

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.

5 On page 2, delete lines 1 through 16.

6 Delete lines 18 through 45 and delete pages 3 through 15 and insert:

7 **“SECTION 1. (1) The State Forester shall collaborate with the Leg-**
8 **islative Revenue Officer, the Department of Revenue and the Legisla-**
9 **tive Policy and Research Office to conduct a study of the proposed**
10 **private and public severance taxes described in section 2 of this 2024**
11 **Act.**

12 **“(2) The State Forestry Department shall provide staff time in**
13 **support of the study or may enter into agreements with other agencies**
14 **to provide the staff time.**

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

16 **“(a) Assess the likely efficiency and cost-effectiveness of the ongo-**
17 **ing administration of the proposed severance taxes described in section**
18 **2 of this 2024 Act.**

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

1 “(c) Assess the provisions of section 2 (3) of this 2024 Act and re-
2 commend any revisions that could better advance the goals of eco-
3 nomic equity and minimize excessive adverse impacts on any
4 particular category of landowner.

5 “(d) Quantify the overall revenue benefit accruing to counties and
6 other taxing districts in counties where timber is harvested.

7 “(e) Quantify the revenue likely to be provided to the Oregon
8 Watershed Enhancement Board for water supply restoration and pro-
9 tection.

10 “(f) Assess the trend lines of tax and fee contribution from the
11 forest products industry for wildfire and forestry programs and re-
12 cepts to local governments and public service districts, from 1990 to
13 the present.

14 “(g) Assess the trend lines of what Oregon taxpayers and property
15 owners as a whole have paid for wildfire and forestry programs, from
16 1990 to the present.

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

21 “(4) In conducting the study the State Forester shall seek consul-
22 tation from:

23 “(a) One or more faculty members from public Oregon universities
24 with a professional focus on natural resource management and eco-
25 nomics, or on tax policy, preferably with an emphasis on the elements
26 of equity, fairness and public acceptance.

27 “(b) Representatives of the following organizations, or other indi-
28 viduals recommended by the following organizations:

29 “(A) The Association of Oregon Counties.

30 “(B) The Oregon Center for Public Policy.

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

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

3 **“(E) The Oregon Fire District Directors Association or the Oregon**
4 **Fire Chiefs Association.**

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

6 **“(c) Any other individual whose participation the State Forester, in**
7 **consultation with the State Fire Marshal, believes would add value to**
8 **the study.**

9 **“(5)(a) Not later than September 15, 2024, the State Forester shall**
10 **submit a report of the findings of the study to the interim committees**
11 **of the Legislative Assembly related to natural resources and water.**

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

13 **“(A) What elements exist in taxation and wildfire funding policies**
14 **in other western states that resemble elements in the proposed**
15 **severance taxes?**

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

18 **“(C) What, if any, specific revisions to the proposed severance taxes**
19 **have the potential to increase the taxes’ revenue productivity, admin-**
20 **istrative efficiency and acceptability to Oregon citizens, or to reduce**
21 **unnecessary adverse effects to parties who would pay taxes under the**
22 **proposal?**

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

25 **“(6)(a) The Legislative Policy and Research Director may invite the**
26 **leaders of the House and Senate Republican caucuses and the leaders**
27 **of the House and Senate Democratic caucuses to provide two individ-**
28 **uals per caucus for interviews seeking assessments of the proposed**
29 **severance taxes’ quality from a public policy perspective.**

30 **“(b) Of the individuals selected by each leader’s caucus:**

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

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

4 “(c) Acceptance of an interview invitation is voluntary. A caucus
5 leader has no obligation to designate individuals to be interviewed.
6 Proposed individuals have no obligation to accept.

7 “(d) Insofar as reasonable, the interview questions shall be identical
8 for all individuals interviewed.

9 “(e) An interview may not last longer than one hour.

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

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

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

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

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

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

28 “(B) Tier 2: More than 500 acres and not more than 1,500 acres: Two
29 percent.

30 “(C) Tier 3: More than 1,500 acres and not more than 3,000 acres:

1 **Three percent.**

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

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

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

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

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

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

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

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

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

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

5 **“(a) Twenty-five percent to the State Forestry Department for the**
6 **following purposes:**

7 **“(A) Administering the Oregon Forest Practices Act;**

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

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

13 **“(D) Collaboration between the Oregon Conservation Corps program**
14 **and the Higher Education Coordinating Commission; and**

15 **“(E) State Forestry Department fire suppression programs.**

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

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

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

29 **“(8) Nothing in this section may be interpreted to mean that**
30 **enactment of this section will by itself impose the proposed severance**

1 **taxes described in this section.**

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

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