extent allowed by federal law, in the development of federal forest policies  
 43 and the forest management planning processes of federal agencies.

44 (5) Provide guidelines for the department to follow in implementing this section.

45 (6) Coordinate with Oregon State University, the State Department of Fish and Wildlife, [the

1 *Oregon Forest Resources Institute,*] the Department of Environmental Quality, the Oregon Business  
2 Development Department, the State Department of Energy and other agencies of the executive de-  
3 partment, as defined in ORS 174.112, to assist the State Forestry Department in carrying out the  
4 provisions of this section.

5 **SECTION 7.** ORS 321.684 is amended to read:

6 321.684. (1) The Department of Revenue may:

7 (a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or au-  
8 thorized representative, a copy of the taxpayer's forest products harvest tax report or return re-  
9 quired by ORS 321.045 or 321.741 that is filed with the department for any year, or a copy of any  
10 report filed by the taxpayer in connection with the return.

11 (b) Publish a list of taxpayers who are entitled to unclaimed tax refunds.

12 (c) Publish statistics classified so as to prevent the identification of taxable value or any par-  
13 ticulars contained in any report or return.

14 (d) Disclose a taxpayer's name, address and Social Security number or employer identification  
15 number to the extent necessary in connection with the processing and mailing of forms for any re-  
16 port or return required in the administration of ORS 321.045 and 321.741.

17 *[(e) Disclose to the State Forester, upon request of the forester, for the purpose of soliciting nomi-*  
18 *nations and recommendations referred to in ORS 526.610, the names of producers meeting producer*  
19 *class qualifications established under ORS 526.610 who filed forest products harvest tax returns.]*

20 *[(f)]* (e) Disclose appraisal data collected to make determinations of specially assessed value of  
21 forestland under ORS 321.201 to 321.222 to any member of a forestland value advisory committee the  
22 department has convened under ORS 321.213.

23 (2) The department also may disclose and give access to information described in ORS 321.682  
24 to:

25 (a) The Commissioner of Internal Revenue or authorized representative, for tax purposes only.

26 (b) The United States Forest Service, Bureau of Land Management and the State Forestry De-  
27 partment pursuant to their regulatory programs and for investigative purposes related to timber  
28 theft.

29 (c) The Attorney General, assistants and employees in the Department of Justice or other legal  
30 representative of the State of Oregon, to the extent the department considers disclosure or access  
31 necessary for the performance of the duties of advising or representing the department pursuant to  
32 ORS 321.045 and 321.741.

33 (d) Employees of the State of Oregon, other than the Department of Revenue or Department of  
34 Justice, to the extent the department considers disclosure or access necessary for such employees  
35 to perform their duties under contracts or agreements between the department and any other de-  
36 partment, agency or subdivision of the State of Oregon in the department's administration of the tax  
37 laws.

38 (e) The Legislative Revenue Officer or the authorized representative of the Legislative Revenue  
39 Officer upon compliance with ORS 173.850. The officer or representative may not remove from the  
40 premises of the department any materials that would reveal the identity of any taxpayer or any  
41 other person or the volume of harvest and value reported on individual returns and reports.

42 (f) Any agency of the State of Oregon, or any person, or any officer or employee of the agency  
43 or person to whom disclosure or access is given by state law and not otherwise referred to in this  
44 section, including but not limited to the Secretary of State as Auditor of Public Accounts under  
45 section 2, Article VI of the Constitution of the State of Oregon.

1 (3) Each officer or employee of the department and each person described or referred to in  
2 subsection (2)(b) to (f) of this section to whom disclosure or access to the tax information is given  
3 under subsection (2) of this section or any other provision of state law, prior to beginning employ-  
4 ment or the performance of duties involving such disclosure or access, shall be advised in writing  
5 of the provisions of ORS 321.682 and 321.686 relating to penalties for the violation of ORS 321.682,  
6 and shall, as a condition of employment or performance of duties, execute a certificate for the de-  
7 partment, in a form prescribed by the department, stating in substance that the person has read  
8 these provisions of law, that the person has had them explained and that the person is aware of the  
9 penalties for the violation of ORS 321.682.

10 **SECTION 8. This 2023 Act takes effect on the 91st day after the date on which the 2023**  
11 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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