House Bill 3940

Sponsored by Representatives LIVELY, LEVY B

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 raises and moves money to pay for wildfire costs. The Act makes certain changes to laws related to forests and fire protection. (Flesch Readability Score: 74.8).

Places a surcharge on sales of beverage containers for purposes of wildfire prevention and response.

Directs insurance retaliatory tax revenue to wildfire prevention and response.

Transfers one-half percent of General Fund appropriations per biennium to a fund for wildfire prevention and response.

Transfers 50 percent of the amount held in the Oregon Rainy Day Fund to a fund for wildfire prevention and response.

Makes certain changes related to the forest products harvest tax, minimum assessments and surcharges, zones for fire protection in certain areas and the formation of rural fire protection districts.

Requires the Legislative Assembly to make moneys available to the State Forestry Department and the Department of the State Fire Marshal to repay loans from the State Treasurer for wildfire suppression costs.

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

A BILL FOR AN ACT

Relating to wildfire; creating new provisions; amending ORS 242.702, 321.005, 321.015, 321.017, 476.310, 476.320, 477.230, 477.232, 477.270, 477.277, 477.295, 478.010, 478.120 and 478.140; repealing ORS 476.330 and 476.340; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

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

BEVERAGE CONTAINER SURCHARGE

<u>SECTION 1.</u> Section 2 of this 2025 Act is added to and made a part of ORS 459A.700 to 459A.744.

<u>SECTION 2.</u> (1) A dealer shall collect a five cent surcharge on each beverage container sold in this state. At least once per quarter, a dealer shall transfer the full amount of surcharges collected under this section to the Department of the State Fire Marshal.

(2) The Department of the State Fire Marshal shall deposit all amounts received under this section in the State Fire Marshal Fund established under ORS 476.055, for the purpose of wildfire prevention and response.

(3) The Oregon Liquor and Cannabis Commission, in consultation with the Department of the State Fire Marshal, shall adopt rules necessary for the administration of this section.

INSURANCE RETALIATORY TAX

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.

SECTION 3. (1) Once per year, the Department of Consumer and Business Services shall determine the aggregate amount of revenue collected by the department pursuant to the retaliatory tax imposed on insurers under ORS 731.854.

(2) The department shall transfer an amount equal to the amount determined under subsection (1) of this section to the Department of the State Fire Marshal for deposit in the State Fire Marshal Fund established under ORS 476.055, for the purpose of wildfire prevention and response.

ENDING BALANCE

SECTION 4. (1) Except as provided in subsection (2) of this section, immediately after the time of each transfer to the Oregon Rainy Day Fund under ORS 293.146, an amount equal to one-half percent of the amount of General Fund appropriations for the preceding biennium shall be transferred from the General Fund to the State Fire Marshal Fund established under ORS 476.055, for the purpose of wildfire prevention and response.

(2) If the remaining ending balance does not equal or exceed the amount required to be transferred under subsection (1) of this section, then an amount equal to the remaining ending balance shall be transferred from the General Fund to the State Fire Marshal Fund established under ORS 476.055, for the purpose of wildfire prevention and response.

(3) As used in this section:

(a) "Ending balance" has the meaning given that term in ORS 293.146.

(b) "General Fund appropriations" has the meaning given that term in ORS 293.146.

(c) "Remaining ending balance" means an ending balance, minus the amount actually transferred to the Oregon Rainy Day Fund under ORS 293.146 after the biennium to which the ending balance relates.

OREGON RAINY DAY FUND

SECTION 5. Notwithstanding ORS 293.144, an amount equal to 50 percent of the amount held in the Oregon Rainy Day Fund immediately prior to the transfer required under this section is transferred from the Oregon Rainy Day Fund to the State Fire Marshal Fund established under ORS 476.055, for the purpose of wildfire prevention and response. The transfer shall be made on September 1, 2025.

FOREST PRODUCTS HARVEST TAX FOR WILDFIRE MITIGATION AND SUPPRESSION

SECTION 6. 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 privilege 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, 2025.

(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 taxpayers 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 approved 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 transferred 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 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)*] **(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) "Taxpayer" means the owner of timber at time of harvest.*]

(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) "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.*]

(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 8. 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 9. The amendments to ORS 321.005, 321.015 and 321.017 by sections 6 to 8 of this 2025 Act apply to calendar years beginning on or after January 1, 2026.

STATE FORESTRY DEPARTMENT LARGE WILDFIRE FUND

SECTION 10. (1) The State Forestry Department Large Wildfire Fund is established in the State Treasury, separate and distinct from the General Fund.

(2) Moneys in the State Forestry Department Large Wildfire Fund shall be held by the State Treasurer for use by the State Forestry Department for wildfire 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.

