Senate Bill 1593
Sponsored by Senator GOLDEN, Representatives HOLVEY, GAMBA; Senators DEMBROW, WOODS, Representatives HUDSON, PHAM K, RUIZ (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 as introduced. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would impose a new tax on the gross proceeds from the sale of unprocessed timber cut on private land larger than 500 acres held in common ownership. The Act would provide funding to counties and to protect homes, neighborhoods and water supplies from wildfire damage. The Act would repeal the current forest products harvest tax. The Act will be referred to the people at the 2024 general election. (Flesch Readability Score: 63.3).

Imposes a new tax on the gross proceeds from the sale of unprocessed timber harvested on private land in excess of 500 acres held in common ownership in this state. Repeals the current forest products harvest tax regime.

Refers the Act to the people for their approval or rejection at the next general election.

A BILL FOR AN ACT

Whereas protecting the lives of Oregonians and the safety and well-being of Oregon communities is at the heart of state government’s highest responsibility; and

Whereas Oregon has in recent years experienced increased drought, heat and wind conditions that are a central cause of historically enormous and destructive wildfires; and

Whereas many of those wildfires have devastated Oregon communities, causing loss of human life and enormous human suffering, immense economic costs, a growing crisis in the availability of affordable property insurance and persistent smoke episodes that substantially harm human health; and

Whereas the predominance of science-based forecasts indicates a continuation or intensification of climatic conditions that make Oregon landscapes increasingly susceptible to catastrophic fires into the indefinite future; and

Whereas the Legislative Assembly and the Governor responded to these developments in 2021 by enacting chapter 592, Oregon Laws 2021 (Enrolled Senate Bill 762), which appropriately invested approximately $200 million in wildfire programs for the 2021-2023 biennium; and

Whereas the 50 percent reduction in the 2023-25 biennium from the 2021-2023 investment made under SB 762 clearly indicates that the general fund capacity for wildfire program appropriations falls far short of levels needed to responsibly protect Oregonians and their communities; and

Whereas the total annual taxation of timber harvest in Oregon is currently a small percentage of what it was in the 1990s when local governments received substantial payments from a timber severance tax; and

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.

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Whereas the loss of timber-related revenues has made it increasingly difficult for financially
distressed Oregon counties to reliably provide essential services to their residents; and
Whereas a significant majority of Oregon's drinking water supplies are sourced from forested
watersheds, and recent studies link industrial forest practices with adverse impacts on the quality
and quantity of some of those water supplies, including dramatic reduction of stream flows in coastal
watersheds; and
Whereas the timber industry in Oregon comprises companies that markedly differ in size and
profitability, such that a tiered tax structure is more likely than a single flat tax structure to sustain
jobs and economic benefits for Oregon communities as well as viable economic circumstances for
small forestland owners; and
Whereas Oregonians care deeply about the safety and well-being of their communities and de-
serve a role in determining how services needed to secure those objectives should be funded on an
ongoing basis; and
Whereas the Legislative Assembly finds it appropriate to submit to Oregon voters for their ap-
proval this Fire Safe Homes, Communities, Forest and Drinking Water Protection Act of 2024; now,
therefore,
Be It Enacted by the People of the State of Oregon:

TIMBER SEVERANCE TAX

SECTION 1. (1) The purpose of this section is to provide permanent funding for forests,
fire safe communities, county services and drinking water protection through a timber
severance tax assessed on the sale of timber harvested on private land.

(2) As used in this section “common ownership” means:
(a) For entities, ownership in which a common parent holds a controlling interest of
more than 50 percent of an entity as determined by law.
(b) For individuals, ownership in which an individual has a controlling interest of more
than 50 percent of an entity as determined by law.

(3) A tax on the gross proceeds from the sale of unprocessed timber harvested on private
land in this state is imposed at a rate determined under subsection (4) of this section.

