

House Bill 2598

Sponsored by Representative HOLVEY (Pre-session filed.)

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**.

Imposes severance tax on all timber harvested from public and private forestland. Provides lower rates for older stands of trees.

Redirects revenues from certain forest products harvest taxes. Repeals exclusion for first 25,000 feet, board measure.

Repeals exemptions for environmentally sensitive logging equipment and forest roads.

Repeals special assessment for homesites on forestland.

Increases minimum acreage of forestland eligible for small tract forestland status. Phases out small tract forestland with tax increases over three years.

Increases penalties for noncompliance with Oregon Forest Practices Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to forestland law; creating new provisions; amending ORS 215.236, 308.236, 308A.250, 308A.253, 308A.259, 308A.377, 308A.700, 308A.706, 308A.718, 308A.730, 308A.733, 308A.743, 310.165, 321.015, 321.017, 321.152, 321.267, 321.354, 321.550, 321.560, 321.570, 321.580, 321.600, 321.609, 321.682, 321.684, 321.709, 321.712, 321.716, 321.719, 321.722, 321.726, 321.833, 477.750, 477.755, 527.685 and 527.990; repealing ORS 307.824, 307.827, 307.831, 308A.707, 321.700, 321.703, 321.706, 321.709, 321.712, 321.716, 321.719, 321.722, 321.726, 321.733, 321.741, 321.746, 321.751 and 321.754; 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:

SEVERANCE TAX ON TIMBER

SECTION 1. (1) As used in sections 1 to 4 of this 2021 Act, "forestland" means public or private land:

(a) That is being held or used for the predominant purpose of growing and harvesting trees of a marketable species; and

(b) The highest and best use of which is the growing and harvesting of such trees.

(2)(a) A severance tax is imposed on timber harvested from forestland in an amount equal to the applicable rate set forth in subsection (4) of this section multiplied by the value of the timber at the time of harvest.

(b) For purposes of this subsection, the Department of Revenue shall determine biannually the value of timber at the time of harvest.

(3)(a) The severance tax becomes a liability of the owner of the timber at the time of harvest and remains a liability of the owner until paid.

(b) If there is more than one owner, all owners are jointly and severally liable for payment of the severance 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.

1 (4) The following rates apply to the value of timber at the time of harvest:

2 (a) For all timber harvested by a clearcutting method, the applicable severance tax rate
3 is 8 percent.

4 (b) For all timber harvested by a method other than clearcutting:

5 (A) From stands of trees 70 percent of which have an average age of less than 60 years,
6 the applicable severance tax rate is 7 percent.

7 (B) From stands of trees 70 percent of which have an average age of at least 60 but less
8 than 70 years, the applicable severance tax rate is 6 percent.

9 (C) From stands of trees 70 percent of which have an average age of at least 70 but less
10 than 80 years, the applicable severance tax rate is 5 percent.

11 (D) From stands of trees 70 percent of which have an average age of at least 80 but less
12 than 100 years, the applicable severance tax rate is 4 percent.

13 (E) From stands of trees 70 percent of which have an average age of at least 100 years,
14 the applicable severance tax rate is 3 percent.

15 **SECTION 2.** (1) The Department of Revenue shall:

16 (a) Provide notice to the owner of timber harvested from forestland, as shown on a State
17 Forestry Department Notification of Operations permit issued for the calendar year, that a
18 severance tax return is required from the owner; and

19 (b) Make a severance tax return form available to the owner.

20 (2) The Department of Revenue shall provide the notice required under this section by
21 mail unless the owner of timber elects to be notified by an alternative method allowed by the
22 Department of Revenue.

23 (3) An owner of timber receiving notice under this section that a severance tax return
24 is required shall complete and submit the return to the Department of Revenue within the
25 time prescribed under section 3 of this 2021 Act, regardless of whether the owner has in-
26 curred severance tax liability under section 1 of this 2021 Act during the calendar quarter.

27 **SECTION 3.** (1) The severance tax imposed under section 1 of this 2021 Act shall be due
28 and payable quarterly, on or before the last day of the month following the end of each cal-
29 endar quarter. The tax shall be delinquent if not paid by the due date.

30 (2) The Department of Revenue shall prescribe a form for the severance tax return that
31 shall require the owner of timber to report:

32 (a) The amount of the severance tax for which the owner is liable for the calendar
33 quarter just ended;

34 (b) Any other information the department considers necessary to correctly determine the
35 tax due; and

36 (c) To assist the department in valuing timber under section 1 (2)(b) of this 2021 Act:

37 (A) The stumpage volume associated with the return;

38 (B) The total price paid for the timber less the costs of transporting the timber to a mill;
39 and

40 (C) The net total price paid for the timber per foot, board measure, and per acre.

41 (3)(a) An owner of timber shall make out a return on the form prescribed by the de-
42 partment and mail or deliver the return, together with a remittance for the amount of the
43 severance tax due, to the department.

44 (b) The return shall be signed and verified by the taxpayer or a duly authorized agent of
45 the taxpayer.

1 (4) Notwithstanding subsection (3) of this section, an owner of timber expecting to incur
 2 severance tax liability of less than \$1,000 for a calendar year may file a return and remit the
 3 tax due on or before April 30 following the end of such calendar year.

4 (5) All payments received under sections 1 to 4 of this 2021 Act shall be credited, first,
 5 to penalty and interest accrued, and then to tax due.

6 (6) For failure to pay the amount of severance tax for which the owner of timber is liable,
 7 and for payment made more than 60 days following the due date set forth in subsection (1)
 8 of this section, a penalty of 29 percent on the delinquent amount, and interest computed at
 9 the rate of eight percent per annum for the period of delinquency, shall be added to the
 10 amount of the tax due.

