A-Engrossed

House Bill 4133

Ordered by the House February 27
Including House Amendments dated February 27

Sponsored by Representative MARSH, Senators STEINER, FINDLEY, Representative OWENS (Presession 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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes changes related to a forest products tax. The Act creates a new fund related to wildfire costs. The Act makes changes related to forest protection districts. The Act makes changes related to fees for fire protection. The Act makes changes related to the Emergency Fire Cost Committee. The Act makes changes related to a fund for protecting forest land. The Act makes changes related to a fee on acreage. (Flesch Readability Score: 67.1).

[Digest: The Act makes changes related to a forest products tax. The Act creates a new fund related to wildfire costs. The Act makes changes related to forest protection districts. The Act makes changes related to fees for fire protection. The Act makes changes related to the Emergency Fire Cost Committee. The Act makes changes related to a fund for protecting forest land. The Act repeals a fee on acreage. (Flesch Readability Score: 68.0).] Makes certain changes related to the forest products harvest tax.

Establishes a State Forestry Department Large Wildfire Fund for use by the State Forestry Department for wildfire mitigation and suppression.

Makes certain changes related to forest protection districts.

Makes certain changes related to a minimum assessment and surcharge.

Makes certain changes related to the Emergency Fire Cost Committee.

Makes certain changes related to the Oregon Forest Land Protection Fund.


Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT


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

FOREST PRODUCTS HARVEST TAX FOR WILDFIRE MITIGATION AND SUPPRESSION

SECTION 1. ORS 321.011 is amended to read:

321.011. The prevention and suppression of, and preparedness for, forest fires on forestlands, for the preservation of forest resources and the continuous growth of timber on lands suitable therefor, are declared to be the public policy of the State of Oregon. The Legislative Assembly recognizes that:

(1) The forested areas situated within eastern Oregon predominate in Ponderosa pine trees and
associated species, and that the forested areas situated within western Oregon predominate in
Douglas fir and associated species;

(2) Because of this difference in species, different forest fire protection problems exist in eastern
and western Oregon, and different logging conditions and circumstances in each necessitate varied
forest practices in the disposal of forest slashings and debris; and

(3) Therefore, in order to give recognition to such differences and their effect on the accom-
plishment of the public policy stated in this section, certain classifications of forestlands within the
State of Oregon are established by ORS 321.005 to 321.185 and 321.560 to 321.600.

SECTION 2. ORS 321.012 is amended to read:

321.012. The Legislative Assembly finds that it is in the interest of the State of Oregon that the
public as a whole share responsibility for protecting the forests of this state, by making funds
available [from time to time] for suppression of fires [caused by the public].

SECTION 3. ORS 321.015 is amended to read:

321.015. (1) For the calendar years beginning January 1, 2024, and January 1, 2025, there is
levied a privilege tax of 90.00 cents per thousand feet, board measure, upon taxpayers for the privi-
lege of harvesting of all merchantable forest products harvested on forestlands. Subject to ORS
321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the Forest
Research and Experiment Account for use for the forest resource research, experimentation and
studies described in ORS 526.215 and for the Forest Research Laboratory established under ORS
526.225.

(2)(a) [Except as provided in ORS 477.760,] In addition to the tax levied by subsection (1) of this
section, there is levied a forest products harvest tax upon taxpayers of [62.5] 100 cents per thousand
feet, board measure, for the privilege of harvesting all merchantable forest products harvested on
forestlands for the payment of benefits related to fire suppression as provided in ORS 321.005 to
321.185, 321.560 to 321.600 and 477.440 to 477.460.

(b)(A) The rate set under paragraph (a) of this subsection for any calendar year shall be
adjusted by the percentage, if any, by which the monthly averaged Consumer Price Index for
All Urban Consumers, West Region (All Items) for the 12 consecutive months ending August
31 of the prior calendar year exceeds the monthly averaged index for the 12 consecutive
months ending August 31, 2024.

(B) The adjustment computed under subparagraph (A) of this paragraph shall be rounded
to the nearest one-tenth of a cent.

(3) For the calendar years beginning January 1, 2024, and January 1, 2025, in addition to the
taxes levied under subsections (1) and (2) of this section, there is levied a privilege tax upon tax-
payers for the privilege of harvesting all merchantable forest products harvested on forestlands in
the amount of 253.46 cents per thousand feet, board measure, for the purpose of administering the
Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures ap-
proved by the Legislative Assembly for this purpose, including salary adjustments approved by the
Legislative Assembly for fiscal years 2024 and 2025.

(4) For the calendar years beginning January 1, 2024, and January 1, 2025, in addition to the
taxes levied by subsections (1) to (3) of this section, there is levied a privilege tax of 21 cents per
thousand feet, board measure, upon taxpayers for the privilege of harvesting all merchantable forest
products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be trans-
ferrered as provided in ORS 321.152 (5) to the subaccount established pursuant to ORS 350.520 for use
by Oregon State University for the purpose of making investments in professional forestry education
at the College of Forestry.

(5) Subject to subsection (6) of this section, the taxes shall be measured by and be applicable to each per thousand feet, board measure, on the total quantity of forest products harvested in this state measured by use of any log scale which is or may be in general use in the logging industry and which is designed to measure total volume of merchantable forest products in board feet. However, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to adopt another log scale in general use in the industry which in the department’s opinion will accurately reflect merchantable harvest in board feet.