(4)(a) Except as provided in paragraph (b) of this subsection, the rate of the tax imposed
on gross proceeds under this section shall be based on the number of acres of private land
in excess of 500 acres held in common ownership according to the following schedule:
(A) Tier 1: More than 500 acres and not more than 1,000 acres: One percent.
(B) Tier 2: More than 1,000 acres and not more than 2,500 acres: Two percent.
(C) Tier 3: More than 2,500 acres and not more than 5,000 acres: Four percent.
(D) Tier 4: More than 5,000 acres: Six percent.
(b) For any entity that receives forest management certification from the Forest
Stewardship Council, the rate of the tax shall be:
(A) Tier 1: 0.6 percent.
(B) Tier 2: 1.6 percent.
(C) Tier 3: 3.6 percent.
(D) Tier 4: 5.7 percent.
(c) The State Forestry Department shall determine:
(A) The number of acres held in common ownership by an entity or individual.
(B) Eligibility for the discounts described in paragraph (b) of this subsection.

SECTION 2. (1) The tax imposed under section 1 of this 2024 Act shall be due and payable annually, on or before April 15, for the preceding calendar year. The tax shall be delinquent if not paid by the due date, which shall be determined without regard to any extension of time for filing the return.

(2)(a) Subject to the provisions relating to estimated tax payments provided in subsections (4) and (5) of this section, on or before April 15, each taxpayer shall:

(A) Make out a return on the form prescribed by the Department of Revenue showing the amount of the tax for which the taxpayer is liable for the preceding calendar year and the other information the department considers necessary to correctly determine the tax due; and

(B) Mail or deliver the return, together with a remittance for the amount of the tax, to the department.

(b) The return shall be signed and verified by the taxpayer or a duly authorized agent of the taxpayer.

(c) Whenever in its judgment good cause exists, the department may allow upon written application made on or before the due date further time not exceeding 30 days for filing a return.

(3) All payments received under this section shall be credited, first, to penalty and interest accrued, and then to tax due.

(4)(a) Each taxpayer expecting to incur a liability pursuant to this section in excess of $1,500 for any calendar year shall, on forms prescribed by the Department of Revenue, make and file with the department on or before the last day of the month following the end of each calendar quarter an estimate of the taxpayer's tax liability for the year.

(b) At least one-quarter of the estimated tax shall be remitted to the department with each estimated tax report and the balance shall be remitted to the department on or before the last day of January of the following calendar year, without regard to any extension of time for filing the return.

(5)(a) If the amount remitted with an estimated tax report filed on or before the due date thereof is at least 25 percent of the tax of the taxpayer as due for the calendar year preceding the year for which the report is made or at least 20 percent of the taxpayer's tax liability as due for the year for which the report is made, or 100 percent of the tax liability on the gross proceeds from the sale of unprocessed timber harvested on private land for the calendar quarter preceding the due date of the estimated tax report, no penalty or interest shall be charged.

(b) Otherwise a penalty in the form of interest at the rate established under ORS 305.220 shall be assessed for the period of delinquency calculated on the difference between the payment made and the payment that would have been due had the taxpayer estimated the liability for the quarter in an amount equal to the liability as due for such quarter.

(c) The provisions of ORS chapters 305 and 314 relating to penalties and interest shall not apply to the estimated tax payments described in this section.

SECTION 3. (1) The revenue from the tax imposed under section 1 of this 2024 Act shall be remitted to the State Treasurer who shall deposit it in a suspense account established under the provisions of ORS 293.445.

(2)(a) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary
to pay refunds of the tax imposed under section 1 of this 2024 Act hereby is appropriated continuously to the Department of Revenue from the suspense account referred to in subsection (1) of this section and shall be used by the department for the payment of all refunds of the tax that have been audited and approved by the department.

(b) Any penalties, interest and tax then due from the taxpayer shall be applied in that order in computing any refund, and only the balance due the taxpayer, if any, shall be refunded.

(c) The department shall on its records charge each refund against the revenue from the tax with respect to which the refund is made.

SECTION 4. (1) Subject to section 3 (2) of this 2024 Act, moneys remaining in the Department of Revenue's suspense account, referred to in section 3 of this 2024 Act, on February 10, May 10, August 10 and November 10 of each year shall be transferred as follows:

(a) Twenty-five percent to the State Forestry Department for deposit in the Fire Safe Homes, Communities, Forest and Drinking Water Protection Subaccount established under ORS 526.060.