11 (7) Revenue from the severance tax imposed under section 1 of this 2021 Act shall be paid
 12 over by the department to the State Treasurer and deposited in a suspense account estab-
 13 lished under ORS 293.445. After the payment of refunds, the balance of the suspense account
 14 shall be transferred to the Timber Tax Fund established under section 4 of this 2021 Act.

15 **SECTION 4.** (1) The Timber Tax Fund is established in the State Treasury, separate and
 16 distinct from the General Fund. Interest earned by the Timber Tax Fund shall be retained
 17 by the Timber Tax Fund. Moneys in the Timber Tax Fund are continuously appropriated to
 18 the Department of Revenue for distribution in accordance with this section.

19 (2) Moneys in the Timber Tax Fund shall consist of:

20 (a) Revenue from the severance tax imposed under section 1 of this 2021 Act and trans-
 21 ferred to the fund under section 3 of this 2021 Act;

22 (b) Moneys appropriated for deposit in the fund or otherwise credited to the fund by the
 23 Legislative Assembly;

24 (c) Interest earned on moneys in the fund;

25 (d) Moneys from grants awarded by any federal, state or local agency or other public
 26 body; and

27 (e) Moneys received for deposit in the fund from any source.

28 (3) A working balance may be retained in the Timber Tax Fund for the payment of the
 29 actual expenses incurred by the Department of Revenue in administering sections 1 to 4 of
 30 this 2021 Act.

31 (4) The balance of the Timber Tax Fund shall be distributed as follows:

32 (a) 70 percent to counties in an amount equal to the proportion of severance tax revenue
 33 from timber harvested on forestland in each county to the severance tax revenue from all
 34 counties. The governing body of each county that receives moneys under this paragraph shall
 35 distribute the moneys to the taxing districts of the county in accordance with the schedule
 36 of percentages computed under ORS 311.390.

37 (b) 20 percent to the General Fund.

38 (c) 5 percent to the Emergency Fire Cost Committee for deposit in the Oregon Forest
 39 Land Protection Fund created under ORS 477.750 for use in years with exceptional fire costs.

40 (d) 5 percent to the Oregon Watershed Enhancement Board created under ORS 541.900
 41 to provide grant funding for communities to protect their forest-sourced water supply.

42 **SECTION 5.** Sections 1 to 4 of this 2021 Act apply to calendar years beginning on or after
 43 January 1, 2022.

44
 45 **FOREST PRODUCTS HARVEST TAXES**

1 **SECTION 6.** ORS 321.015 is amended to read:

2 321.015. (1) For the calendar years beginning January 1, [2020] **2022**, and January 1, [2021]
3 **2023**, there is levied a privilege tax of 90.00 cents per thousand feet, board measure, upon taxpayers
4 for the privilege of harvesting of all merchantable forest products harvested on forestlands. Subject
5 to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the
6 Forest Research and Experiment Account for use for the forest resource research, experimentation
7 and studies described in ORS 526.215 and for the Forest Research Laboratory established under ORS
8 526.225.

9 (2) Except as provided in ORS 477.760, in addition to the tax levied by subsection (1) of this
10 section, there is levied a forest products harvest tax upon taxpayers of 62.5 cents per thousand feet,
11 board measure, for the privilege of harvesting all merchantable forest products harvested on
12 forestlands for the payment of benefits related to fire suppression as provided in ORS 321.005 to
13 321.185, 321.560 to 321.600 and 477.440 to 477.460.

14 (3) For the calendar years beginning January 1, [2020] **2022**, and January 1, [2021] **2023**, in ad-
15 dition to the taxes levied under subsections (1) and (2) of this section, there is levied a privilege tax
16 upon taxpayers for the privilege of harvesting all merchantable forest products harvested on
17 forestlands in the amount of 138.72 cents per thousand feet, board measure, for the purpose of ad-
18 ministering the Oregon Forest Practices Act in an amount not to exceed 40 percent of the total
19 expenditures approved by the Legislative Assembly for this purpose, including salary adjustments
20 approved by the Legislative Assembly for fiscal years [2020] **2022** and [2021] **2023**.

21 (4) For the calendar years beginning January 1, [2020] **2022**, and January 1, [2021] **2023**, in ad-
22 dition to the taxes levied by subsections (1) to (3) of this section, there is levied a privilege tax of
23 10 cents per thousand feet, board measure, upon taxpayers for the privilege of harvesting all
24 merchantable forest products harvested on forestlands. Subject to ORS 321.145, the proceeds of the
25 tax shall be transferred as provided in ORS 321.152 (5) to the subaccount established pursuant to
26 ORS 350.520 for use by Oregon State University for the purpose of making investments in profes-
27 sional forestry education at the College of Forestry.

28 (5) [*Subject to subsection (6) of this section,*] The taxes shall be measured by and be applicable
29 to each per thousand feet, board measure, on the total quantity of forest products harvested in this
30 state measured by use of any log scale which is or may be in general use in the logging industry
31 and which is designed to measure total volume of merchantable forest products in board feet. How-
32 ever, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes
33 due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total
34 quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to
35 adopt another log scale in general use in the industry which in the department's opinion will accu-
36 rately reflect merchantable harvest in board feet.

37 [(6) *The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer*
38 *during each calendar year shall be excluded from the total quantity of harvested forest products that*
39 *constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.*]

40 **SECTION 7.** ORS 321.017 is amended to read:

41 321.017. (1) In addition to the taxes levied under ORS 321.015 [(1) to (4)], there hereby is levied
42 a privilege tax upon taxpayers on the harvesting of all merchantable forest products harvested on
43 forestlands in the amount provided in subsection (2) of this section.