(6) The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer during each calendar year shall be excluded from the total quantity of harvested forest products that constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

(7)(a) Not later than March 10 of each odd-numbered year, the Legislative Assembly shall begin considering the biennial forest products harvest tax rates levied under subsections (1), (3) and (4) of this section.

(b) Upon request of the Legislative Revenue Officer or the Legislative Fiscal Officer, the State Forestry Department shall provide the respective officers with relevant timber harvest data for the purposes of paragraph (a) of this subsection.

SECTION 4. ORS 321.005 is amended to read:

321.005. As used in ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460, unless the context requires otherwise:

(1) “Board” means the State Board of Forestry.

(2) “Protected forestlands” means those lands which are protected from the starting or spread of fire thereon or therefrom by:

[(a) The State Forester, with the approval of the board;]

[(b) The United States of America through contract with the State Forester;]

[(c) Any forest protective agency under contract with the State Forester or the board pursuant to ORS 477.406; or]

[(d) Any forest protective agency, described in paragraph (c) of this subsection, under an agreement with the United States of America wherein such agency agrees to protect specific federal forestlands and, in return, the United States of America agrees to protect specific lands of such agency.]

[(3) “Department” means the Department of Revenue.]

[(4) (2) “Committee” means the Emergency Fire Cost Committee.

(3) “Consumer Price Index for All Urban Consumers, West Region (All Items)” means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(4) “Department” means the Department of Revenue.

(5) “Forestland” means any land producing forest products.

(6) “Forest products” means products from harvested timber, but does not include products from short rotation fiber grown under agricultural conditions as described in ORS 321.267 (3) or 321.824 (3), western juniper or products from harvested western juniper.

(7) “Harvest” means the point at which timber that has been cut, severed, or removed for purposes of sale or use is first measured in the ordinary course of business as determined by reference to common practice in the timber industry.
(8) “Merchantable stand of timber” means any stand on forestlands containing living or dead timber which is being or can be harvested.

(9) “Owner of timber” means any individual or combination of individuals, partnership, firm, corporation or association of whatever nature holding title to harvested timber by virtue of:

(a) An instrument of conveyance;
(b) The harvesting of the timber; or
(c) The harvesting of the timber and payment therefor.

(10) “Taxes” means the taxes provided for in ORS 321.015.

(11) “Taxpayer” means the owner of timber at time of harvest.

(12) “Timber” means all logs which can be measured in board feet and other forest products as determined by department rule.

SECTION 5. ORS 321.017 is amended to read:

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

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

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

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

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

SECTION 5a. The amendments to ORS 321.005, 321.011, 321.012, 321.015 and 321.017 by sections 1 to 5 of this 2024 Act apply to calendar years beginning on or after January 1, 2025.

STATE FORESTRY DEPARTMENT LARGE WILDFIRE FUND

SECTION 6. (1) The State Forestry Department Large Wildfire Fund is established in the State Treasury, separate and distinct from the General Fund.
(2) The State Forestry Department Large Wildfire Fund shall be held by the State Treasurer as a trust fund for use by the State Forestry Department for wildfire mitigation and suppression. The State Treasurer shall deposit and invest moneys in the fund as provided by law, taking into account its uses. Interest earned by the fund shall be credited to the fund.

(3) The fund consists of moneys appropriated by the Legislative Assembly for deposit in the fund and other moneys appropriated to, allocated to, deposited in or transferred to the fund by the Legislative Assembly or otherwise.

**DEFINITION OF “CENTRALIZED ADMINISTRATION COSTS”**

**SECTION 7.** ORS 477.001 is amended to read:

477.001. As used in this chapter, unless the context otherwise requires:

(1) “Additional fire hazard” means a hazard that has been determined to exist by the forester pursuant to ORS 477.580.

(2) “Board” means the State Board of Forestry.

(3) “Campfire” means any open fire used for cooking, personal warmth, lighting, ceremonial or aesthetic purposes that is hand built and that is not associated with any debris disposal activities.

(4) “Centralized administration costs” means all costs associated with:

(a) Administration of the State Forestry Department;

(b) The following services, provided statewide and in areas of this state by the department:

(A) Fire management on forestland;

(B) Emergency response and support; and

(C) Other services not described in this paragraph; and

(c) The procurement of supplies related to purposes described in this subsection.

[(4)] (5) “Department” means the State Forestry Department.

[(5)] (6) “District” means a forest protection district organized under ORS 477.225.

[(6)] (7) “Every reasonable effort” means the use of the reasonably available personnel and equipment under the supervision and control of an owner or operator, which are needed and effective to fight the fire in the judgment of the forester and which can be brought to bear on the fire in a timely fashion.

[(7)] (8) “Fire season” means a period designated pursuant to ORS 477.505.

[(8)] (9) “Fiscal year” means the period beginning on July 1 of any year and ending on June 30 of the next year.

[(9)] (10) “Forestland” means any woodland, brushland, timberland, grazing land or clearing that, during any time of the year, contains enough forest growth, slashing or vegetation to constitute, in the judgment of the forester, a fire hazard, regardless of how the land is zoned or taxed. As used in this subsection, “clearing” means any grassland, improved area, lake, meadow, mechanically or manually cleared area, road, rocky area, stream or other similar forestland opening that is surrounded by or contiguous to forestland and that has been included in areas classified as forestland under ORS 526.305 to 526.370.

[(10)] (11) “Forest patrol assessment” means the costs levied and assessed under ORS 477.270.

