

HB 2270-1
(LC 600)
5/12/17 (ASD/ps)

Requested by Representative HOLVEY

**PROPOSED AMENDMENTS TO
HOUSE BILL 2270**

On page 1 of the printed bill, line 2, after the first semicolon insert “creating new provisions;” and after “321.015” insert “, 321.152, 477.281, 477.760 and 477.777”.

Delete lines 5 through 31 and delete page 2 and insert:

“SECTION 1. ORS 321.015 is amended to read:

“321.015. (1) *[For the calendar years beginning January 1, 2016, and January 1, 2017,]* There is levied a privilege tax of [90.00] **40.00** 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) 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] **102.5** 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.

“(3) *[For the calendar years beginning January 1, 2016, and January 1,*

2017,] 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 [~~110.37~~] **120.37** 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 2016 and 2017*].

“(4) [*For the calendar years beginning January 1, 2016, and January 1, 2017,*] In addition to the taxes levied by subsections (1) to (3) of this section, there is levied a privilege tax of 10 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 an-

1 nually by any taxpayer during each calendar year shall be excluded from the
2 total quantity of harvested forest products that constitutes the measure of
3 the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

4 **“SECTION 2. The amendments to ORS 321.015 by section 1 of this**
5 **2017 Act apply to calendar years beginning on or after January 1, 2018.**

6 **“SECTION 3. The Wildfire Suppression Fund is established in the**
7 **State Treasury, separate and distinct from the General Fund. Interest**
8 **earned by the Wildfire Suppression Fund shall be credited to the fund.**
9 **Moneys in the fund are continuously appropriated to the State**
10 **Forester for:**

11 **“(1) Providing funds for the purchase of emergency fire suppression**
12 **costs insurance under ORS 477.775.**

13 **“(2) Acquiring and placing centrally managed fire suppression re-**
14 **sources for statewide use.**

15 **“(3) Acquiring fast-mobilizing, short-term contingency resources to**
16 **be used based on predictions of severe fire weather, widespread light-**
17 **ning events or serious resource shortage due to a heavy fire season in**
18 **this state, in the western region of the United States or nationally.**

19 **“(4) Enhancing forest protection district resources in cases where**
20 **land productivity or other economic factors seriously limit the ability**
21 **of the forester to perform fire protection responsibilities.**

22 **“(5) Mitigating forest patrol assessment rates in cases where land**
23 **productivity or other economic factors seriously limit the ability of the**
24 **owners of forestlands in the forest protection district to comply with**
25 **ORS 477.210 (1).**

26 **“SECTION 4. ORS 321.152 is amended to read:**

27 **“321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Depart-**
28 **ment of Revenue’s suspense account referred to in ORS 321.145 on February**
29 **10, May 10, August 10 and November 10 of each year shall be transferred to**
30 **the respective appropriation accounts described in subsections (2) to (5) of**

1 this section.

2 “(2) That part of the moneys derived from taxes levied by ORS 321.015 (1)
3 shall be transferred to the Forest Research and Experiment Account de-
4 scribed in ORS 321.185.

5 “(3) That part of the moneys derived from taxes levied by ORS 321.015 (3)
6 shall be transferred to the State Forestry Department Account referred to in
7 ORS 526.060. Notwithstanding ORS 291.238, the moneys transferred to the
8 State Forestry Department Account under this section are appropriated
9 continuously for and shall be used by the State Forester, under the super-
10 vision and direction of the State Board of Forestry, for the purposes of ad-
11 ministering the Oregon Forest Practices Act and the forest practices
12 monitoring program.

13 “(4)(a) **Sixty-one percent of that part of the moneys derived from taxes**
14 **levied by ORS 321.015 (2) shall be transferred to the Oregon Forest Land**
15 **Protection Fund described in ORS 477.750.**

16 “(b) **Thirty-nine percent of that part of the moneys derived from**
17 **taxes levied by ORS 321.015 (2) shall be transferred to the Wildfire**
18 **Suppression Fund established in section 3 of this 2017 Act.**

19 “(5) That part of the moneys derived from taxes levied by ORS 321.015 (4)
20 shall be transferred to the subaccount established pursuant to ORS 350.520.

21 **“SECTION 5.** ORS 477.760 is amended to read:

22 “477.760. (1) The reserve base of the Oregon Forest Land Protection Fund
23 is \$22.5 million. On or about the last day of February of each year the
24 Emergency Fire Cost Committee shall meet and determine the unencumbered
25 balance of the fund as of the preceding February 16.

26 “(2) In order to maintain the reserve base of the fund at \$22.5 million, the
27 Emergency Fire Cost Committee may request and the State Treasurer may
28 approve transfers to the fund in accordance with ORS 293.205 to 293.225, if
29 the moneys in this fund fall below the reserve base, whether or not there are
30 sufficient moneys in the fund to pay the obligations of the fund. Repayment

1 of any such transfers shall be made from moneys paid into the fund pursuant
2 to ORS 321.015 (2), 477.277 and 477.880 and from such other moneys as may
3 be credited to the fund therefor.