44 (2) The rate of tax levied in subsection (1) of this section shall be established annually at the
45 beginning of each calendar year by the [*board of directors of the Oregon Forest Resources Institute*]

1 **Department of Revenue**, at a rate not to exceed 75 cents per thousand feet, board measure, ad-
2 justed annually for inflation since 1991 based on the Consumer Price Index for All Urban Consum-
3 ers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States
4 Department of Labor.

5 (3) The tax shall be measured by and be applicable to each per thousand feet, board measure,
6 and such shall be subject to and determined by the procedures and provisions of ORS 321.015 (5)
7 [and (6)].

8 (4) The tax levied by subsection (1) of this section shall be due and payable to the Department
9 of Revenue in the manner and procedure, including penalties and interest, as set forth for the col-
10 lection of the privilege tax in ORS 321.005 to 321.185.

11 (5) The revenue from the tax levied by subsection (1) of this section shall be remitted to the
12 State Treasurer who shall deposit it in a suspense account established under ORS 321.145 (1). After
13 payment of refunds, which shall be paid in the same manner as other forest products harvest tax
14 refunds are paid in ORS 321.145 (2), the balance of the additional tax imposed under subsection (1)
15 of this section shall be deposited in the Oregon Forest [*Resources Institute*] **Land Protection Fund**
16 **created under ORS 477.750 for use by communities for fire and smoke safety preparedness,**
17 **home hardening and community resilience.**

18 **SECTION 8.** ORS 321.152 is amended to read:

19 321.152. (1) Subject to ORS 321.145 (2), moneys remaining in the Department of Revenue's sus-
20 pense account referred to in ORS 321.145 on February 10, May 10, August 10 and November 10 of
21 each year shall be transferred to the respective appropriation accounts described in subsections (2)
22 to (5) of this section.

23 (2) That part of the moneys derived from taxes levied [by] **under** ORS 321.015 (1) shall be
24 transferred to the Forest Research and Experiment Account described in ORS 321.185.

25 (3) That part of the moneys derived from taxes levied [by] **under** ORS 321.015 (3) shall be
26 transferred to the State Forestry Department Account referred to in ORS 526.060. Notwithstanding
27 ORS 291.238, the moneys transferred to the State Forestry Department Account under this section
28 are appropriated continuously for and shall be used by the State Forester, under the supervision and
29 direction of the State Board of Forestry, for the purposes of administering the Oregon Forest Prac-
30 tices Act and the forest practices monitoring program. **Moneys transferred under this subsection**
31 **shall be used for prescribed burning and may not be used for staffing.**

32 (4) That part of the moneys derived from taxes levied [by] **under** ORS 321.015 (2) **and 321.017**
33 shall be transferred to the Oregon Forest Land Protection Fund described in ORS 477.750.

34 (5) That part of the moneys derived from taxes levied [by] **under** ORS 321.015 (4) shall be
35 transferred to the subaccount established pursuant to ORS 350.520.

36 **SECTION 9. The amendments to ORS 321.015, 321.017 and 321.152 by sections 6 to 8 of this**
37 **2021 Act apply to calendar years beginning on or after January 1, 2022.**

38 **SECTION 10.** ORS 477.750 is amended to read:

39 477.750. (1) The Oregon Forest Land Protection Fund is created, separate and distinct from the
40 General Fund. This fund shall be held by the State Treasurer as a trust fund for the uses and pur-
41 poses provided in ORS 477.750 to 477.775 and 477.880. The State Treasurer shall deposit and invest
42 moneys in the fund as provided by law, taking into account its uses and purposes. Interest earned
43 by the fund shall be credited to the fund.

44 (2) Notwithstanding any other law and as limited by ORS 477.750 to 477.775 and 477.880, that
45 part of the suspense account created [by] **under** ORS 321.145 that is derived from the tax levied

1 [by] **under** ORS 321.015 (2) **and 321.017**, after refunds and other costs permitted by law, shall be
 2 credited to the Oregon Forest Land Protection Fund.

3 **SECTION 11.** ORS 477.755 is amended to read:

4 477.755. (1) As used in this section, “annual expenditure” means the expenses of the Oregon
 5 Forest Land Protection Fund obligated in any 12-month period designated by the Emergency Fire
 6 Cost Committee by rule, corresponding to the policy period of any insurance for emergency fire
 7 costs.

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

10 (a) Equalizing emergency fire suppression costs for safeguarding forestland in any forest pro-
 11 tection district;

12 (b) Paying necessary administrative expenses, not to exceed the limit authorized by the Legis-
 13 lative Assembly each biennium;

14 (c) Contributing to the payment of emergency fire suppression costs insurance premiums, subject
 15 to the payment limitation established in ORS 477.775 (4);

16 (d) Paying costs related to the availability and mobilization of emergency fire suppression re-
 17 sources on a statewide basis; and

18 (e) Paying for nonroutine purchases of supplemental fire prevention, detection or suppression
 19 resources that will enhance the ability of the forester to perform fire protection responsibilities
 20 within a forest protection district.

21 (3) Notwithstanding any other provision of law, the annual expenditure from the Oregon Forest
 22 Land Protection Fund from revenues received from ORS 321.015 (2), **321.017**, 477.277 (1), 477.295 (1)
 23 and (2), 477.750 (1) and (2), 477.760 (4) and 477.880 may not exceed the lesser of:

24 (a) \$13.5 million; or

25 (b) The sum of:

26 (A) The lesser of \$10 million or 50 percent of the eligible annual fire suppression costs deter-
 27 mined by the committee;

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

30 (C) Contributions to the payment of emergency fire suppression costs insurance premiums, sub-
 31 ject to the payment limitation established in ORS 477.775 (4);

32 (D) The lesser of \$3 million or three-fifths of the actual cost of activities described in ORS
 33 477.777 (1)(b) and (c); and

34 (E) Any amounts expended for nonroutine purchases described in subsection (2)(e) of this sec-
 35 tion.