[(11)] (12) “Forest protective association” or “association” means an association, group or agency composed of owners of forestlands, organized for the purpose of protecting such forestlands
“(12) “Forest resource” means the various types of vegetation normally growing on Oregon’s forestland, the associated harvested products and the associated residue, including but not limited to brush, grass, logs, saplings, seedlings, trees and slashing.

“(13) “Forester” means the State Forester or authorized representative.

“(14) “Governing body” of a county means the county court or board of county commissioners.

“(15) “Grazing land” is defined by ORS 477.205.

“(16) “Open fire” means any outdoor fire that occurs in such a manner that combustion air is not effectively controlled and combustion products are not effectively vented through a stack or chimney.

“(17) “Operation” means any industrial activity, any development or any improvement on forestland inside or within one-eighth of one mile of a forest protection district, including but not limited to the harvesting of forest tree species, the clearing of land, the use of power-driven machinery and the use of fire, excluding, however, the culture and harvesting of agricultural crops.

“(18) “Operation area” means the area on which an operation is being conducted and the area on which operation activity may have resulted in the ignition of a fire.

“(19) “Operation in progress” means that time when workers are on an operation area for the purpose of an operation, including the period of time when fire watches are required to be on the operation area pursuant to ORS 477.665.

“(20) “Operator” means any person who, either personally or through employees, agents, representatives or contractors, is carrying on or has carried on any operation.

“(21) “Owner” means an individual, a combination of individuals, a partnership, a corporation, the State of Oregon or a political subdivision thereof, or an association of any nature that holds an ownership interest in land.

“(22) “Political subdivision” includes, but is not limited to, counties, cities and special districts.

“(23) “Rangeland” is defined by ORS 477.315.

“(24) “Routine road maintenance” is defined by ORS 477.625.

“(25) “Side” means any single unit of a logging operation employing power-driven machinery.

“(26) “Slashing” means the forest debris or refuse on any forestland resulting from the cutting, killing, pruning, severing or removal of brush, trees or other forest growth.

“(27) “State Forester” means the person appointed State Forester pursuant to ORS 526.031 or the person serving in the position on an interim or delegated basis.

“(28) “Summit of the Cascade Mountains” is considered to be a line beginning at the intersection of the northern boundary of the State of Oregon and the western boundary of Wasco County; thence southerly along the western boundaries of Wasco, Jefferson, Deschutes and Klamath Counties to the southern boundary of the State of Oregon.

“(29) “Timberland” is defined by ORS 477.205.

“(30) “Warden” means a fire warden appointed under ORS 477.355.

FOREST PROTECTION DISTRICTS

SECTION 8. ORS 477.205 is amended to read:
477.205. As used in ORS 477.205 to 477.281, unless the context requires otherwise:

(1) “Budget” means an estimate of a forest protection district of the amount the district needs for preparedness for, and for the prevention and suppression of, forest fires on forestland.

(2) “Grazing land” means forestland, within a forest protection district, that has been classified as Class 3, agricultural class, as provided by ORS 526.305 to 526.370.

(3) “Timberland” means forestland, within a forest protection district, that has not been classified as Class 3, agricultural class, under ORS 526.305 to 526.370.

SECTION 9. ORS 477.230 is amended to read:

477.230. (1) The annual cost of protection provided by the [forester] State Forester for forestland within a forest protection district shall be as follows:

(a) Grazing land owned by public agencies, 74 cents per acre.

(b) For grazing land not owned by public agencies, including grazing land owned in fee by a federally recognized Indian tribe in this state or by a member of a federally recognized Indian tribe in this state, 19 cents per acre.

(b)(A) Except as provided by subparagraph (B) of this paragraph, the rates established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2024 based on the Consumer Price Index for All Urban Consumers, West Region (All Items).

(B) If the annual adjustment under this paragraph results in a rate that is lower than the rate for the previous year, the rate shall remain unchanged from the previous year.

(2) Timberland within the district shall be protected by the [forester] State Forester at a pro rata cost per acre for all timberland within the district boundary. However, forest patrol assessments levied and assessed under ORS 477.270 against such lands that are not owned by public agencies may not exceed one-half of the pro rata cost per acre, exclusive of any assessment per acre under ORS 477.880.

SECTION 10. ORS 477.232 is amended to read:

477.232. Subject to the forest patrol assessment limitations set forth in ORS 477.230:

(1) Actual costs incurred by the [forester in the prevention and suppression of] State Forester in accordance with ORS 321.011 for adequate protection against fire on grazing land or timberland located within a forest protection district, in excess of the amount budgeted as required by ORS 477.230, but not including those costs eligible for [equalization by the Oregon Forest Land Protection Fund] emergency fire cost suppression, shall be, without regard to proceedings for the collection of the costs:

(a) Included in the budget of a forest protection district for the next fiscal year; and

(b) Levied and assessed against the grazing land or timberland in the district.

(2) Budgeted amounts not expended may be carried forward as a credit to the assessment rate for timberland, as described in ORS 477.230 (4), for the ensuing year.

SECTION 10a. ORS 477.270 is amended to read:
477.270. (1) Subject to the forest patrol assessment limitations set forth in ORS 477.230:

(a) The budgeted cost of the forester, as provided for in ORS 477.205 to 477.281, in providing protection for privately owned forestland shall be a lien upon such property, shall be reported by the forester to the governing body of the county in which the lands are situated on or after July 1 of each fiscal year, and shall be levied and collected by the governing body with the next taxes on the land in the same manner and with the same interest, penalty and cost charges as apply to ad valorem property taxes in this state. The governing body shall instruct the proper officer to extend the amounts on the assessment roll in a separate account, and the procedure provided by law for the collection of taxes and delinquent taxes shall apply. Upon collection thereof, the governing body shall repay the entire amount collected to the forester.