(b) Twenty-five percent to the State Fire Marshal for deposit in the State Fire Marshal Fund established under ORS 476.055.

(c) Forty percent to the governing bodies of the counties from which the tax revenues are received.

(d) Ten percent to the Oregon Watershed Enhancement Board for deposit in the Natural Resources Subaccount established under ORS 541.942.

(2)(a) After withholding from the net revenues received under subsection (1)(a) of this section the actual costs of the State Forestry Department in administering the tax and verifying certification by the Forest Stewardship Council for purposes of the discount allowable under section 1 (4)(b) of this 2024 Act, the department shall distribute the net moneys for purposes of:

(A) Administering the Oregon Forest Practices Act;

(B) Wildfire workforce development and outreach programs for kindergarten through grade 12 public education and universities by Oregon State University in collaboration with the Higher Education Coordinating Commission; and

(C) Collaboration between the Oregon Conservation Corps Program and the Higher Education Coordinating Commission.

(b) Moneys distributed by the State Forestry Department under paragraph (a) of this subsection may not exceed the level of funding budgeted for each respective program listed in paragraph (a)(A), (B) and (C) for the 2023-2025 biennium, adjusted biennially for inflation since 2025 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.

(c) Any moneys received by the department under subsection (1)(a) of this section that exceed the amounts distributed in accordance with paragraphs (a) and (b) of this subsection may be used for prescribed burn programs and, in collaboration with other state agencies, public health programs related to hazardous wildfire smoke incidents.

(3) The State Fire Marshal shall use the net revenues received under subsection (1)(b) of this section for any activities delegated to the State Fire Marshal under law, with an emphasis on community risk reduction programs, including, but not limited to, home as-
sements and activities to increase the fire readiness of buildings and their surrounding landscapes, implemented in collaboration with local governments, firefighting organizations and private property owners.

(4)(a) Moneys distributed to counties under subsection (1)(c) of this section shall be allocated to each respective county in the proportion that the volume of unprocessed timber subject to the tax that is harvested on land in the county bears to the volume of unprocessed timber subject to the tax that is harvested on land in all the counties from which the tax revenues are received.

(b) The use by the counties of the moneys distributed under this subsection is unrestricted.

(5) Moneys distributed to the Oregon Watershed Enhancement Board under subsection (1)(d) of this section shall be used for the purposes of restoration, enhancement and water quantity and quality protection projects, with particular focus on protecting domestic water supplies and habitat conservation.

REPEAL OF THE FOREST PRODUCTS HARVEST TAX

SECTION 5. (1) ORS 321.015, 321.017, 321.045, 321.145, 321.152 and 321.185 are repealed.

(2) Sections 4, 5, 6 and 7, chapter 31, Oregon Laws 2022, are repealed.

SUBACCOUNT FOR SEVERANCE TAX REVENUE

SECTION 6. ORS 526.060 is amended to read:

526.060. (1) Except as provided in ORS 526.121, 530.147 and 530.280, all assessments, federal apportionments or contributions, and other moneys received by the forester or State Board of Forestry, shall be paid into the State Treasury and credited to the State Forestry Department Account, which is established separate and distinct from the General Fund. All moneys in the State Forestry Department Account are continuously appropriated, and shall be used by the forester, under the supervision and direction of the board, for the purposes authorized by law.

(2) The forester shall keep a record of all moneys deposited in the State Forestry Department Account. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the individual activity or program against which each withdrawal is charged. All moneys in the account received pursuant to ORS 527.610 to 527.770 and 527.992 shall be used only for carrying out the duties, functions and powers of the State Forestry Department in administering ORS 527.610 to 527.770 and 527.992.

(3) The Urban and Community Forestry Subaccount is established as a subaccount of the State Forestry Department Account. Moneys in the Urban and Community Forestry Subaccount are continuously appropriated to the State Forestry Department to be used for urban and community forest activities described in ORS 469.634 and 469.652.

(4) The State Forest Enhancement Donation Subaccount is established as a subaccount to the State Forestry Department Account. Moneys in the State Forest Enhancement Donation Subaccount are continuously appropriated to the State Forestry Department to be used for the purposes described in ORS 526.065.