36
 37 **REPEAL OF FOREST ACTIVITIES-RELATED EXEMPTIONS**

38
 39 **SECTION 12.** ORS 308.236 is amended to read:

40 308.236. (1) The availability, usefulness and cost of using roads, including all roads of the owner
 41 of land or timber and all roads that the owner has the right to use, shall be taken into consideration
 42 in determining the real market value of land.

43 (2) Farm or grazing land roads [*and forest roads themselves, except principal exterior timber ac-*
 44 *cess roads,*] shall not be appraised, valued or assessed and they shall not be classed as improvements
 45 under ORS 308.215. The underlying land upon which roads are constructed shall be assessed if it is

1 otherwise subject to assessment.

2 (3) As used in this section,[:]

3 [(a)] “road” includes fills, ballast, bridges, culverts, drains, surfacing and other appurtenances
4 of a like kind commonly associated with roads but excludes railroads.

5 [(b)] “Principal exterior timber access roads” means those portions of high standard main-line pri-
6 vate roads that provide access from a conversion center or public way to the exterior boundary of the
7 principal forest area served by the road. A high standard main-line private road is a permanent road
8 of two lanes or more that is paved or macadamized or that has a fine-gravel surface that is permanently
9 and continuously maintained.]

10 **SECTION 13. ORS 307.824, 307.827 and 307.831 are repealed.**

11 **SECTION 14. The amendments to ORS 308.236 by section 12 of this 2021 Act and the re-**
12 **peal of ORS 307.824, 307.827 and 307.831 by section 13 of this 2021 Act apply to property tax**
13 **years beginning on or after July 1, 2022.**

14
15 **REPEAL OF FORESTLAND HOMESITE SPECIAL ASSESSMENT**

16
17 **SECTION 15.** ORS 308A.250 is amended to read:

18 308A.250. As used in ORS 308A.250 to 308A.259:

19 (1) “Exclusive farm use zone” has the meaning given that term in ORS 308A.053.

20 [(2)] “Forestland” means forestland that is a parcel of land of more than 10 acres that has been
21 zoned in the comprehensive plan for exclusive farm use, forest use or farm and forest use and that is,
22 as of the assessment date for which value for the forest homesite is being determined:]

23 [(a)] Land that has as its highest and best use the growing and harvesting of trees of a marketable
24 species;]

25 [(b)] Land that has been designated as forestland under ORS 321.257 to 321.390 or 321.805 to
26 321.855; or]

27 [(c)] Land that is assessed as small tract forestland under ORS 321.700 to 321.754.]

28 [(3)] (2) “Homesite” means land described in ORS 308A.253, including all tangible improvements
29 to the land under and adjacent to a dwelling and other structures, if any, that are customarily
30 provided in conjunction with the dwelling.

31 [(4)] (3) “Nonexclusive farm use zone farmland” has the meaning given that term in ORS
32 308A.053.

33 [(5)] (4) “Owner” or “owners” means:

34 (a) The person who holds an estate in the homesite in fee simple or for life.

35 (b) Any one of tenants in common or tenants by the entirety, holding an estate in the homesite
36 in fee simple or for life.

37 (c) Any person of legal age, duly authorized in writing to act on behalf of any person described
38 in paragraph (a) or (b) of this subsection in filing an application for special assessment of nonex-
39 clusive farm use zone farmland.

40 (d) The guardian or conservator of an owner, or the executor or administrator of an owner’s
41 estate.

42 (e) The purchaser of the fee simple or life estate of an owner under a contract of sale.

43 **SECTION 16.** ORS 308A.253 is amended to read:

44 308A.253. [(1)] Land under a dwelling that is used in conjunction with the activities customarily
45 carried on in the management and operation of forestland held or used for the predominant purpose

1 *of growing and harvesting trees of a marketable species shall qualify for special assessment under ORS*
 2 *308A.256.]*

3 [(2)] (1) Land under dwellings located within an exclusive farm use zone and used in conjunction
 4 with farm use shall qualify for special assessment under ORS 308A.256.

5 [(3)] (2) Land under dwellings used in conjunction with the farm use of nonexclusive farm use
 6 zone farmland shall qualify for special assessment under ORS 308A.256 if the farmland was operated
 7 as a part of a farm unit that produced more than one-half of the adjusted gross income of the owner
 8 or owners in the year prior to the year an application is filed under this section.

9 [(4)] (3) Land under a dwelling on a lot or parcel that is specially assessed under ORS 308A.403
 10 to 308A.430 or 308A.450 to 308A.465 shall qualify for special assessment under ORS 308A.256 if the
 11 land associated with the homesite:

12 (a) Was the subject of an application for wildlife habitat special assessment under ORS 308A.424
 13 or conservation easement special assessment under ORS 308A.456 and includes an existing homesite
 14 that was specially assessed under one of the special assessments listed in ORS 308A.703 (1) during
 15 the assessment year prior to application; or

16 [(b)(A)] (b) Is zoned in the comprehensive plan for exclusive farm use. [*forest use or farm and*
 17 *forest use; and]*

18 [(B) *The parcel has a minimum of 10 acres that meet the stocking and species requirements of land*
 19 *specially assessed under ORS 321.354 or 321.833.]*

20 [(5) *For purposes of ORS 308A.250 to 308A.259, the use of a dwelling “in conjunction with the*
 21 *activities customarily carried on in the management and operation of forestland” includes but is not*
 22 *limited to use of the dwelling under circumstances as follows:]*

