

HB 4133 A STAFF MEASURE SUMMARY

House Committee On Revenue

Action Date: 02/26/24

Action: Without recommendation as to passage, with amendments, and be referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 5-2-0-0

Yeas: 5 - Levy B, Marsh, Nathanson, Nguyen D, Walters

Nays: 2 - Reschke, Smith G

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/13, 2/14, 2/22, 2/26

WHAT THE MEASURE DOES:

Makes a variety of changes to the funding of Oregon's wildfire mitigation and suppression system. Increases the portion of the Forest Products Harvest Tax dedicated to the Oregon Forest Land Protection Fund from \$0.625 to \$1.00 per thousand board feet and then indexes the tax to inflation. Clarifies that the newly created State Forestry Department Large Wildfire Fund shall be used for wildfire mitigation and suppression. Clarifies the definition of "centralized administration costs". Sets the assessment for grazing land owned by public agencies at 74 cents per acre and for all other owners at 19 cents per acre. Indexes these rates to inflation. Clarifies that the Oregon Forest Land Protection Fund is used to pay for the budgets of forest protection districts, not for centralized administration costs; allows funds to be used for issuing loans to the Department of Forestry or forest protection associations. Removes language regarding the annual expenditure limitation on the fund. Updates the rule that may be promulgated by the Emergency Fire Cost Committee. Replaces the current assessments of five cents and 7.5 cents with rate to be determined such that \$5 million is collected; adjusts the rate annually for inflation and specifies uses for the funds. Requires the Department of Forestry to study the zone 1 designation and submit a report to the Legislature by January 1, 2025.

ISSUES DISCUSSED:

- Magnitude of landowner fire patrol assessment rates
- SB 762 from the 2021 legislative session
- Changes to the OFLPF portion of the FPHT
- Increases to the minimum lot and improved lot charges
- Reduction in landowner assessment rates
- How centralized administration costs should be funded
- How this bill represents an intermediate step for funding wildfire mitigation and suppression
- The role of fire protection districts and boards
- Voluntary nature of the program
- Comparison to SB 1593
- How to address equity for landowners
- Role of General Fund resources
- Indexing of a tax rate

EFFECT OF AMENDMENT:

Clarifies that the newly created State Forestry Department Large Wildfire Fund shall be used for wildfire mitigation and suppression. Clarifies the definition of "centralized administration costs". Sets the assessment for grazing land owned by public agencies at 74 cents per acre and for all other owners at 19 cents per acre. Indexes these rates to inflation. Clarifies that the Oregon Forest Land Protection Fund is used to pay for the budgets of

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forest protection districts, not for centralized administration costs; allows funds to be used for issuing loans to the Department of Forestry or forest protection associations. Removes language regarding the annual expenditure limitation on the fund. Updates the rule that may be promulgated by the Emergency Fire Cost Committee. Replaces the current assessments of five cents and 7.5 cents with rate to be determined such that \$5 million is collected; adjusts the rate annually for inflation and specifies uses for the funds. Requires the Department of Forestry to study the zone 1 designation and submit a report to the Legislature by January 1, 2025. Identifies the specific method by which the portion of the Forest Products Harvest Tax dedicated to Oregon Forest Land Protection Fund is adjusted for inflation. Make the new rate start on January 1, 2025.

BACKGROUND:

Senator Steiner convened a workgroup of stakeholders during the fall of 2023 to discuss the impacts of SB 762 (from 2021) and rising landowner fire patrol assessments. The product of that workgroup culminated in the introduction of HB 4133, which continues to be the subject of policy refinements.