

Requested by Senator GOLDEN

**PROPOSED AMENDMENTS TO
SENATE BILL 1593**

1 On page 1 of the printed bill, line 2, after the first semicolon delete the
2 rest of the line and delete lines 3 through 6 and insert “and declaring an
3 emergency.”.

4 Delete lines 7 through 26 and delete pages 2 through 15 and insert:

5 **“SECTION 1. (1) The State Forester shall conduct a study of the**
6 **proposed private and public severance taxes described in section 2 of**
7 **this 2024 Act.**

8 **“(2) The State Forestry Department shall provide staff time in**
9 **support of the study.**

10 **“(3) The purpose of the study is to:**

11 **“(a) Assess the likely efficiency and cost-effectiveness of the ongo-**
12 **ing administration of the proposed severance taxes described in section**
13 **2 of this 2024 Act.**

14 **“(b) Assess the significant potential challenges of the ongoing ad-**
15 **ministration of the proposed severance taxes and any revisions that**
16 **could reduce the challenges.**

17 **“(c) Assess the general adequacy of the proposed severance taxes**
18 **to achieve the goal of adequate, long-term funding of necessary**
19 **wildfire programs, assuming that the state general fund continues to**
20 **provide \$50 million per biennium for wildfire programs.**

21 **“(d) Quantify the overall revenue benefit accruing to counties and**

1 **other taxing districts in counties where timber is harvested.**

2 **“(e) Quantify the revenue likely to be provided to the Oregon**
3 **Watershed Enhancement Board for water supply restoration and pro-**
4 **tection.**

5 **“(f) Assess the trend lines of tax contribution from the forest pro-**
6 **ducts industry for wildfire and forestry programs and receipts to local**
7 **governments and public service districts, from 1990 to the present.**

8 **“(g) Assess the trend lines of what Oregon taxpayers and property**
9 **owners as a whole have paid for wildfire and forestry programs, from**
10 **1990 to the present.**

11 **“(h) Estimate what real estate investment trusts owning commer-**
12 **cial forestland currently pay in taxes to the State of Oregon based on**
13 **timber harvest activity and what they would pay if the proposed**
14 **severance taxes were enacted into law.**

15 **“(4) In conducting the study the State Forester shall seek consul-**
16 **tation from:**

17 **“(a) Any faculty member at a public Oregon university with a pro-**
18 **fessional focus on natural resource management and economics, or**
19 **on tax policy, preferably with an emphasis on the elements of equity,**
20 **fairness and public acceptance.**

21 **“(b) Representatives of the following organizations, or other indi-**
22 **viduals recommended by the following organizations:**

23 **“(A) The Association of Oregon Counties.**

24 **“(B) The Oregon Center for Public Policy.**

25 **“(C) The Forest Stewardship Council.**

26 **“(D) The Oregon Forest Industries Council.**

27 **“(E) The Oregon Fire District Directors Association.**

28 **“(F) The League of Women Voters of Oregon.**

29 **“(c) Any person able to provide expert or specialized testimony on**
30 **any topic related to the proposed severance taxes.**

1 “(d) Any other individual whose participation the State Forester, in
2 consultation with the State Fire Marshal, believes would add value to
3 the study.

4 “(5)(a) Not later than November 15, 2024, the State Forester shall
5 submit a report of the findings of the study to the interim committees
6 of the Legislative Assembly related to natural resources and water.

7 “(b) The report shall include responses to these questions:

8 “(A) What elements exist in taxation and wildfire funding policies
9 in other western states that resemble elements in the proposed
10 severance taxes?

11 “(B) What, if any, provisions have other states adopted that are
12 worth considering for improving the proposed severance taxes?

13 “(C) What, if any, specific revisions to the proposed severance taxes
14 have the potential to increase the taxes’ revenue productivity, admin-
15 istrative efficiency and acceptability to Oregon citizens, or to reduce
16 any potential adverse effects to parties who would pay taxes under the
17 proposal?

18 “(D) Is there anything else related to the proposed severance taxes
19 that deserves focused attention from policymakers?

20 “(6)(a) The State Forester may invite the leaders of the House and
21 Senate Republican caucuses and the leaders of the House and Senate
22 Democratic caucuses to provide two individuals per leader for inter-
23 views seeking assessments of the proposed severance taxes’ quality
24 from a public policy perspective.

25 “(b) Of the individuals selected by each caucus leader:

26 “(A) At least one individual shall be a current member of the
27 leader’s caucus.

28 “(B) One may be a caucus member or anyone else the leader selects.

29 “(c) Acceptance of an interview invitation is voluntary. A caucus
30 leader has no obligation to designate individuals to be interviewed.