23 [(a) *The dwelling is owned and occupied by a person who is engaged in the operation of the*
 24 *forestland, is occupied by an employee of the owner of forestland who is employed in connection with*
 25 *the forest operation or is occupied by a person who is involved in the forest operation; or]*

26 [(b) *The dwelling is owned and occupied by a person who is no longer engaged in the forest op-*
 27 *eration but:]*

28 [(A) *Whose principal source of income is derived from the harvest of timber from the forestland*
 29 *on which the dwelling is located;]*

30 [(B) *Who owned and occupied the dwelling, and was engaged in the forest operation, during the*
 31 *five consecutive tax years before the tax year in which engagement in the forest operation ended; and]*

32 [(C) *Who has owned and occupied the dwelling continuously during the period since engagement*
 33 *in the forest operation ended. For purposes of this subparagraph, “continuous” includes any period in*
 34 *which the dwelling is unoccupied because of health, vacation or other reason, if during the period the*
 35 *dwelling is not leased or rented to another person.]*

36 [(6)] (4) For purposes of ORS 308A.250 to 308A.259, the use of a dwelling “in conjunction with
 37 farm use” of farm use land includes but is not limited to use of the dwelling under circumstances
 38 as follows:

39 (a) The dwelling is owned and occupied by a person who is engaged in the operation of the farm
 40 use land, is occupied by an employee of the owner of farm use land who is employed in connection
 41 with the farming operation or is occupied by a person who is involved in the farming operation; or

42 (b) The dwelling is owned and occupied by a person who is no longer engaged in the farm op-
 43 eration on the farm use land but:

44 (A) Whose principal source of income is from the farm operation on the farm use land on which
 45 the dwelling is located;

1 (B) Who owned and occupied the dwelling, and was engaged in the farm operation, during the
 2 five consecutive tax years before the tax year in which engagement in the farm operation ended;
 3 and

4 (C) Who has owned and occupied the dwelling continuously during the period since engagement
 5 in the farm operation ended. For purposes of this subparagraph, “continuous” includes any period
 6 in which the dwelling is unoccupied because of health, vacation or other reason, if during the period
 7 the dwelling is not leased or rented to another person.

8 [(7)(a)] (5)(a) In order for land described in subsection [(3)] (2) of this section to qualify for as-
 9 sessment under ORS 308A.250 to 308A.259, the owner or owners shall file an application with the
 10 county assessor on or before April 15 of each year the assessment is desired. The application shall
 11 be made on forms prepared by the Department of Revenue and supplied by the assessor and shall
 12 include any information as may be reasonably required to determine the entitlement of the applicant,
 13 including copies of applicable state income tax returns. All information provided, including deter-
 14 minations made under administrative and court proceedings where entitlement is in issue, shall be
 15 confidential information of the assessor’s office and shall be used only for purposes of this sub-
 16 section.

17 (b) There shall be attached to each application an affidavit or affirmation from the applicant
 18 providing that the statements contained in the application are true.

19 **SECTION 17.** ORS 308A.259 is amended to read:

20 308A.259. (1)(a) A homesite shall be disqualified from assessment under ORS 308A.256 and shall
 21 be assessed at the assessed value under ORS 308.146 if the dwelling:

22 [(a) *Is not being used in conjunction with the activities customarily carried on in the management*
 23 *and operation of forestland held or used for the predominant purpose of growing and harvesting trees*
 24 *of a marketable species; or]*

25 [(b)(A)] (A) Is not being used in conjunction with farm use; and

26 (B) Is used for a nonfarm purpose.[; *however,*]

27 (b) **For purposes of this subsection,** vacancy does not constitute a change in use.

28 (2) If a homesite becomes disqualified from special assessment under the provisions of subsection
 29 (1) of this section, except for establishing a nonfarm dwelling pursuant to ORS 215.236, no additional
 30 tax shall be imposed following disqualification. The remaining qualifying portion of the parcel shall
 31 be valued as specially assessed.

32 (3) If the owner establishes a nonfarm dwelling in an exclusive farm use zone under ORS 215.236,
 33 additional taxes shall be imposed as provided in ORS 308A.700 to 308A.733.

34 **SECTION 18. The amendments to ORS 308A.250, 308A.253 and 308A.259 by sections 15 to**
 35 **17 of this 2021 Act apply to property tax years beginning on or after July 1, 2022.**

36
 37 **SMALL TRACT FORESTLAND**

38
 39 **SECTION 19.** ORS 321.709 is amended to read:

40 321.709. (1) To qualify for small tract forestland assessment under ORS 321.700 to 321.754 for
 41 each tax year:

42 (a) The owner of the land that is the subject of an application filed under ORS 321.706 must own
 43 or hold common ownership interest in at least [10] **60** acres of Oregon forestland but less than 5,000
 44 acres of Oregon forestland;

45 (b) The land that is the subject of the application must constitute all forestland within a single

1 tax lot and all forestland within contiguous parcels owned or held in common ownership by the
 2 owner; and

3 (c) The forestland that is the subject of the application must meet minimal stocking and species
 4 requirements applicable to forestland under rules adopted by the Department of Revenue.

5 (2)(a) Whether land qualifies for small tract forestland assessment shall be determined as of
 6 January 1 of each assessment year.

7 (b) If land qualified for small tract forestland assessment under this section as of January 1 of
 8 an assessment year but is disqualified from small tract forestland assessment prior to July 1 of the
 9 same assessment year, the land shall be assessed as provided under ORS 308.146 or as otherwise
 10 provided by law.

11 (c) If land qualified for small tract forestland assessment under this section as of January 1 of
 12 an assessment year but ceases to meet the qualifications for small tract forestland assessment on
 13 or after July 1, the land shall continue to be assessed as small tract forestland for the current tax
 14 year.