(b) In lieu of the procedures under paragraph (a) of this subsection, the forester, under the direction of the State Board of Forestry, may make direct billing of the budgeted cost to owners of forestland and receive payment of the cost therefrom. In the event that under such billing procedures any owners fail to make payment, the unpaid budgeted cost shall become a lien against the property so billed and shall be levied and collected with the next taxes on such property as described in paragraph (a) of this subsection.

(c) The budgeted cost of the forester in providing protection for forestland owned by the state or by a political subdivision shall be paid to the forester on or before the first day of January of the fiscal year for which such protection is to be provided.

(2) Except as provided in ORS 477.230 (2), all moneys received by the forester pursuant to this section shall be paid into the State Treasury, credited to the State Forestry Department Account and used exclusively for the purposes of ORS 477.205 to 477.281.

MINIMUM ASSESSMENT AND SURCHARGE

SECTION 11. ORS 477.277 is amended to read:

477.277. (1) In addition to any other assessment prescribed by ORS 477.205 to 477.281, [in any fiscal year in which the Emergency Fire Cost Committee determines pursuant to ORS 477.760 that the unencumbered balance of the Oregon Forest Land Protection Fund is less than $22.5 million,] a surcharge shall annually be levied and assessed in the amount of [$47.50] $69.50 for each improved lot or parcel, [except as provided in ORS 477.760,] to defray the increased cost of fire suppression on forestland that is caused by the existence of the improvements.

(b) [Except as provided in subparagraph (B) of this paragraph, the surcharge established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2024 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.]

(B) If the annual adjustment under this paragraph results in a surcharge that is lower than the surcharge for the previous year, the surcharge shall remain unchanged from the previous year.

(2) All surcharge moneys collected pursuant to this section shall be paid into the Oregon Forest Land Protection Fund.

(3) If an owner of forestland files a forest protection plan with the forester which is approved by the State Board of Forestry under ORS 477.210 (2), the owner shall not be required to pay the surcharge levied under subsection (1) of this section.

(4) Contiguous lots included in a combined lot that is described in ORS 477.295 [(3)(a)] (2)(a) and
whose owner has made application to the forester under ORS 477.295 [(4)] (3) are considered one lot for purposes of subsection (1) of this section.

(5) As used in this section, a lot or parcel is “improved” if it is indicated as improved in the county assessor’s property classification files or if a manufactured dwelling is sited on the lot or parcel.

SECTION 12. ORS 477.281 is amended to read:

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

(a) The payment of moneys pursuant to ORS 321.015 (2), 477.277[,] and 477.295[, 477.760 (4) and 477.880 to maintain] to the Oregon Forest Land Protection Fund; [and]

(b) The payment of forest protection district assessments pursuant to ORS 477.205 to 477.281[.];

and

(c) The payment of the assessment described in ORS 477.880.

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

SECTION 13. ORS 477.295 is amended to read:

477.295. (1)(a) For purposes of making the levy and assessment of costs against forestland under ORS 477.270, the minimum cost to provide fire protection or suppression for any lot or parcel of real property separately assessed for ad valorem taxes or other taxes provided by law in lieu thereof, on the current assessment roll shall be not less than $18.75, except as provided in ORS 477.760. Three dollars and seventy-five cents of each minimum assessment shall be paid into the Oregon Forest Land Protection Fund. Otherwise, the assessment shall be determined under ORS 477.230 and 477.270.

(b)(A) Except as provided in subparagraph (B) of this paragraph, the minimum cost established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2024 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(B) If the annual adjustment under this paragraph results in a minimum cost that is lower than the minimum cost for the previous year, the minimum cost shall remain unchanged from the previous year.

[2] In any fiscal year in which the Emergency Fire Cost Committee determines pursuant to ORS 477.760 that the unencumbered balance of the Oregon Forest Land Protection Fund has:

[(a) Increased to an amount:]

[(A) More than $22.5 million but less than or equal to $30 million, the minimum assessment referred to in subsection (1) of this section shall be $16.88 for each lot or parcel. Of that amount, $1.88 of each minimum assessment shall be paid into the Oregon Forest Land Protection Fund.]

[(B) More than $30 million, the minimum assessment referred to in subsection (1) of this section shall be $15 for each lot or parcel. This amount shall be treated in the same manner as assessments under ORS 477.230 and 477.270.]

[(b) Decreased to an amount that is at or below $22.5 million, the minimum assessment referred to in subsection (1) of this section shall be $18.75 for each lot or parcel. This amount shall be treated in the same manner as assessments under subsection (1) of this section.]

[(3)] (2) Upon application to the State Forester under subsection [(4)] (3) of this sec-
tion, contiguous lots held under identical ownership shall be considered as one combined lot for
purposes of subsection (1) of this section. However, the following may not be included in a combined
lot:

(a) Except as provided in this paragraph, a lot on which a structure has been placed or im-
provements made for the purpose of erecting any temporary or permanent structure. One lot on
which a single-family dwelling has been placed, and lots on which the structures and improvements
that are appurtenant to that single-family dwelling have been placed, may be included in a combined
lot that does not exceed 20 acres.
(b) A lot that is in a subdivision containing lots that have been or are being offered for sale.
(c) A lot that is not designated forest or agricultural land for the purpose of land use or special
tax assessment purposes.