(5) The State Forest Nursery Subaccount is established as a subaccount to the State Forestry Department Account. Moneys in the State Forest Nursery Subaccount are continuously appropriated
to the State Forestry Department to be used for the purposes described in ORS 526.235.

(6) The State Forest Tree Seed Bank Subaccount is established as a subaccount to the State Forestry Department Account. Moneys in the State Forest Tree Seed Bank Subaccount are continuously appropriated to the State Forestry Department to be used for the purposes described in ORS 526.470.

(7) The State Forest Tree Seed Orchard Subaccount is established as a subaccount to the State Forestry Department Account. Moneys in the State Forest Tree Seed Orchard Subaccount are continuously appropriated to the State Forestry Department to be used for the purposes described in ORS 526.472.

(8) The Fire Safe Homes, Communities, Forest and Drinking Water Protection Subaccount is established as a subaccount to the State Forestry Department Account. Moneys in the Fire Safe Homes, Communities, Forest and Drinking Water Protection Subaccount are continuously appropriated to the State Forestry Department to be used for the purposes described in section 4 (2) of this 2024 Act.

[8](9) Notwithstanding ORS 291.238, the moneys credited to the subaccounts established under subsections (5), (6), [and] (7) and (8) of this section shall be continuously available on a revolving basis.

CONFORMING AMENDMENTS

SECTION 7. 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) “Committee” means the Emergency Fire Cost Committee.]
[(5) (1) “Forestland” means any land producing forest products.

[(6) (2) “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) (3) “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) (4) “Taxpayer” means the owner of timber at time of harvest.]

[6]
"Taxes" means the taxes provided for in ORS 321.015.

“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.

“Timber” means all logs which can be measured in board feet and other forest products as determined by [department] the Department of Revenue rule.

SECTION 8. ORS 321.011 is amended to read:

321.011. The prevention and suppression of 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 accomplishment 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 9. ORS 321.550 is amended to read:

321.550. (1) No person shall harvest or cause to be harvested any timber from land in Oregon without first having notified the State Forester in writing with a copy to the Department of Revenue on forms prepared by the State Forester and the department of intent to harvest pursuant to ORS [321.005 to 321.185,] 321.560 to 321.600 [and] or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act.

(2) The notification shall specify where and when the harvest will take place and the nature of the harvest and shall include maps and other data as required by the State Forester and the department. The department shall establish by rule procedures to assure the receipt of the tax returns sent out or a report of nonharvest from the person. The department shall conduct field and office audits to ascertain the correctness of any timber tax return.

(3)(a) If a person fails to file a written notice as required in subsection (1) of this section with respect to any harvest over 5,000 board feet, the department shall notify the person. If, after the person has been notified, the person fails to file a written notice as required in subsection (1) of this section with respect to any subsequent harvest over 5,000 board feet, there shall be added to the amount of the timber tax required to be shown on the return as a result of the subsequent harvest a delinquency penalty of $250 for each violation occurring within a calendar year. The department shall collect the penalty in the same manner as taxes are collected.

(b) No penalty shall be imposed under this subsection if a penalty for failure to file the notice with the State Forester has been imposed under ORS 527.992.

(c) The delinquency penalty shall first be added to the small tract forestland timber severance tax imposed under ORS 321.700 to 321.754, if applicable to the harvest. If the small tract forestland timber severance tax is not applicable, the delinquency penalty shall be added to the [forest products harvest] tax imposed under [ORS 321.005 to 321.185] sections 1 to 4 of this 2024 Act.
SECTION 10. ORS 321.560 is amended to read:

321.560. (1) The provisions of ORS chapters 305 and 314 as to the audit and examination of reports and returns, determination of deficiencies, liens, assessments, claims for refund, conferences and appeals to the Oregon Tax Court, and the procedures relating thereto, apply to the determination of taxes, penalties and interest imposed under ORS [321.005 to 321.185,] 321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act, except where the context requires otherwise.

(2) If a taxpayer fails to file a return required by ORS [321.045 or] 321.700 to 321.754 or section 2 of this 2024 Act, or fails to pay a tax at the time the tax becomes due, there shall be added to the amount of tax required to be shown on the return a delinquency penalty of five percent of the amount of such tax.