FOREST PROTECTION DISTRICTS

SECTION 11. 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:*] **described in this section.**

[*(a)*] **(2)(a)** Grazing land within the district shall be protected by the [*forester*] **State Forester** at [*a pro rata cost*] **30 cents** per acre for all grazing land 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.*]

(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 2025 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.

SECTION 12. 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*] **State Forester** in the prevention and suppression of 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, 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 (3),** for the ensuing year.

SECTION 13. 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*] **State 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*] **State 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*] **State Forester**.

(b) In lieu of the procedures under paragraph (a) of this subsection, the [*forester*] **State 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*] **State Forester** in providing protection for forestland owned by the state or by a political subdivision shall be paid to the [*forester*] **State 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)*] **(3)**, all moneys received by the [*forester*] **State 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 14. ORS 477.277 is amended to read:

477.277. (1)**(a)** 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*] **$20** 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)(A) 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 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.

(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*] **State 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) and whose owner has made application to the [*forester*] **State Forester** under ORS 477.295 (4) 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 15. 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*] **$58**, 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, such assessments 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 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.

(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) Upon application to the [*forester*] **State Forester** under subsection (4) of this section, 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 improvements 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) To qualify under subsection (3) 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) 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 combined 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. The State Forester may charge a [*An additional*] 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) The State Board of Forestry may adopt rules for the administration of the provisions of subsections (3) and (4) of this section.

(6) For the purposes of this section, "lot" and "subdivision" have the meanings given those terms in ORS 92.010.

ZONING OF CERTAIN LANDS

SECTION 16. ORS 476.310 is amended to read:

476.310. (1) The governing body of each county may, in cooperation with the State Board of Forestry, zone and, as often as necessary, rezone any lands within the county lying outside the boundaries of incorporated cities, organized rural fire protection districts, federal and state-owned lands, lands protected under ORS chapter 477 and railroad rights of way, except that railroad rights of way may be zoned or rezoned if the owners of such rights of way file their written consent with

the governing body. [*Lands, when zoned or rezoned, shall be divided into two zones as follows:*]

[*(a)*] **(2)** [*Zone 1*] **A zone established under this section** shall be composed of forest, range, grass or undeveloped lands, or any of such lands intermingled with grazing and agricultural lands.

[*(b) Zone 2 shall be composed of rural lands not included in zone 1.*]

[*(2)*] **(3)** During the season of the year when there is danger of fire, every owner of [*zone 1*] land **in a zone established under this section** shall provide adequate protection against the starting or spread of fire thereon or therefrom, which protection shall meet with the approval of the governing body of the county in which the [*zone 1*] land is located.

[*(3)*] **(4)** An owner shall be deemed to have complied with the requirements of subsection [*(2)*] **(3)** of this section if, on January 1 of each year, the owner files with the governing body of the county a bona fide fire protection plan that meets with the approval of the county governing body. The governing body of the county, or its appointed representative, shall periodically inspect the protection facilities provided under such a plan in order to confirm compliance by the owner.

[*(4)*] **(5)** If any owner of [*zone 1*] land **in a zone established under this section** fails or neglects to file a fire protection plan, or to comply with the standard of protection approved by the county governing body, the governing body shall provide for forest protection pursuant to ORS 476.320.

[*(5)*] **(6)** Nothing contained in [*ORS 476.310 to 476.340*] **this section or ORS 476.320** shall prevent interested property owners in any nonzoned territory from petitioning the governing body and State Board of Forestry to hold a hearing on the matter of zoning the territory if a majority of the landowners within the territory file such petition. The governing body, cooperating with the State Board of Forestry, shall give full consideration to the wishes of the landowners as shown by the hearing.

SECTION 17. ORS 476.320 is amended to read:

476.320. (1) The form of protection from fire for lands lying in [*zone 1*] **a zone established under ORS 476.310** shall be determined jointly by the governing body of the county, the State Fire Marshal and the State Board of Forestry, which determination shall be reduced to writing, signed by the officers of the agencies and entered in the journal of the governing body of the county.

(2) The authority of the State Board of Forestry may be extended to include the establishment of forest protection on lands lying within [*zone 1*] **a zone established under ORS 476.310** for lands not subject to a fire protection plan under ORS 476.310. For such purposes the board of forestry may contract with individuals, associations, agencies, corporations, rural fire protection districts, counties, cities, federal agencies, or any of them. The cost of protection in [*zone 1*] **a zone established under ORS 476.310** shall be assessed and collected in the same manner as protection costs for lands protected under ORS chapter 477.

(3) The moneys received by the State Board of Forestry under this section shall be paid into the State Treasury and credited to the State Forestry Department Account and shall be used exclusively for the purposes stated in this section.

(4) As used in this section, the "authority of the State Board of Forestry" means the duties, obligations, requirements and penalties of ORS chapter 477.

