HB 4133-5 (LC 102) 2/24/24 (ASD/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Nancy Nathanson)

# PROPOSED AMENDMENTS TO HOUSE BILL 4133

- On page 1 of the printed bill, line 2, after "provisions;" delete the rest
- of the line and delete lines 3 through 6 and insert "amending ORS 291.055,
- 3 321.005, 321.011, 321.012, 321.015, 321.017, 477.001, 477.205, 477.230, 477.232,
- 4 477.270, 477.277, 477.281, 477.295, 477.440, 477.445, 477.450, 477.455, 477.460,
- 5 477.750, 477.755, 477.760, 477.770, 477.775, 477.777, 477.880, 477.960 and 477.970;
- 6 repealing ORS 477.277 and 477.295; prescribing an effective date; and provid-
- 7 ing for revenue raising that requires approval by a three-fifths majority.".
- 8 On page 2, delete lines 19 through 23 and insert:
- 9 "(b)(A) The rate set under paragraph (a) of this subsection for any cal-
- endar year shall be adjusted by the percentage, if any, by which the monthly
  - averaged Consumer Price Index for All Urban Consumers, West Region (All
- 12 Items) for the 12 consecutive months ending August 31 of the prior calendar
- 13 year exceeds the monthly averaged index for the 12 consecutive months
- 14 ending August 31, 2024.

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- 15 "(B) The adjustment computed under subparagraph (A) of this paragraph
- shall be rounded to the nearest one-tenth of a cent.".
- On page 4, after line 29, insert:
- 18 "SECTION 5a. The amendments to ORS 321.005, 321.011, 321.012,
- 19 321.015 and 321.017 by sections 1 to 5 of this 2024 Act apply to calendar
- 20 years beginning on or after January 1, 2025.".
  - Delete lines 33 through 39 and insert:

- "SECTION 6. (1) The State Forestry Department Large Wildfire
- 2 Fund is established in the State Treasury, separate and distinct from
- 3 the General Fund.
- 4 "(2) The State Forestry Department Large Wildfire Fund shall be
- 5 held by the State Treasurer as a trust fund for use by the State
- 6 Forestry Department for wildfire mitigation and suppression. The
- 7 State Treasurer shall deposit and invest moneys in the fund as pro-
- 8 vided by law, taking into account its uses. Interest earned by the fund
- 9 shall be credited to the fund.
- 10 "(3) The fund consists of moneys appropriated by the Legislative
- 11 Assembly for deposit in the fund and other moneys appropriated to,
- allocated to, deposited in or transferred to the fund by the Legislative
- 13 Assembly or otherwise.".
- On page 5, line 6, delete "and".
- Delete lines 7 and 8 and insert:
- "(b) The following services, provided statewide and in areas of this state
- 17 by the department:
- 18 "(A) Fire management on forestland;
- 19 "(B) Emergency response and support; and
- 20 "(C) Other services not described in this paragraph; and
- 21 "(c) The procurement of supplies related to purposes described in this
- 22 subsection.".
- On page 6, line 29, delete "fire" and insert "forest".
- Delete lines 36 through 45.
- On page 7, delete lines 1 through 12 and insert:
- **"SECTION 9.** ORS 477.230 is amended to read:
- "477.230. (1) The annual cost of protection provided by the [forester] **State**
- 28 **Forester** for forestland within a forest protection district shall be as [fol-
- 29 lows: described in this section.
- "(a)] (2)(a) Grazing land within the district shall be protected by the

- 1 [forester] State Forester at [a pro rata cost] the following per acre costs
- 2 for all grazing land within the district boundary[. However, forest patrol as-
- 3 sessments levied and assessed under ORS 477.270 against such lands that are
- 4 not owned by public agencies may not exceed one-half of the pro rata cost per
- 5 acre], exclusive of any assessment per acre under ORS 477.880[.]:
- 6 "(A) For 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.
- "[(b)] (3) 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] **timberland** that [are] **is** 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.
- "[(2)] (4) The cost of protection described in this section shall be in accordance with a budget for the district approved by the State Board of Forestry.".
- In line 23, after "rate" insert "for timberland, as described in ORS 477.230 (4),".
- 29 After line 24, insert:

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"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 3 477.281, in providing protection for privately owned forestland shall be a lien 4 upon such property, shall be reported by the forester to the governing body 5 of the county in which the lands are situated on or after July 1 of each fiscal 6 year, and shall be levied and collected by the governing body with the next 7 taxes on the land in the same manner and with the same interest, penalty 8 and cost charges as apply to ad valorem property taxes in this state. The 9 governing body shall instruct the proper officer to extend the amounts on the 10 assessment roll in a separate account, and the procedure provided by law for 11 the collection of taxes and delinquent taxes shall apply. Upon collection 12 thereof, the governing body shall repay the entire amount collected to the 13 forester. 14
  - "(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)] (4), 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.".
  - On page 8, delete lines 8 through 17 and insert:

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- **"SECTION 12.** ORS 477.281 is amended to read:
- 2 "477.281. (1) The obligation of an owner of timberland or grazing land for
- 3 payment of assessments and taxes for fire protection of forestland is limited
- 4 to:

- 5 "(a) The payment of moneys pursuant to ORS 321.015 (2), 477.277[,] and
- 6 477.295[, 477.760 (4) and 477.880 to maintain] to the Oregon Forest Land
- 7 Protection Fund; [and]
- 8 "(b) The payment of forest protection district assessments pursuant to
- 9 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
- 12 grazing land for payment of assessments and taxes for fire protection of
- 13 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.".
- On page 9, after line 27, insert:

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#### "FUTURE REPEAL OF MINIMUM ASSESSMENT AND SURCHARGE

- 20 "SECTION 13a. ORS 477.277 and 477.295 are repealed.
- 21 "SECTION 13b. The repeal of ORS 477.277 and 477.295 by section 13a
- of this 2024 Act becomes operative on July 1, 2026.".
- On page 10, after line 43, insert:
- "(4) Prior to the beginning of each fiscal year, distribute payments for the
- 25 fiscal year budgets of forest protection districts to the State Forestry De-
- 26 partment and forest protection districts.".
- On page 11, delete lines 38 through 45.
- On page 12, delete lines 1 through 28 and insert:
- 29 **"SECTION 21.** ORS 477.755 is amended to read:
- "477.755. (1) As used in this section, 'annual expenditure' means the ex-

- penses of the Oregon Forest Land Protection Fund obligated in any 12-month
- 2 period [designated by the Emergency Fire Cost Committee by rule, corre-
- 3 sponding to the policy period of any insurance for emergency fire costs], con-
- 4 sistent with the fiscal year budgeting of the State Forestry
- 5 Department.

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- 6 "(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land
- 7 Protection Fund are continuously appropriated to the Emergency Fire Cost
- 8 Committee for the purposes of:
- 9 "[(a) Equalizing emergency fire suppression costs for safeguarding 10 forestland in any forest protection 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 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)] (c) 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[.]; and
  - "(d) Issuing loans to the department or forest protection associations that relate to necessary 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]"

- 1 "[(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;]
- 6 "[(C) Contributions to the payment of emergency fire suppression costs in-
- 7 surance premiums, subject to the payment limitation established in ORS
- 8 477.775 (4);]
- 9 "[(D) The lesser of \$3 million or three-fifths of the actual cost of activities 10 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.]".
- In line 32, delete "reserve base" and insert "administration".
- On page 13, delete lines 29 through 40 and insert:
- **"SECTION 24.** ORS 477.770 is amended to read:
- 16 "477.770. (1) In addition to the rules described in ORS 477.760, the 17 Emergency Fire Cost Committee shall promulgate rules relating to the dis-
- position 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 20 protection district expend an amount for emergency fire suppression not to ex-21 ceed a per acre amount determined to be 10 percent of the total budgeted 22 amount of all districts as set forth in ORS 477.220 to 477.415 divided by the 23 total protected acres of all districts. However, any such amount per acre shall 24 apply uniformly to each forest protection district], before receiving a re-25 imbursement for emergency fire costs, forest protection districts ex-26 pend a specified amount. 27
- 28 "(b) Set forth a process for reviewing the disbursement of moneys 29 from the fund.
  - "(c) Establish best practices for reviewing:

## "(A) Forest protection district budgets; and

- "(B) Emergency fire suppression costs.".
- On page 14, delete lines 36 through 39 and insert: 3
- "(f) Providing funds for centralized administration costs. 4
- "(g) For deposit into the State Forestry Department Large Wildfire Fund 5 established by section 6 of this 2024 Act, providing funds for costs associated 6 with obligations to the General Fund due to estimated emergency firefighting 7 costs.".
- On page 15, line 1, after "suppression" insert ", including moneys ex-9 pended on resources acquired in accordance with subsection (1)(b) and (c) 10 of this section and moneys expended for emergency firefighting costs". 11
  - On page 16, delete lines 32 through 35 and insert:

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#### "ACREAGE ASSESSMENT

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## **"SECTION 28.** ORS 477.880 is amended to read:

- "477.880. (1) An assessment for the cost of fire protection and suppression 17 is levied upon the owners of all forestland that has been classified under 18 ORS 526.305 to 526.370 and that is protected from the start or spread of fire 19 thereon or therefrom by: 20
- "(a) The forester under ORS 477.210 (4), with the approval of the State 21 Board of Forestry; 22
  - "(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 25 forester or board pursuant to ORS 477.406; or 26
- "(d) Any forest protective agency, described in paragraph (c) of this sub-27 section, under a contract or agreement with the United States of America 28 wherein such agency agrees to protect specific federal forestlands, and in 29 return, the United States of America agrees to protect specific lands of such 30

- 1 agency.
- "(2)(a) [Except as otherwise provided in ORS 477.760,] For each fiscal year
- 3 the assessment levied per acre of ownership of forestland designated in sub-
- 4 section (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
- 6 Cascade Mountains and all forestlands which have been classified Class 3,
- 7 agricultural class, under ORS 526.305 to 526.370; or]
- 8 "[(b) Five cents for all forestlands not described in paragraph (a) of this
- 9 subsection.]
- "(b)(A) Except as provided by subparagraph (B) of this paragraph,
- 11 the rate established by paragraph (a) of this subsection shall be ad-
- 12 justed annually for inflation since 2024 based on the Consumer Price
- 13 Index for All Urban Consumers, West Region (All Items).
- 14 "(B) If the annual adjustment under this paragraph results in a rate
- 15 that is lower than the rate for the previous year, the rate shall remain
- 16 unchanged from the previous year.
- 17 "(3) The receipts from the assessment levied by this section shall
- 18 **be used for:**
- 19 "(a) Acquiring and placing centrally managed fire suppression re-
- 20 sources for statewide use; and
- 21 "(b) Acquiring fast-mobilizing, short-term contingency resources to
- 22 be used based on predictions of:
- 23 "(A) Severe fire weather;
- 24 "(B) Widespread lightning events; or
- 25 "(C) Serious resource shortages due to a heavy fire season in this
- state, in the western region of the United States or nationally.
- 27 **"SECTION 29.** ORS 477.970 is amended to read:
- 28 "477.970. The receipts from the assessment levied by ORS 477.880 shall be
- 29 paid into the [Oregon Forest Land Protection Fund] State Treasury, cred-
- 30 ited to the State Forestry Department Account and expended for the

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### "CONFORMING AMENDMENTS

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- "SECTION 30. ORS 477.281, as amended by section 12 of this 2024 Act, 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] to the Oregon Forest Land Protection Fund;
  - "(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 31.** ORS 477.960 is amended to read:

- "477.960. [(1)] Insofar as applicable, the assessment levied under ORS 21 477.880 shall be due and payable to the forester in like manner and proce-22 dure, including penalties and interest, as set forth for the collection of the 23 protection costs provided in ORS 477.270. Wherever applicable, the assess-24 ment levied under ORS 477.880 shall be combined with the budgeted cost 25 certified to the county under ORS 477.270 as one amount for each account 26 listed so that the officer in charge of the roll can extend the amounts on the 27 assessment roll in a separate column in a single figure. 28
- "[(2) The minimum assessment set forth in ORS 477.295 shall be applied to the combined amount described in subsection (1) of this section.]

1	"SECTION 32. The amendments to ORS 477.281 and 477.960 by
2	sections 30 and 31 of this 2024 Act become operative on July 1, 2026.
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4	"STATE FORESTRY DEPARTMENT STUDY
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6	"SECTION 33. (1) The State Forestry Department shall study the
7	zone 1 designation described in ORS 476.310 and 476.320.
8	"(2) On or before January 1, 2025, the department shall submit a
9	report, in the manner prescribed by ORS 192.245, on the results of the
10	study, and may include recommendations for legislation, to interim
11	committees of the Legislative Assembly related to wildfire.
12	"SECTION 34. Section 33 of this 2024 Act is repealed on January 2,
13	<b>2026.</b> ".
14	In line 39, delete "29" and insert "35".
15	In line 45, delete "30" and insert "36".
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