[(4)] (3) To qualify under subsection [(3)] (2) of this section[,]

(a) An owner of forestland [shall] must make an application to the [forester] State Forester
no later than April 15 of the fiscal year preceding [each] the fiscal year for which the owner desires
the land to be assessed under subsection [(3)] (2) of this section. The application [shall] must be on
a form prescribed by the State Forester. The State Forester may charge a fee of $25 per combined
lot [shall], to be paid to the [forester] State Forester at the time of [first] application for the com-
bined lot.
(b) After an application under paragraph (a) of this subsection is approved, the owner of
the forestland must apply again, as described in paragraph (a) of this subsection, every five
years. [An additional] The State Forester may charge a fee of $25 per combined lot [shall], to
be paid to the [forester] State Forester at the time of subsequent application, if an application for
the combined lot was not made for the previous fiscal year.

[(5)] (4) The State Board of Forestry may adopt rules for the administration of the provisions
of subsections [(3) and (4)] (2) and (3) of this section.

[(6)] (5) For the purposes of this section, “lot” and “subdivision” have the meanings given those
terms in ORS 92.010.

EMERGENCY FIRE COST COMMITTEE

SECTION 14. ORS 477.440 is amended to read:

477.440. (1) As used in this section:
(a) “Grazing land owner” means an individual, combination of individuals, partnership,
corporation or association that holds an ownership interest in grazing land in this state.
(b) “Large forest owner” means an individual, combination of individuals, partnership,
corporation or association that holds an ownership interest in at least 5,000 acres of
timberland in this state.
(c) “Small forest owner” means an individual, combination of individuals, partnership,
corporation or association that holds:
(A) An ownership interest in at least 10 acres, but less than 5,000 acres, of timberland
in this state; and
(B) All of the acres within a single tax lot and within contiguous parcels owned by the
same individual, combination of individuals, partnership, corporation or association.
(2) The State Board of Forestry shall appoint an Emergency Fire Cost Committee for the pur-
pose of carrying out the provisions of this section and ORS 477.445, 477.450, 477.455, 477.460,
477.755, 477.760, 477.770 and 477.775.

(3) The committee may:

(a) Make recommendations to the board concerning the minimum qualifications for serving on the committee.

(b) Establish standards, requirements or procedures that the committee considers necessary for the effective administration of the committee.

(4) The committee shall [consisting] consist of [four] six members, including one nonvoting representative of the board and five voting members who are appointed by the board as follows:

(a) Two members who [shall be] are, or are representatives of, large forest [landowners or representatives of forest landowners] owners whose forestland is being assessed for forest fire protection within a forest protection district.

(b) Two members who are, or are representatives of, small forest owners whose forestland is being assessed for forest fire protection within a forest protection district.

(c) One member who is, or is a representative of, a grazing land owner whose forestland is being assessed for forest fire protection within a forest protection district.

(5) The board shall appoint at least one member [shall be selected] from each forest region [of the state] established under ORS 527.640.

(6) Members shall serve at the pleasure of the board.

(7) Members of the Emergency Fire Cost Committee shall be appointed [by the board] for four-year terms. [Appointments under this subsection shall be made by the board within 60 days after July 21, 1987.]

(8) If there is a vacancy for any cause, the board shall make an appointment to become immediately effective for the unexpired term.

SECTION 15. (1) The State Board of Forestry shall appoint the first five voting members of the Emergency Fire Cost Committee described in ORS 477.440, as amended by section 14 of this 2024 Act, on or before December 31, 2024.

(2) Notwithstanding ORS 477.440 (7), of the voting members of the committee first appointed by the board:

(a) One shall serve for a term ending one year after the date of appointment.

(b) One shall serve for a term ending two years after the date of appointment.

(c) One shall serve for a term ending three years after the date of appointment.

(d) Two shall serve for a term ending four years after the date of appointment.

(3) The board may appoint to the committee persons serving on the committee on the effective date of this 2024 Act who qualify under ORS 477.440, as amended by section 14 of this 2024 Act.

SECTION 16. ORS 477.445 is amended to read:

477.445. The Emergency Fire Cost Committee shall:

(1) [Supervise and control] Oversee the distribution of funds from the Oregon Forest Land Protection Fund established under ORS 477.750.

(2) Review expenditures from the fund.

(3) Review budgets for forest protection districts and provide recommendations on the budgets to the State Board of Forestry.

(4) Prior to the beginning of each fiscal year, distribute payments for the fiscal year budgets of forest protection districts to the State Forestry Department and forest protection
districts.

SECTION 17. ORS 477.450 is amended to read:

477.450. (1) [After July 1, 1961.] The Emergency Fire Cost Committee shall meet and elect one of its members as chairperson. [The chairperson shall hold office for a period determined by the committee.]

(2) Whenever the office of chairperson of the committee becomes vacant, the committee at its next regular or special meeting shall elect one of its members to fill the vacancy.

SECTION 18. ORS 477.455 is amended to read:

477.455. (1) Regular meetings of the Emergency Fire Cost Committee shall be held quarterly [prior to the day set for meetings of the State Board of Forestry], as otherwise provided by law.

(2) Special meetings of the committee may be called by its chairperson or by [three] a majority of the voting members.

(3) The act or decision of [any three] a majority of the voting members shall be deemed the act or decision of the committee.

(4) A staff member of the State Forestry Department shall be designated by the State Forester to serve as administrator for the committee.

(5) The committee may employ staff members, in coordination with the State Forester.