15 (d) The land that is the subject of the application must not have been disqualified from small
 16 tract forestland assessment under ORS 321.700 to 321.754 for any of the five tax years preceding the
 17 year for which small tract forestland assessment is sought under this section.

18 (3) For each year that land qualifies for small tract forestland assessment, the county assessor
 19 shall enter the notation "potential additional tax liability" on the assessment and tax roll.

20 **SECTION 20.** ORS 321.712 is amended to read:

21 321.712. (1) An owner of small tract forestland shall notify the county assessor:

22 (a) When the owner acquires, either directly or through common ownership, one or more tax lots
 23 that are contiguous to small tract forestland owned or held in common ownership by the owner;

24 (b) When the owner acquires, either directly or through common ownership, additional
 25 forestland that results in the owner's owning or holding in common ownership more than 5,000 acres
 26 of Oregon forestland;

27 (c) When the owner sells, either directly or through common ownership, small tract forestland
 28 that results in the owner's owning or holding in common ownership less than [10] 60 acres of Oregon
 29 forestland; or

30 (d) When there is a change in use of any portion of small tract forestland to a use that is not
 31 a forestland use.

32 (2) The notification under subsection (1) of this section must be made in writing.

33 (3) The county assessor may disqualify small tract forestland if the assessor discovers an ac-
 34 quisition, sale or change in use described in subsection (1) of this section for which the owner did
 35 not give written notification as required under this section.

36 (4) The county assessor shall send a copy of any notification made under this section and re-
 37 ceived by the assessor to the Department of Revenue.

38 **SECTION 21.** ORS 321.716 is amended to read:

39 321.716. (1) The county assessor shall disqualify land as small tract forestland upon:

40 (a) Sale or transfer of the small tract forestland;

41 (b) Discovery by the assessor that the land is no longer forestland;

42 (c) The owner's owning or holding in common ownership more than 5,000 acres of Oregon
 43 forestland;

44 (d) The owner's owning or holding in common ownership less than [10] 60 acres of Oregon
 45 forestland;

1 (e) Written notice from the State Forestry Department that the land no longer meets the
 2 stocking and species requirements applicable to small tract forestland under rules adopted by the
 3 Department of Revenue;

4 (f) The land's qualifying for another special assessment listed in ORS 308A.706 (1)(d)(A), (B), (F)
 5 or (G); or

6 (g) The recording of a subdivision plat under ORS chapter 92 that subdivides the land.

7 (2) If, pursuant to subsection (1)(g) of this section, the county assessor disqualifies small tract
 8 forestland upon the recording of a subdivision plat, the land may requalify for small tract forestland
 9 assessment upon:

10 (a) Payment of all additional tax and interest that remains due and owing as a result of the
 11 disqualification;

12 (b) Submission of an application for small tract forestland assessment under ORS 321.706 and
 13 approval of the application by the county assessor; and

14 (c) Compliance with any applicable local government zoning ordinances governing minimum lot
 15 or parcel acreage for forest use.

16 (3)(a) If a sale or transfer of small tract forestland is the basis for disqualification under sub-
 17 section (1)(a) of this section, the land may not be disqualified until 30 days after the county assessor
 18 issues a notice of intent to disqualify to the purchaser or transferee of the small tract forestland.
 19 The assessor shall issue a notice of intent to disqualify within 15 months after the date of the sale
 20 or transfer.

21 (b) The land shall automatically qualify for special assessment under ORS 321.257 to 321.390 or
 22 321.805 to 321.855, whichever is applicable, unless the assessor determines that the land does not
 23 constitute forestland.

24 (4) Upon disqualification of land under subsection (1) of this section, additional taxes shall be
 25 determined as provided in ORS 308A.700 to 308A.733.

26 **SECTION 22.** ORS 321.719 is amended to read:

27 321.719. (1) Notwithstanding ORS 321.716 (1)(a), if the sale or transfer of small tract forestland
 28 is to a person who, following the date of the sale or transfer, does not own or hold in common
 29 ownership less than [10] **60** acres or 5,000 acres or more of forestland in Oregon, the sold or trans-
 30 ferred forestland may remain small tract forestland, if:

31 (a) Within 30 days after the date the county assessor issues the notice of intent to disqualify
 32 under ORS 321.716, the purchaser or transferee has applied for continued qualification of the small
 33 tract forestland;

34 (b) The purchaser or transferee is otherwise eligible to be an owner of small tract forestland
 35 under ORS 321.700 to 321.754; and

36 (c) Any forestland owned or held in common ownership by the purchaser or transferee that is
 37 a contiguous parcel to the purchased or transferred forestland is:

38 (A) Qualified as small tract forestland or is the subject of an application for qualification under
 39 ORS 321.706; or

40 (B) Included as part of the application for continued qualification filed under this section, and
 41 the additional information required in an application for qualification of small tract forestland under
 42 ORS 321.706 is included in the application for continued qualification filed under this section.

43 (2)(a) A purchaser or transferee described in subsection (1) of this section shall apply for con-
 44 tinued qualification to the county assessor of the county in which the forestland that is the subject
 45 of the sale or transfer is located. If the forestland is located in more than one county, the purchaser

1 or transferee shall apply for continued qualification to the county assessor of each county in which
2 the forestland is located.

