

Requested by Representative HOLVEY

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2073**

1 On page 1 of the printed bill, line 2, after the first semicolon insert  
2 “creating new provisions;” and after “321.015” insert “, 321.152, 477.281,  
3 477.750, 477.755, 477.760 and 477.777”.

4 Delete lines 13 through 17 and insert:

5 “(2) In addition to the tax levied by subsection (1) of this section, there  
6 is levied a forest products harvest tax upon taxpayers at the following rates:

7 “(a) Except as provided in ORS 477.760, 62.5 cents per thousand feet,  
8 board measure, for the privilege of harvesting all merchantable forest pro-  
9 ducts harvested on forestlands for the payment of benefits related to fire  
10 suppression as provided in ORS 321.005 to 321.185, 321.560 to 321.600 and  
11 477.440 to 477.460.

12 “(b) \$5 per thousand feet, board measure, for the privilege of harvesting  
13 all merchantable forest products harvested on forestlands for the purposes  
14 for which moneys in the Wildfire Suppression Fund created under section 2  
15 of this 2019 Act may be expended.”.

16 On page 2, delete lines 13 and 14 and insert:

17 **“SECTION 2. The Wildfire Suppression Fund is created in the State**  
18 **Treasury, separate and distinct from the General Fund. Moneys in the**  
19 **fund are continuously appropriated to the Emergency Board created**  
20 **under ORS 291.324 to be allocated to the State Forester for the purpose**  
21 **of paying, or contributing to the payment of, emergency fire sup-**

1 **pression costs.**

2 **“SECTION 3.** ORS 321.152 is amended to read:

3 “321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Depart-  
4 ment of Revenue’s suspense account referred to in ORS 321.145 on February  
5 10, May 10, August 10 and November 10 of each year shall be transferred to  
6 the respective appropriation accounts described in subsections (2) to (5) of  
7 this section.

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

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

19 “(4)(a) That part of the moneys derived from taxes levied by ORS 321.015  
20 [(2)] (2)(a) shall be transferred to the Oregon Forest Land Protection Fund  
21 described in ORS 477.750.

22 **“(b) That part of the moneys derived from taxes levied by ORS**  
23 **321.015 (2)(b) shall be transferred to the Wildfire Suppression Fund**  
24 **created under section 2 of this 2019 Act.**

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

27 **“SECTION 4.** ORS 477.750 is amended to read:

28 “477.750. (1) The Oregon Forest Land Protection Fund is created, separate  
29 and distinct from the General Fund. This fund shall be held by the State  
30 Treasurer as a trust fund for the uses and purposes provided in ORS 477.750

1 to 477.775 and 477.880. The State Treasurer shall deposit and invest moneys  
2 in the fund as provided by law, taking into account its uses and purposes.  
3 Interest earned by the fund shall be credited to the fund.

4 “(2) Notwithstanding any other law and as limited by ORS 477.750 to  
5 477.775 and 477.880, that part of the suspense account created by ORS 321.145  
6 that is derived from the tax levied by ORS 321.015 [(2)] (2)(a) after refunds  
7 and other costs permitted by law, shall be credited to the Oregon Forest  
8 Land Protection Fund.

9 **“SECTION 5.** ORS 477.755 is amended to read:

10 “477.755. (1) As used in this section, ‘annual expenditure’ means the ex-  
11 penses of the Oregon Forest Land Protection Fund obligated in any 12-month  
12 period designated by the Emergency Fire Cost Committee by rule, corre-  
13 sponding to the policy period of any insurance for emergency fire costs.

14 “(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land  
15 Protection Fund are continuously appropriated to the Emergency Fire Cost  
16 Committee for the purposes of:

17 “(a) Equalizing emergency fire suppression costs for safeguarding  
18 forestland in any forest protection district;

19 “(b) Paying necessary administrative expenses, not to exceed the limit  
20 authorized by the Legislative Assembly each biennium;

21 “(c) Contributing to the payment of emergency fire suppression costs in-  
22 surance premiums, subject to the payment limitation established in ORS  
23 477.775 (4);

24 “(d) Paying costs related to the availability and mobilization of emer-  
25 gency fire suppression resources on a statewide basis; and

26 “(e) Paying for nonroutine purchases of supplemental fire prevention, de-  
27 tection or suppression resources that will enhance the ability of the forester  
28 to perform fire protection responsibilities within a forest protection district.

29 “(3) Notwithstanding any other provision of law, the annual expenditure  
30 from the Oregon Forest Land Protection Fund from revenues received from

1 ORS 321.015 [(2)] (2)(a), 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2),  
2 477.760 (4) and 477.880 may not exceed the lesser of:

3 “(a) \$13.5 million; or

4 “(b) The sum of:

5 “(A) The lesser of \$10 million or 50 percent of the eligible annual fire  
6 suppression costs determined by the committee;

7 “(B) Necessary administrative expenses as determined by the committee  
8 and authorized under the limit described in subsection (2)(b) of this section;

9 “(C) Contributions to the payment of emergency fire suppression costs  
10 insurance premiums, subject to the payment limitation established in ORS  
11 477.775 (4);

12 “(D) The lesser of \$3 million or three-fifths of the actual cost of activities  
13 described in ORS 477.777 (1)(b) and (c); and

14 “(E) Any amounts expended for nonroutine purchases described in sub-  
15 section (2)(e) of this section.