(3) If the failure to file a return continues for a period in excess of three months after the due date, there shall be added to the amount of tax required to be shown on the return a failure to file penalty of 20 percent of the amount of such tax. This penalty is in addition to the delinquency penalty imposed by subsection (2) of this section.

(4) If all or any part of the delinquency or deficiency for which a determination is made is due to fraud or an intent to evade the provisions of ORS [321.005 to 321.185,] 321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act, or the rules adopted thereunder, a penalty of 100 percent of such delinquency or deficiency shall be added, plus interest at the rate established under ORS 305.220, computed on the full amount of the delinquency or deficiency plus penalty, from the time the return was due.

(5) For purposes of this section, the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax that is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax that may be lawfully claimed upon the return.

(6) A delinquent tax or a deficiency shall bear interest at the rate established under ORS 305.220 from the time the return was due.

SECTION 11. ORS 321.570 is amended to read:

321.570. (1) If any tax imposed [by ORS 321.005 to 321.185,] under ORS 321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act, or any portion of the tax, is not paid within 30 days after the date that the written notice and demand for payment required under ORS 305.895 is mailed, the Department of Revenue may issue a warrant for the payment of the amount of the tax, with the added penalties, interest and cost of executing the warrant. A copy of the warrant shall be mailed or delivered to the taxpayer by the department at the taxpayer’s last-known address.

(2) At any time after issuing a warrant under this section, the department may record the warrant in the County Clerk Lien Record of any county of this state. Recording of the warrant has the effect described in ORS 205.125. After recording a warrant, the department may direct the sheriff for the county in which the warrant is recorded to levy upon and sell the real and personal property of the taxpayer found within that county, and to levy upon any currency of the taxpayer found within that county, for the application of the proceeds or currency against the amount reflected in the warrant and the sheriff’s cost of executing the warrant. The sheriff shall proceed on the warrant in the same manner prescribed by law for executions issued against property pursuant to a judgment, and is entitled to the same fees as provided for executions issued against property pursuant to a judgment. The fees of the sheriff shall be added to and collected as a part of the warrant liability.

(3) In the discretion of the department a warrant under this section may be directed to any
agent authorized by the department to collect this tax. In the execution of the warrant the agent
has the powers conferred by law upon sheriffs, but is entitled to no fee or compensation in excess
of actual expenses paid in the performance of such duty.

(4) Until a warrant issued under this section is satisfied in full, the department has the same
remedies to enforce the claim for taxes against the taxpayer as if the state had recovered judgment
against the taxpayer for the amount of the tax.

SECTION 12. ORS 321.580 is amended to read:
321.580. If any taxpayer neglects or refuses to make a return required to be made [by ORS
321.005 to 321.185,] under ORS 321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this
2024 Act, the Department of Revenue is authorized to determine the tax due, based upon any in-
formation in its possession or that may come into its possession. The department shall give the
taxpayer written notice of the tax and delinquency charges and the tax and delinquency charges
shall be a lien from the time of severance. If the tax and delinquency charges are not paid within
30 days from the mailing of the notice, the department shall proceed to collect the tax in the manner
provided in ORS 321.570.

SECTION 13. ORS 321.600 is amended to read:
321.600. All taxes, interest and penalties due and unpaid under ORS [321.005 to 321.185,] 321.560
to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act constitute a debt due the State
of Oregon and may be collected, together with interest, penalty and costs, by appropriate judicial
proceeding, which remedy is in addition to all other existing remedies. However, no proceeding for
the collection of taxes under ORS [321.005 to 321.185,] 321.560 to 321.600 or 321.700 to 321.754 or
sections 1 to 4 of this 2024 Act shall be instituted after the expiration of six years from the date
the taxes were due.