SECTION 18. ORS 476.330 and 476.340 are repealed.

SECTION 19. ORS 242.702 is amended to read:

242.702. As used in ORS 242.702 to 242.824, unless the context requires otherwise:

(1) "Appointing power" includes every person or group of persons who, acting singly or as a board, council or commission, are vested with authority to select, appoint or employ any person to hold any position subject to civil service under ORS 242.702 to 242.824.

(2) "Appointment" includes all means of selecting or employing any person to hold any position subject to civil service under ORS 242.702 to 242.824.

(3) "Civil service" means the civil service system established under ORS 242.702 to 242.824.

(4) "Commission" means a civil service commission created under ORS 242.702 to 242.824.

(5) "Commissioner" means a member of the civil service commission created under ORS 242.702 to 242.824.

(6) "Employees" means persons whose principal duties consist of preventing or combating fire or preventing the loss of life or property from fire.

(7) "Fire department" means any organization maintained by any political subdivision for the purpose of preventing or combating fire.

(8) "Governing body" means the council or city commissioners of a city, the county court or board of county commissioners of a county, the board of directors of a rural fire protection district, the board of commissioners of a domestic water supply corporation and the county court or board of county commissioners acting under ORS 476.310 [*to 476.340*] **and 476.320** for the purposes of preventing and controlling fire on [*zone 2*] rural lands.

(9) "Political subdivision" means any city, county, municipal corporation, rural fire protection district, domestic water supply corporation or organization authorized under ORS 476.310 [*to 476.340*] **and 476.320** to combat fire on [*zone 2*] rural lands which employs four or more full-time firefighters, not including the chief of the fire department.

(10) "Position" includes any office, place or employment.

FORMATION OF RURAL FIRE PROTECTION DISTRICTS

SECTION 20. ORS 478.010 is amended to read:

478.010. (1) A rural fire protection district may be formed in the manner set forth in ORS 478.010 to 478.100.

(2) A district may not include:

[*(a) Territory within a city unless otherwise authorized by law.*]

[*(b)*] **(a)** Territory within a water supply district organized under ORS chapter 264 if the district has previously been authorized by its electors to exercise the fire protection powers prescribed by ORS 264.340.

[*(c)*]**(b)(A)** [*Forestlands*] **Forestland** included within a forest protection district under ORS 477.205 to 477.281 unless the owner consents and notifies the rural fire protection district[*, however, forestland protected pursuant to ORS 477.205 to 477.281 and not exceeding five acres in one ownership shall be included in the rural fire protection district without the owner's consent if the ownership includes any structures subject to damage by fire*].

(B) Forestland included in a rural fire protection district under this [*subsection*] **paragraph** subjects the forestland to assessments for fire protection by the rural fire protection district and the forest protection district.

[*(d)*] **(c)** Railroad rights of way or improvements thereon or rolling stock moving thereover unless the owner of such property consents.

[*(e)*] **(d)** Ocean shores as defined by ORS 390.605.

(3)(a) Notwithstanding subsection (2)(b) of this section, forestland protected pursuant to ORS 477.205 to 477.281 may be included in the rural fire protection district without the owner's consent if the forestland:

(A) Includes a structure;

(B) Is within the limits of a city; or

(C) Is outside the limits of a city and is less than or equal to 10 acres.

(b) Forestland included in a rural fire protection district under this subsection subjects the forestland to assessments for fire protection by the rural fire protection district and the forest protection district.

SECTION 21. ORS 478.120 is amended to read:

478.120. The authority to include forestland within a rural fire protection district pursuant to ORS 478.010 [*(2)(c)*] **(2)(b)** applies to forestland within the exterior boundaries of an existing district and to forestland on which structures subject to damage by fire have been added after July 20, 1973.

SECTION 22. ORS 478.140 is amended to read:

478.140. Any owner consenting to add the forestland of the owner to the district under ORS 478.010 [*(2)(c)*] **(2)(b)** shall do so on forms supplied by the Department of Revenue. The owner shall file the original with the district. The district shall forward a copy to the assessor of each county in which the land is located, within 20 days of receipt.

TREASURY LOANS

SECTION 23. (1) If the State Treasurer transfers moneys under ORS 293.210 from funds having excess moneys to funds under the administration of the State Forestry Department or the Department of the State Fire Marshal during the biennium ending June 30, 2027, for the purpose of enabling those agencies to pay for wildfire suppression costs, then the Legislative Assembly shall appropriate moneys or otherwise make moneys available to the borrowing funds in an amount sufficient to repay the lending funds.

(2) As used in this section, "borrowing fund" and "lending fund" have the meanings given to those terms in ORS 293.205.

CAPTIONS

SECTION 24. The unit captions used in this 2025 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 2025 Act.

EFFECTIVE DATE

SECTION 25. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.