3 (b) The application shall be on a form prescribed by the Department of Revenue and supplied
4 by the county assessor that contains:

5 (A) The name and address of the seller or transferor of the small tract forestland;

6 (B) The name, address and taxpayer identification number of the purchaser or transferee of the
7 small tract forestland;

8 (C) A statement listing the county and containing a description sufficient to identify the location
9 of the small tract forestland being purchased or transferred;

10 (D) A statement listing the county and containing a description sufficient to identify the location
11 of all parcels of land owned or held in common ownership by the purchaser or transferee that are
12 contiguous to the small tract forestland that is being purchased or transferred;

13 (E) The total acreage of Oregon forestland owned or held in common ownership by the pur-
14 chaser or transferee;

15 (F) A statement that the applicant is aware of the potential tax liability that arises under ORS
16 308A.707;

17 (G) An affirmation that the statements contained in the application are true; and

18 (H) Any other relevant information the department may prescribe.

19 (3) The assessor shall review the application and grant the continued qualification of the land
20 as small tract forestland following the sale or transfer if the purchaser or transferee satisfies the
21 requirements of subsection (1) of this section.

22 (4)(a) If the application for continued qualification is filed prior to July 1 of the assessment year,
23 the assessor shall process the application for continued qualification for the tax year beginning that
24 July 1.

25 (b) If the notice of intent to disqualify is issued on or after June 1 of the assessment year, the
26 assessor may not disqualify the land as small tract forestland for the tax year beginning July 1, and
27 shall process the application for continued qualification for the tax year beginning the next suc-
28 ceeding July 1.

29 (c) An application for continued qualification shall be deemed approved unless, within three
30 months of the date the application was made or before August 15 of the year in which the applica-
31 tion was filed, whichever is later, the county assessor notifies the purchaser or transferee in writing
32 that the application has been wholly or partially denied.

33 (5) A purchaser or transferee may appeal the decision of the county assessor to wholly or par-
34 tially deny an application for continued qualification to the tax court in the time and manner pre-
35 scribed under ORS 305.404 to 305.560.

36 (6) In the case of an application for continued qualification that is approved by the county
37 assessor, the assessor shall send a written notification of the approval and a copy of the application
38 to the department.

39 (7) For purposes of computing additional taxes under ORS 308A.707, upon a subsequent dis-
40 qualification of small tract forestland that is granted continued qualification under this section, the
41 small tract forestland is considered to have been subject to small tract forestland assessment with-
42 out interruption from the period before the sale or transfer to the date of subsequent disqualification
43 from small tract forestland assessment.

44 (8) Notwithstanding subsection (1) of this section, a purchaser or transferee of small tract
45 forestland may file an application for continued qualification of the small tract forestland after the

1 date prescribed in subsection (1) of this section if:

2 (a) The application is filed on or before December 15 of the first tax year for which the
3 forestland would otherwise be disqualified from small tract forestland assessment; and

4 (b) The applicant pays a \$200 late filing fee at the time the application is filed.

5 **SECTION 23. The amendments to ORS 321.709, 321.712, 321.716 and 321.719 by sections 19**
6 **to 22 of this 2021 Act apply to property tax years beginning on or after July 1, 2022.**

7 **SECTION 24.** ORS 321.722 is amended to read:

8 321.722. (1) Small tract forestland shall have a specially assessed value per acre:

9 (a) Equal to [20] _____ percent of the specially assessed value per acre determined under ORS
10 321.354, if located in western Oregon; or

11 (b) Equal to [20] _____ percent of the specially assessed value per acre determined under ORS
12 321.833, if located in eastern Oregon.

13 (2) For each land class, the maximum assessed value per acre of small tract forestland shall
14 equal 103 percent of the small tract forestland assessed value per acre for the preceding tax year
15 or 100 percent of the small tract forestland maximum assessed value per acre for the preceding tax
16 year, whichever is greater.

17 (3) The county assessor shall compute the assessed value of small tract forestland by multiplying
18 the acreage of the small tract forestland in each land class by the lesser of:

19 (a) The specially assessed value per acre; or

20 (b) The maximum assessed value per acre.

21 (4) If the small tract forestland being assessed consists of different land classes, the assessed
22 value of the small tract forestland shall be the sum of the assessed values computed for each land
23 class under subsection (3) of this section.

24 **SECTION 25. The amendments to ORS 321.722 by section 24 of this 2021 Act apply to the**
25 **property tax year beginning on July 1, 2022.**

26 **SECTION 26.** ORS 321.722, as amended by section 24 of this 2021 Act, is amended to read:

27 321.722. (1) Small tract forestland shall have a specially assessed value per acre:

28 (a) Equal to [_____] _____ percent of the specially assessed value per acre determined un-
29 der ORS 321.354, if located in western Oregon; or

30 (b) Equal to [_____] _____ percent of the specially assessed value per acre determined un-
31 der ORS 321.833, if located in eastern Oregon.

32 (2) For each land class, the maximum assessed value per acre of small tract forestland shall
33 equal 103 percent of the small tract forestland assessed value per acre for the preceding tax year
34 or 100 percent of the small tract forestland maximum assessed value per acre for the preceding tax
35 year, whichever is greater.

36 (3) The county assessor shall compute the assessed value of small tract forestland by multiplying
37 the acreage of the small tract forestland in each land class by the lesser of:

38 (a) The specially assessed value per acre; or

39 (b) The maximum assessed value per acre.

40 (4) If the small tract forestland being assessed consists of different land classes, the assessed
41 value of the small tract forestland shall be the sum of the assessed values computed for each land
42 class under subsection (3) of this section.

43 **SECTION 27. The amendments to ORS 321.722 by section 26 of this 2021 Act apply to the**
44 **property tax year beginning on July 1, 2023.**

45 **SECTION 28.** ORS 321.726 is amended to read:

1 321.726. (1) A severance tax is imposed at the time of the harvest of timber from small tract
2 forestland.

3 (2) The tax is imposed on the owner of timber at the time of harvest, and remains a liability of
4 the owner of timber until paid.