SECTION 14. ORS 321.609 is amended to read:
321.609. (1) ORS [321.005 to 321.185,] 321.560 to 321.600 and 321.700 to 321.754 and sections 1
to 4 of this 2024 Act shall be enforced and the taxes imposed [by ORS 321.005 to 321.185,] under
ORS 321.560 to 321.600 and 321.700 to 321.754 and sections 1 to 4 of this 2024 Act shall be col-
lected by the Department of Revenue, which shall have the power to prescribe forms and to adopt
rules for the ascertainment, assessment and collection of the taxes imposed [by ORS 321.005 to
321.185,] under ORS 321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act.

(2) For the purpose of determining the taxes imposed [by ORS 321.005 to 321.185,] under ORS
321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 4 of this 2024 Act, the department may:
(a) Require any person to furnish any information deemed necessary.
(b) Examine the books, records and files of such person.
(c) Subpoena and examine witnesses and administer oaths.
(d) Enter upon and inspect the land of any owner of the land from which any timber has been
harvested.

SECTION 15. ORS 321.682 is amended to read:
321.682. (1)(a) Except as otherwise specifically provided by law, it shall be unlawful for the
Department of Revenue or any officer or employee of the department to divulge or make known in
any manner the amount of the tax or any particulars set forth or disclosed in any report or return
required to be filed under ORS [321.045 or] 321.741 or section 2 of this 2024 Act or any appraisal
data collected to make determinations of specially assessed value of forestland pursuant to ORS
321.201 to 321.222.

(b) It shall be unlawful for any person or entity to whom information is disclosed or given by
the department pursuant to ORS 321.684 (2) or any other provision of state law to divulge or use such information for any purpose other than that specified in the provisions of law authorizing the use or disclosure.

(c) No subpoena or judicial order shall be issued compelling the department or any of its officers or employees, or any person who has acquired information pursuant to ORS 321.684 (2) or any other provision of state law, to divulge or make known the amount of tax or any particulars set forth or disclosed in any report or return except where the taxpayer’s liability for timber tax is to be adjudicated by the court from which such process issues.

(2) As used in this section, “officer,” “employee” or “person” includes an authorized representative of the officer, employee or person, or any former officer, employee or person, or an authorized representative of such former officer, employee or person.

SECTION 16. ORS 321.684 is amended to read:

321.684. (1) The Department of Revenue may:
(a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or authorized representative, a copy of the taxpayer’s [forest products harvest tax] report or return required [by ORS 321.045 or] under ORS 321.741 or section 2 of this 2024 Act that is filed with the department for any year, or a copy of any report filed by the taxpayer in connection with the return.
(b) Publish a list of taxpayers who are entitled to unclaimed tax refunds.
(c) Publish statistics classified so as to prevent the identification of taxable value or any particulars contained in any report or return.
(d) Disclose a taxpayer’s name, address and Social Security number or employer identification number to the extent necessary in connection with the processing and mailing of forms for any report or return required in the administration of ORS [321.045 and] 321.741 or section 2 of this 2024 Act.
(e) Disclose to the State Forester, upon request of the forester, for the purpose of soliciting nominations and recommendations referred to in ORS 526.610, the names of producers meeting producer class qualifications established under ORS 526.610 who filed [forest products harvest] tax returns under section 2 of this 2024 Act.
(f) Disclose appraisal data collected to make determinations of specially assessed value of forestland under ORS 321.201 to 321.222 to any member of a forestland value advisory committee the department has convened under ORS 321.213.
    (2) The department also may disclose and give access to information described in ORS 321.682 to:
    (a) The Commissioner of Internal Revenue or authorized representative, for tax purposes only.
(b) The United States Forest Service, Bureau of Land Management and the State Forestry Department pursuant to their regulatory programs and for investigative purposes related to timber theft.
    (c) The Attorney General, assistants and employees in the Department of Justice or other legal representative of the State of Oregon, to the extent the department considers disclosure or access necessary for the performance of the duties of advising or representing the department pursuant to ORS [321.045 and] 321.741 and section 2 of this 2024 Act.
    (d) Employees of the State of Oregon, other than the Department of Revenue or Department of Justice, to the extent the department considers disclosure or access necessary for such employees to perform their duties under contracts or agreements between the department and any other department, agency or subdivision of the State of Oregon in the department’s administration of the tax
(e) The Legislative Revenue Officer or the authorized representative of the Legislative Revenue Officer upon compliance with ORS 173.850. The officer or representative may not remove from the premises of the department any materials that would reveal the identity of any taxpayer or any other person or the volume of harvest and value reported on individual returns and reports.