SECTION 19. ORS 477.460 is amended to read:

477.460. (1) The administrator described in ORS 477.455 shall:

(a) Act as secretary of the Emergency Fire Cost Committee; and [shall]

(b) Carry out the provisions of ORS 477.440 to 477.460 in such manner as the committee shall direct.

(2) The salary and other expenses of the administrator and of staff members shall be paid from the Oregon Forest Land Protection Fund as are other expenses of the committee.

(3) Members of the committee are entitled to compensation and expenses as provided in ORS 292.495.

OREGON FOREST LAND PROTECTION FUND

SECTION 20. ORS 477.750 is amended to read:

477.750. (1) The Oregon Forest Land Protection Fund is created, separate and distinct from the General Fund.

(2) [This fund] The Oregon Forest Land Protection Fund shall be held by the State Treasurer as a trust fund for the uses and purposes provided in ORS 477.750 to 477.775 [and 477.880].

(3) The State Treasurer shall deposit and invest moneys in the fund as provided by law, taking into account its uses and purposes. Interest earned by the fund shall be credited to the fund.

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

SECTION 21. ORS 477.755 is amended to read:

477.755. (1) As used in this section, “annual expenditure” means the expenses of the Oregon Forest Land Protection Fund obligated in any 12-month period [designated by the Emergency Fire Cost Committee by rule, corresponding to the policy period of any insurance for emergency fire costs], consistent with the fiscal year budgeting of the State Forestry Department.
(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land Protection Fund are 
continuously appropriated to the Emergency Fire Cost Committee for the purposes of:

[(a) Equalizing emergency fire suppression costs for safeguarding forestland in any forest pro-
tection district;]

(a) Making payments for the fiscal year budgets of forest protection districts, but not for 
centralized administration costs;

(b) Paying necessary [administrative] expenses, not to exceed the limit authorized by the Legis-
lative Assembly each biennium;

[(c) Contributing to the payment of emergency fire suppression costs insurance premiums, subject 
to the payment limitation established in ORS 477.775 (4);]

[(d) Paying costs related to the availability and mobilization of emergency fire suppression re-
sources on a statewide basis; and]

[(e)] (c) Paying for nonroutine purchases of supplemental fire prevention, detection or sup-
pression resources that will enhance the ability of the forester to perform fire protection responsi-
bilities within a forest protection district[; and]

(d) Issuing loans to the department or forest protection associations that relate to nec-
essary wildfire costs.

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

[(a) $13.5 million; or]

[(b) The sum of:]

[(A) The lesser of $10 million or 50 percent of the eligible annual fire suppression costs determined 
by the committee;]

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

[(C) Contributions to the payment of emergency fire suppression costs insurance premiums, subject 
to the payment limitation established in ORS 477.775 (4);]

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

[(E) Any amounts expended for nonroutine purchases described in subsection (2)(e) of this 
section.]}

SECTION 22. ORS 477.760 is amended to read:

477.760. [(1) The reserve base of the Oregon Forest Land Protection Fund is $22.5 million. On or 
about the last day of February of each year] The Emergency Fire Cost Committee shall:

(1) Adopt rules relating to the administration of the Oregon Forest Land Protection 
Fund.

(2) [Meet and] Annually determine the unencumbered balance of the fund as of the end of the 
preceding [February 16] calendar year.

[2] In order to maintain the reserve base of the fund at $22.5 million, the Emergency Fire Cost 
Committee may request and the State Treasurer may approve transfers to the fund in accordance with 
ORS 293.205 to 293.225, if the moneys in this fund fall below the reserve base, whether or not there 
are sufficient moneys in the fund to pay the obligations of the fund. Repayment of any such transfers 
shall be made from moneys paid into the fund pursuant to ORS 321.015 (2), 477.277 and 477.880 and 
from such other moneys as may be credited to the fund therefor.]
(3) If the committee determines that the moneys in the fund exceed:

(a) The reserve base, and that no repayment obligations are outstanding from transfers made pursuant to subsection (2) of this section, then the Department of Revenue shall reduce the taxes described in ORS 321.015 (2) by 50 percent for the following calendar year and the surcharge for each improved lot or parcel described in ORS 477.277 and the assessments described in ORS 477.880 shall be reduced by 50 percent for the following fiscal year.

(b) $30 million, and that no repayment obligations are outstanding from transfers made pursuant to subsection (2) of this section, then the Department of Revenue may not collect the taxes described in ORS 321.015 (2) for the following calendar year and the surcharge for each improved lot or parcel described in ORS 477.277 and the assessments described in ORS 477.880 may not be collected until the calendar year or fiscal year following the determination of the committee that the unencumbered balance in the fund is less than or equal to $22.5 million.

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

(A) The harvest tax referred to in ORS 321.015 (2).

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

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

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

(b) The increases to taxes, assessments and charges shall be apportioned based upon the proportionate levels of revenues received from each source by the Oregon Forest Land Protection Fund. Any such increases shall be computed on or before January 1 of each year, and shall be based upon revenues received during the previous four quarters. Any such increases shall be made in the appropriate calendar or fiscal year following that in which the requested transfers from the State Treasurer or from other sources are made.

SECTION 23. (1) As soon as practicable after the effective date of this 2024 Act, the Emergency Fire Cost Committee shall complete all audits of moneys in the Oregon Forest Land Protection Fund.

(2) On the effective date of this 2024 Act, all moneys in the fund shall remain in the fund.

(3) All moneys due to the fund on or before the effective date of this 2024 Act shall be credited to the fund.