16 **“SECTION 6.** ORS 477.760 is amended to read:

17 “477.760. (1) The reserve base of the Oregon Forest Land Protection Fund  
18 is \$22.5 million. On or about the last day of February of each year the  
19 Emergency Fire Cost Committee shall meet and determine the unencumbered  
20 balance of the fund as of the preceding February 16.

21 “(2) In order to maintain the reserve base of the fund at \$22.5 million, the  
22 Emergency Fire Cost Committee may request and the State Treasurer may  
23 approve transfers to the fund in accordance with ORS 293.205 to 293.225, if  
24 the moneys in this fund fall below the reserve base, whether or not there are  
25 sufficient moneys in the fund to pay the obligations of the fund. Repayment  
26 of any such transfers shall be made from moneys paid into the fund pursuant  
27 to ORS 321.015 [(2)] (2)(a), 477.277 and 477.880 and from such other moneys  
28 as may be credited to the fund therefor.

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

30 “(a) The reserve base, and that no repayment obligations are outstanding

1 from transfers made pursuant to subsection (2) of this section, then the De-  
2 partment of Revenue shall reduce the taxes described in ORS 321.015 [(2)]  
3 **(2)(a)** by 50 percent for the following calendar year and the surcharge for  
4 each improved lot or parcel described in ORS 477.277 and the assessments  
5 described in ORS 477.880 shall be reduced by 50 percent for the following  
6 fiscal year.

7 “(b) \$30 million, and that no repayment obligations are outstanding from  
8 transfers made pursuant to subsection (2) of this section, then the Depart-  
9 ment of Revenue may not collect the taxes described in ORS 321.015 [(2)]  
10 **(2)(a)** for the following calendar year and the surcharge for each improved  
11 lot or parcel described in ORS 477.277 and the assessments described in ORS  
12 477.880 may not be collected until the calendar year or fiscal year following  
13 the determination of the committee that the unencumbered balance in the  
14 fund is less than or equal to \$22.5 million.

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

21 “(A) The harvest tax referred to in ORS 321.015 [(2)] **(2)(a)**.

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

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

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

25 “(b) The increases to taxes, assessments and charges shall be apportioned  
26 based upon the proportionate levels of revenues received from each source  
27 by the Oregon Forest Land Protection Fund. Any such increases shall be  
28 computed on or before January 1 of each year, and shall be based upon rev-  
29 enues received during the previous four quarters. Any such increases shall  
30 be made in the appropriate calendar or fiscal year following that in which

1 the requested transfers from the State Treasurer or from other sources are  
2 made.

3 **“SECTION 7.** ORS 477.777 is amended to read:

4 “477.777. (1) As part of the preparation of the agency request budget  
5 submitted to the Oregon Department of Administrative Services pursuant to  
6 ORS 291.208 for the State Forestry Department, the State Forester shall  
7 prepare, in addition to any amounts budgeted for forest protection districts  
8 pursuant to ORS 477.205 to 477.281, a request for a General Fund appropri-  
9 ation for the following purposes:

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

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

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

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

21 “(e) Mitigating forest patrol assessment rates in cases where land pro-  
22 ductivity or other economic factors seriously limit the ability of the owners  
23 of forestlands in the forest protection district to comply with ORS 477.210  
24 (1).

25 “(2) The State Forester [*shall utilize critical discretion in the expenditure*  
26 *of the*] **may expend** funds provided to the State Forestry Department pur-  
27 suant to the separate request required under subsection (1) of this section  
28 **only if, and to the extent that, available moneys in the Wildfire Sup-**  
29 **pression Fund created under section 2 of this 2019 Act are insufficient**  
30 **for the expenditure.**

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

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

4 “(b) The moneys expended on fire suppression;

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

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

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

14 **“SECTION 8.** ORS 477.281 is amended to read:

15 “477.281. (1) The obligation of an owner of timberland or grazing land for  
16 payment of assessments and taxes for fire protection of forestland is limited  
17 to:

18 “(a) The payment of moneys pursuant to ORS 321.015 [(2)] **(2)(a)**, 477.277,  
19 477.295, 477.760 (4) and 477.880 to maintain the Oregon Forest Land Pro-  
20 tection Fund **created under ORS 477.750**; and

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

23 “(2) As used in this section, ‘obligation of an owner of timberland or  
24 grazing land for payment of assessments and taxes for fire protection of  
25 forestland’ does not include the duties or obligations of the owner under ORS  
26 477.066, 477.068 or 477.120 or the obligations of an owner of land included in  
27 a rural fire protection district pursuant to ORS 478.010.

28 **“SECTION 9. This 2019 Act takes effect on the 91st day after the**  
29 **date on which the 2019 regular session of the Eightieth Legislative**  
30 **Assembly adjourns sine die.”**