1 **Proposed individuals have no obligation to accept.**

2 **“(d) Insofar as reasonable, the interview questions shall be identical**
3 **for all individuals interviewed.**

4 **“(e) An interview may not last longer than 30 minutes.**

5 **“(f) The content or a summary of any interview may be included in**
6 **the report required under subsection (5) of this section.**

7 **“SECTION 2. (1) The proposal for separate private and public**
8 **severance taxes to be studied by the group under section 1 of this 2024**
9 **Act is described in this section.**

10 **“(2)(a) The purpose of the proposed severance taxes would be to**
11 **provide permanent funding for forests, fire safe communities, county**
12 **services and drinking water protection through a timber severance tax**
13 **assessed on the sale of timber harvested on private land.**

14 **“(b) The taxes would be imposed in lieu of the current forest prod-**
15 **uct harvest taxes, which would be repealed.**

16 **“(3)(a) The private severance tax would be imposed on the stumpage**
17 **value of unprocessed timber harvested on private land, in excess of the**
18 **value of the first 25,000 feet, board measure, of unprocessed timber**
19 **harvested annually by the taxpayer, based on the number of acres of**
20 **private land held in common ownership according to the following**
21 **schedule:**

22 **“(A) Tier 1: Not more than 500 acres: One percent.**

23 **“(B) Tier 2: More than 500 acres and not more than 1,500 acres: Two**
24 **percent.**

25 **“(C) Tier 3: More than 1,500 acres and not more than 3,000 acres:**
26 **Three percent.**

27 **“(D) Tier 4: More than 3,000 acres and not more than 4,000 acres:**
28 **Four percent.**

29 **“(E) Tier 5: More than 4,000 acres and not more than 5,000 acres:**
30 **Five percent.**

1 **“(F) Tier 6: More than 5,000 acres: Six percent.**

2 **“(b) A nonrefundable credit against the private severance tax would**
3 **be available at the rate of 25 percent of the taxpayer’s net income tax**
4 **from the sale of timber.**

5 **“(c) For purposes of the private severance tax, the taxpayer would**
6 **be the landowner.**

7 **“(4)(a) The public severance tax would be imposed at the rate of five**
8 **percent on the stumpage value of unprocessed timber harvested on**
9 **public land, in excess of the value of the first 25,000 feet, board meas-**
10 **ure, of unprocessed timber harvested annually by a taxpayer.**

11 **“(b) The taxpayer for the public severance tax would be the first**
12 **person not exempt from ad valorem property taxes to acquire legal**
13 **title or beneficial rights to the timber after felling when the trees were**
14 **owned by a state, federal or other tax-exempt person, such as the**
15 **United States Forest Service or the Bureau of Land Management.**

16 **“(5) A discount of 20 percent against both proposed severance taxes**
17 **would be available for any entity that receives forest management**
18 **certification from the Forest Stewardship Council. The State Forestry**
19 **Department would determine the acreage held in common ownership**
20 **for the proposed private severance tax and eligibility for the discount**
21 **for both proposed severance taxes.**

22 **“(6) The proposed private and public severance taxes would be col-**
23 **lected by the Department of Revenue in a manner similar to the cur-**
24 **rent provisions governing the collection of the forest products harvest**
25 **tax.**

26 **“(7) The net revenues after payments of refunds would be contin-**
27 **uously appropriated to the Department of Revenue for distribution as**
28 **follows, in amounts capped by the funding amount budgeted for each**
29 **expense in the current biennium, indexed for inflation:**

30 **“(a) Twenty-five percent to the State Forestry Department for the**

1 following purposes:

2 “(A) Administering the Oregon Forest Practices Act;

3 “(B) Education and research for wildfire workforce development by
4 the Oregon State University College of Forestry;

5 “(C) Outreach programs for kindergarten through grade 12 public
6 education and universities by Oregon State University in collaboration
7 with the Higher Education Coordinating Commission;

8 “(D) Collaboration between the Oregon Conservation Corps program
9 and the Higher Education Coordinating Commission; and

10 “(E) State Forestry Department fire suppression programs.

11 “(b) Twenty-five percent to the State Fire Marshal for any activities
12 delegated to the State Fire Marshal under law, with an emphasis on
13 community risk reduction programs, including, but not limited to,
14 home assessments and activities to increase the fire readiness of
15 buildings and their surrounding landscapes, implemented in collab-
16 oration with local governments, firefighting organizations and private
17 property owners.

18 “(c) Forty percent to the governing bodies of the counties from
19 which the tax revenues are received with no restriction on their use.

20 “(d) Ten percent to the Oregon Watershed Enhancement Board for
21 the purposes of restoration, enhancement and water quantity and
22 quality protection projects, with particular focus on protecting do-
23 mestic water supplies and habitat conservation.

24 “(8) Nothing in this section may be interpreted to mean that
25 enactment of this section will by itself impose the proposed severance
26 taxes described in this section.

27 “SECTION 3. This 2024 Act being necessary for the immediate
28 preservation of the public peace, health and safety, an emergency is
29 declared to exist, and this 2024 Act takes effect on its passage.”.

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