SECTION 24. ORS 477.770 is amended to read:

477.770. (1) In addition to the rules described in ORS 477.760, the Emergency Fire Cost Committee shall promulgate rules relating to the disposition of moneys from the Oregon Forest Land Protection Fund.

(2) [Under such] The rules [the committee] may:

(a) Require that [prior to the payment of moneys from the fund the forest protection district expend an amount for emergency fire suppression not to exceed a per acre amount determined to be 10 percent of the total budgeted amount of all districts as set forth in ORS 477.220 to 477.415 divided by the total protected acres of all districts. However, any such amount per acre shall apply uniformly to each forest protection district], before receiving a reimbursement for emergency fire costs, forest protection districts expend a specified amount.

(b) Set forth a process for reviewing the disbursement of moneys from the fund.
(c) Establish best practices for reviewing:
(A) Forest protection district budgets; and
(B) Emergency fire suppression costs.

SECTION 25. ORS 477.775 is amended to read:
ORS 477.775. (1) Prior to February 1 of each year at the first regularly scheduled meeting of the
Emergency Fire Cost Committee in a calendar year, the Emergency Fire Cost Committee com-
mittee and the [forester] State Forester shall consult regarding the purchase of emergency fire
suppression costs insurance and the level of coverage to purchase for the fire season of that year.
(2) In determining whether the purchase of insurance is advisable, the [forester] State Forester
and the committee shall consider:
(a) The cost, coverage and deductible of insurance available from private insurance carriers;
(b) The funding available for fire suppression [from the Oregon Forest Land Protection Fund and
other sources];
(c) The current condition of forests;
(d) Long-term weather predictions;
(e) Available fire fighting resources; and
(f) Available funds for the purchase of insurance.
(3) If the committee and the forester agree the State Forester decides to purchase insurance,
the [forester] State Forester shall purchase insurance through the Oregon Department of Adminis-
trative Services [to cover any lawful expense incurred by the State Forestry Department, or contractors
or cooperators, that is payable by the Oregon Forest Land Protection Fund]. The insurance may be
obtained through negotiation or competitive bids, whichever is in the best interest of the state, its
contractors and cooperators.

(4) The Oregon Forest Land Protection Fund may not be charged for payment of more than one-
half of any premium for the insurance.

SECTION 26. ORS 477.777 is amended to read:
ORS 477.777. (1) As part of the preparation of the agency request budget submitted to the Oregon
Department of Administrative Services pursuant to ORS 291.208 for the State Forestry Department,
the State Forester shall prepare, in addition to any amounts budgeted for forest protection districts
pursuant to ORS 477.205 to 477.281, a request for a General Fund appropriation for the following
purposes:
(a) Providing funds for the purchase of emergency fire suppression costs insurance under ORS
477.775.
(b) Acquiring and placing centrally managed fire suppression resources for statewide use.
(c) Acquiring fast-mobilizing, short-term contingency resources to be used based on predictions
of severe fire weather, widespread lightning events or serious resource shortage due to a heavy fire
season in this state, in the western region of the United States or nationally.
(d) Enhancing forest protection district resources in cases where land productivity or other
economic factors seriously limit the ability of the [forester] State Forester to perform fire pro-
tection responsibilities.
(e) Mitigating forest patrol assessment rates in cases where land productivity or other economic
factors seriously limit the ability of the owners of forestlands in the forest protection district to
comply with ORS 477.210 (1).
(f) Providing funds for centralized administration costs.
(g) For deposit into the State Forestry Department Large Wildfire Fund established by
section 6 of this 2024 Act, providing funds for costs associated with obligations to the General
Fund due to estimated emergency firefighting costs.

(2) The State Forester shall utilize critical discretion in the expenditure of the funds provided
to the State Forestry Department pursuant to the separate request required under subsection (1) of
this section.

(3) The State Forester shall report to the Emergency Board, each year, after the close of the fire
season, on:
   (a) The nature and severity of the fire season;
   (b) The moneys expended on fire suppression, including moneys expended on resources ac-
       quired in accordance with subsection (1)(b) and (c) of this section and moneys expended for
       emergency firefighting costs;
   (c) The balance remaining from the biennial appropriation; and
   (d) Any matters arising out of the fire season that may require attention or warrant future
       consideration by the board or the Legislative Assembly.

(4) When reporting the nature and severity of the fire season under subsection (3) of this section,
for each fire consuming 1,000 or more acres, the State Forester shall provide information regarding
[the resulting losses on private lands of timber, buildings, fencing and livestock and of grazing land
capacity if the land is expected to be unavailable for two or more grazing seasons.]

   (a) The number of buildings that were damaged or destroyed by fire during the fire sea-
       son.
   (b) The number of acres of forestland that were burned during the fire season and an
       estimate of the economic value of the effects on the forestland.
   (c) The number of acres of grazing land that were burned during the fire season and an
       estimate of the economic value of the effects on the grazing land.
   (d) Any other information the State Forester deems relevant.

SECTION 27. ORS 291.055 is amended to read:

291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
tablish fees, all new state agency fees or fee increases adopted during the period beginning on the
date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date
of adjournment sine die of the next regular session of the Legislative Assembly:
   (a) Are not effective for agencies in the executive department of government unless approved
       in writing by the Director of the Oregon Department of Administrative Services;
   (b) Are not effective for agencies in the judicial department of government unless approved in
       writing by the Chief Justice of the Supreme Court;
   (c) Are not effective for agencies in the legislative department of government unless approved
       in writing by the President of the Senate and the Speaker of the House of Representatives;
   (d) Shall be reported by the state agency to the Oregon Department of Administrative Services
       within 10 days of their adoption; and
   (e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assem-
       bly as described in this subsection, unless otherwise authorized by enabling legislation setting forth
       the approved fees.