4 “(3) If the committee determines that the moneys in the fund exceed:

5 “(a) The reserve base, and that no repayment obligations are outstanding
6 from transfers made pursuant to subsection (2) of this section, then the De-
7 partment of Revenue shall reduce the **portion of the** taxes described in ORS
8 321.015 (2) **that are levied for purposes of transfer to the fund** by 50
9 percent for the following calendar year and the surcharge for each improved
10 lot or parcel described in ORS 477.277 and the assessments described in ORS
11 477.880 shall be reduced by 50 percent for the following fiscal year.

12 “(b) \$30 million, and that no repayment obligations are outstanding from
13 transfers made pursuant to subsection (2) of this section, then the Depart-
14 ment of Revenue may not collect the taxes described in ORS 321.015 (2) for
15 the following calendar year and the surcharge for each improved lot or par-
16 cel described in ORS 477.277 and the assessments described in ORS 477.880
17 may not be collected until the calendar year or fiscal year following the de-
18 termination of the committee that the unencumbered balance in the fund is
19 less than or equal to \$22.5 million.

20 “(4)(a) Notwithstanding any other provision of law, if the funds referred
21 to in subsection (2) of this section are inadequate to cover repayment of
22 transfers from the State Treasurer or from other sources, the State Forester
23 shall increase the following taxes, assessments and charges in an amount
24 adequate to ensure repayment of the transfers, and any interest accrued
25 thereon, allowing for contingencies in valuation, assessment and collection:

26 “(A) The harvest tax referred to in ORS 321.015 (2).

27 “(B) The surcharge on developed lots referred to in ORS 477.277.

28 “(C) The minimum assessment referred to in ORS 477.295.

29 “(D) The acreage assessments referred to in ORS 477.880 (2).

30 “(b) The increases to taxes, assessments and charges shall be apportioned

1 based upon the proportionate levels of revenues received from each source
2 by the Oregon Forest Land Protection Fund. Any such increases shall be
3 computed on or before January 1 of each year, and shall be based upon rev-
4 enues received during the previous four quarters. Any such increases shall
5 be made in the appropriate calendar or fiscal year following that in which
6 the requested transfers from the State Treasurer or from other sources are
7 made. **Notwithstanding ORS 321.152 (4), the full amount derived from**
8 **an increase in the harvest tax referred to in ORS 321.015 (2) pursuant**
9 **to this subsection shall be transferred to the Oregon Forest Land**
10 **Protection Fund.**

11 **“SECTION 6.** ORS 477.777, as amended by section 72, chapter 117, Oregon
12 Laws 2016, is amended to read:

13 “477.777. (1) As part of the preparation of the agency request budget
14 submitted to the Oregon Department of Administrative Services pursuant to
15 ORS 291.208 for the State Forestry Department, the State Forester shall
16 prepare, in addition to any amounts budgeted for forest protection districts
17 pursuant to ORS 477.205 to 477.281, a request for a General Fund appropri-
18 ation for the following purposes:

19 “(a) Providing funds for the purchase of emergency fire suppression costs
20 insurance under ORS 477.775.

21 “(b) Acquiring and placing centrally managed fire suppression resources
22 for statewide use.

23 “(c) Acquiring fast-mobilizing, short-term contingency resources to be
24 used based on predictions of severe fire weather, widespread lightning events
25 or serious resource shortage due to a heavy fire season in this state, in the
26 western region of the United States or nationally.

27 “(d) Enhancing forest protection district resources in cases where land
28 productivity or other economic factors seriously limit the ability of the
29 forester to perform fire protection responsibilities.

30 “(e) Mitigating forest patrol assessment rates in cases where land pro-

ductivity or other economic factors seriously limit the ability of the owners of forestlands in the forest protection district to comply with ORS 477.210 (1).

“(2) The State Forester [*shall utilize critical discretion in the expenditure of the*] **may expend** funds provided to the State Forestry Department pursuant to the separate request required under subsection (1) of this section **only if, and to the extent that, available moneys in the Wildfire Suppression Fund are insufficient for the expenditure.**

“(3) The State Forester shall report to the Emergency Board, each year, after the close of the fire season, on:

“(a) The nature and severity of the fire season;

“(b) The moneys expended on fire suppression;

“(c) The balance remaining from the biennial appropriation; and

“(d) Any matters arising out of the fire season that may require attention or warrant future consideration by the board or the Legislative Assembly.

“(4) When reporting the nature and severity of the fire season under subsection (3) of this section, for each fire consuming 1,000 or more acres, the State Forester shall provide information regarding the resulting losses on private lands of timber, buildings, fencing and livestock and of grazing land capacity if the land is expected to be unavailable for two or more grazing seasons.

“SECTION 7. ORS 477.281 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, 477.295, 477.760 (4) and 477.880 to maintain the Oregon Forest Land Protection Fund **and the Wildfire Suppression Fund**; and

“(b) The payment of forest protection district assessments pursuant to ORS 477.060 and 477.205 to 477.281.

“(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 8. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.”.

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