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

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

SECTION 17. ORS 321.824 is amended to read:

321.824. (1) Lands assessed by the Department of Revenue pursuant to ORS 308.505 to 308.674 or 308.805 to 308.820 may not be assessed under ORS 321.805 to 321.855.

(2) Land used exclusively for growing cultured Christmas trees may not be assessed under ORS 321.805 to 321.855.

(3) Land that is used to grow hardwood timber, including but not limited to hybrid cottonwood, may not be assessed under ORS 321.805 to 321.855 if:

(a) The land is prepared using intensive cultivation methods and is cleared of competing vegetation for at least three years after tree planting;

(b) The timber is of a species marketable as fiber for inclusion in the furnish for manufacturing paper products;

(c) The timber is harvested on a rotation cycle within 12 years after planting; and

(d) The land and timber are subject to intensive agricultural practices such as fertilization, insect and disease control, cultivation and irrigation.

(4) Nothing contained in ORS 321.805 to 321.855 shall prevent:

(a) The collection of ad valorem property taxes that became a lien against timber prior to July 1, 1962.

(b) The collection of taxes, charges or assessments made pursuant to law for protection.

(c) The collection of taxes levied under [the provisions of ORS 321.005 to 321.185 and] ORS 321.560 to 321.600 or sections 1 to 4 of this 2024 Act.

SECTION 18. ORS 321.991 is amended to read:

321.991. Violation of any provision of ORS [321.005 to 321.185 and] ORS 321.560 to 321.600 and sections 1 to 4 of this 2024 Act is a Class A misdemeanor.

SECTION 19. ORS 526.490 is amended to read:

526.490. (1) It is the policy of the State of Oregon to encourage the afforestation of idle land for the purpose of establishing commercial forests if such afforestation is consistent with landowner objectives. The purpose of this section is to provide an incentive for afforestation by providing as-
(2) As used in this section:

(a) “Free to grow” means a stand of well-distributed trees that has a high probability of remaining or becoming vigorous, healthy and dominant over undesired competing vegetation.

(b) “Merchantable stand of timber” means any stand on forestlands containing living or dead timber which is being or can be harvested.

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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 21. 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. This 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. 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.

[(2) 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 22. 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.

(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 protection district;

(b) Paying necessary administrative expenses, not to exceed the limit authorized by the Legislative 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 resources on a statewide basis; and

(e) Paying for nonroutine purchases of supplemental fire prevention, detection or suppression resources that will enhance the ability of the forester to perform fire protection responsibilities within a forest protection district.

(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 23. 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 meet and determine the unencumbered balance of the fund as of the preceding February 16.

(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,] surcharge and 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) (A) The surcharge on developed lots referred to in ORS 477.277.]

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

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

(b) The increases to [taxes,] the surcharge and 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 24. ORS 350.525 is amended to read:

350.525. ORS 350.500 to 350.530 do not establish any obligation or expectation for the appropriation of General Fund moneys to the subaccount described in ORS 350.520 [or any obligation or expectation that moneys from forest products harvest taxes will be increased or reallocated for deposit to the subaccount described in ORS 350.520].

SECTION 25. ORS 526.675 is amended to read:

526.675. [(I)] The Oregon Forest Resources Institute Fund is created in the State Treasury, separate and distinct from the General Fund. Except as otherwise provided by law, all moneys re-
ceived by the Oregon Forest Resources Institute shall be paid into the State Treasury and credited
to the fund. All moneys in the fund are appropriated continuously to the institute to carry out its
duties, functions and powers. Interest earnings on all moneys in the fund shall be retained in the
fund.

[(2) The board of directors of the institute may repay moneys from the fund to persons who paid
a privilege tax levied under ORS 321.017. The board may repay the amount of tax paid upon applica-
tion by the person who paid the tax. The board shall adopt rules necessary for the implementation of
this subsection. Rules adopted by the board shall include standards for the repayment of moneys and
limits on the amount that may be requested.]