(2) This section does not apply to:
   (a) Any tuition or fees charged by a public university listed in ORS 352.002.
   (b) Taxes or other payments made or collected from employers for unemployment insurance re-
       quired by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contri-
butions and assessments calculated by cents per hour for workers’ compensation coverage required by ORS 656.506.

(c) Fees or payments required for:
(A) Health care services provided by the Oregon Health and Science University, by the Oregon Veterans’ Homes pursuant to ORS 408.362 and 408.365 to 408.385 and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.
(B) Copayments and premiums paid to the Oregon medical assistance program.
(C) Assessments paid to the Department of Consumer and Business Services under sections 3 and 5, chapter 538, Oregon Laws 2017.
(d) Fees created or authorized by statute that have no established rate or amount but are calculated for each separate instance for each fee payer and are based on actual cost of services provided.
(e) State agency charges on employees for benefits and services.
(f) Any intergovernmental charges.
(g) Forest protection district assessment rates established by ORS 477.210 to 477.265 [and the Oregon Forest Land Protection Fund fees established by ORS 477.760].
(h) State Department of Energy assessments required by ORS 456.595 and 469.421 (8).
(i) Assessments on premiums charged by the Director of the Department of Consumer and Business Services pursuant to ORS 731.804 or fees charged by the director to banks, trusts and credit unions pursuant to ORS 706.530 and 723.114.
(j) Public Utility Commission operating assessments required by ORS 756.310 or charges paid to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.
(k) Fees charged by the Housing and Community Services Department for intellectual property pursuant to ORS 456.562.
(L) New or increased fees that are anticipated in the legislative budgeting process for an agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted budget or the legislatively approved budget for the agency.
(m) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.
(n) Portal provider fees as defined in ORS 276A.270 and established by the State Chief Information Officer under ORS 276A.276 (3) and recommended by the Electronic Government Portal Advisory Board.
(o) Fees set by the State Parks and Recreation Director and approved by the State Parks and Recreation Commission under ORS 390.124 (2)(b).
(3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unexpected and temporary revenue surpluses may be increased to not more than their prior level without compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency specifies the following:
(A) The reason for the fee decrease; and
(B) The conditions under which the fee will be increased to not more than its prior level.
(b) Fees that are decreased for reasons other than those described in paragraph (a) of this subsection may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

ACREAGE ASSESSMENT

SECTION 28. ORS 477.880 is amended to read:
477.880. (1) An assessment for the cost of fire protection and suppression is levied upon the
owners of all forestland that has been classified under ORS 526.305 to 526.370 and that is protected
from the start or spread of fire thereon or therefrom by:

(a) The forester under ORS 477.210 (4), with the approval of the State Board of Forestry;
(b) The United States of America through contract or agreement with the forester or board;
(c) Any forest protective agency under contract or agreement with the forester or board pursuant to ORS 477.406; or
(d) Any forest protective agency, described in paragraph (c) of this subsection, under a contract or agreement with the United States of America wherein such agency agrees to protect specific federal forestlands, and in return, the United States of America agrees to protect specific lands of such agency.

(2)(a) [Except as otherwise provided in ORS 477.760,] For each fiscal year the assessment levied per acre of ownership of forestland designated in subsection (1) of this section shall be sufficient to collect $5 million.

[(a) Seven and one-half cents for all forestlands east of the summit of the Cascade Mountains and all forestlands which have been classified Class 3, agricultural class, under ORS 526.305 to 526.370; or]

[(b) Five cents for all forestlands not described in paragraph (a) of this subsection.]

(b)(A) Except as provided by subparagraph (B) of this paragraph, the rate established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2024 based on the Consumer Price Index for All Urban Consumers, West Region (All Items).

(B) If the annual adjustment under this paragraph results in a rate that is lower than the rate for the previous year, the rate shall remain unchanged from the previous year.

(3) The receipts from the assessment levied by this section shall be used for:

(a) Acquiring and placing centrally managed fire suppression resources for statewide use; and

(b) Acquiring fast-mobilizing, short-term contingency resources to be used based on predictions of:

(A) Severe fire weather;
(B) Widespread lightning events; or
(C) Serious resource shortages due to a heavy fire season in this state, in the western region of the United States or nationally.

SECTION 29. ORS 477.970 is amended to read:

477.970. The receipts from the assessment levied by ORS 477.880 shall be paid into the [Oregon Forest Land Protection Fund] State Treasury, credited to the State Forestry Department Account and expended for the purposes described in ORS 477.880 (3).

STATE FORESTRY DEPARTMENT STUDY

SECTION 30. (1) The State Forestry Department shall study the zone 1 designation described in ORS 476.310 and 476.320.

(2) On or before January 1, 2025, the department shall submit a report, in the manner prescribed by ORS 192.245, on the results of the study, and may include recommendations for legislation, to interim committees of the Legislative Assembly related to wildfire.

SECTION 31. Section 30 of this 2024 Act is repealed on January 2, 2026.
CAPTIONS

SECTION 32. The unit captions used in this 2024 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2024 Act.

EFFECTIVE DATE

SECTION 33. This 2024 Act takes effect on the 91st day after the date on which the 2024 regular session of the Eighty-second Legislative Assembly adjourns sine die.