5 (3) The tax is imposed at the rate of:

6 (a) [\$3.89] \$_____ per thousand feet, board measure, of timber harvested in western Oregon;
7 or

8 (b) [\$3.03] \$_____ per thousand feet, board measure, of timber harvested in eastern Oregon.

9 (4) The tax shall be imposed on the net volume of timber harvested, determined by unit of proper
10 measurement for the kind of timber, species, quality class, grade or product harvested.

11 (5) For calendar years beginning on or after January 1, 2005, the tax rates imposed under sub-
12 section (3) of this section shall be indexed as follows:

13 (a) For the rate that applies to the harvest of timber from small tract forestland in western
14 Oregon, the tax rate applicable to the harvest of timber from small tract forestland in western
15 Oregon for the previous calendar year shall be multiplied by the ratio of the average assessed value
16 per acre of small tract forestland in western Oregon for the property tax year in which the current
17 calendar year begins over the average assessed value per acre of small tract forestland in western
18 Oregon for the previous property tax year. For purposes of this paragraph, the average assessed
19 value per acre of small tract forestland in western Oregon is determined by adding the assessed
20 values per acre of small tract forestland for each land class in western Oregon and dividing that
21 number by the number of land classes in western Oregon.

22 (b) For the rate that applies to the harvest of timber from small tract forestland in eastern
23 Oregon, the tax rate applicable to the harvest of timber from small tract forestland in eastern
24 Oregon for the previous calendar year shall be multiplied by the ratio of the assessed value per acre
25 of small tract forestland in eastern Oregon for the property tax year in which the current calendar
26 year begins over the assessed value per acre of small tract forestland in eastern Oregon for the
27 previous property tax year.

28 (6) The tax imposed under this section does not apply to an owner of forestland totaling 5,000
29 acres or more that, on or after July 1 of an assessment year, acquires ownership of small tract
30 forestland and harvests timber from the acquired small tract forestland.

31 **SECTION 29. The amendments to ORS 321.726 by section 28 of this 2021 Act apply to the**
32 **calendar year beginning on January 1, 2022.**

33 **SECTION 30.** ORS 321.726, amended by section 28 of this 2021 Act, is amended to read:

34 321.726. (1) A severance tax is imposed at the time of the harvest of timber from small tract
35 forestland.

36 (2) The tax is imposed on the owner of timber at the time of harvest, and remains a liability of
37 the owner of timber until paid.

38 (3) The tax is imposed at the rate of:

39 (a) [\$_____] \$_____ per thousand feet, board measure, of timber harvested in western
40 Oregon; or

41 (b) [\$_____] \$_____ per thousand feet, board measure, of timber harvested in eastern
42 Oregon.

43 (4) The tax shall be imposed on the net volume of timber harvested, determined by unit of proper
44 measurement for the kind of timber, species, quality class, grade or product harvested.

45 (5) For calendar years beginning on or after January 1, 2005, the tax rates imposed under sub-

1 section (3) of this section shall be indexed as follows:

2 (a) For the rate that applies to the harvest of timber from small tract forestland in western
 3 Oregon, the tax rate applicable to the harvest of timber from small tract forestland in western
 4 Oregon for the previous calendar year shall be multiplied by the ratio of the average assessed value
 5 per acre of small tract forestland in western Oregon for the property tax year in which the current
 6 calendar year begins over the average assessed value per acre of small tract forestland in western
 7 Oregon for the previous property tax year. For purposes of this paragraph, the average assessed
 8 value per acre of small tract forestland in western Oregon is determined by adding the assessed
 9 values per acre of small tract forestland for each land class in western Oregon and dividing that
 10 number by the number of land classes in western Oregon.

11 (b) For the rate that applies to the harvest of timber from small tract forestland in eastern
 12 Oregon, the tax rate applicable to the harvest of timber from small tract forestland in eastern
 13 Oregon for the previous calendar year shall be multiplied by the ratio of the assessed value per acre
 14 of small tract forestland in eastern Oregon for the property tax year in which the current calendar
 15 year begins over the assessed value per acre of small tract forestland in eastern Oregon for the
 16 previous property tax year.

17 (6) The tax imposed under this section does not apply to an owner of forestland totaling 5,000
 18 acres or more that, on or after July 1 of an assessment year, acquires ownership of small tract
 19 forestland and harvests timber from the acquired small tract forestland.

20 **SECTION 31. The amendments to ORS 321.726 by section 30 of this 2021 Act apply to the**
 21 **calendar year beginning on January 1, 2023.**

22 **SECTION 32. ORS 308A.707, 321.700, 321.703, 321.706, 321.709, 321.712, 321.716, 321.719,**
 23 **321.722, 321.726, 321.733, 321.741, 321.746, 321.751 and 321.754 are repealed.**

24 **SECTION 33. (1) The repeal of ORS 308A.707, 321.700, 321.703, 321.706, 321.709, 321.712,**
 25 **321.716, 321.719 and 321.722 by section 32 of this 2021 Act applies to property tax years be-**
 26 **ginning on or after July 1, 2024.**

27 **(2) The repeal of 321.726, 321.733, 321.741, 321.746, 321.751 and 321.754 by section 32 of this**
 28 **2021 Act applies to calendar years beginning on or after January 1, 2024.**

29
 30 **CONFORMING AMENDMENTS**

31
 32 **SECTION 34. ORS 308A.377 is amended to read:**

33 308A.377. (1) Land may be designated as riparian upon application and approval of the applica-
 34 tion under ORS 308A.356 and 308A.359 if the land is being assessed under any of the following
 35 special assessment programs:

36 (a) ORS 308A.050 to 308A.128 (relating to farm use special assessment).

37 (b) ORS 321.257 to 321.390 (relating to special assessment as designated forestland in western
 38 Oregon).

39 (c) ORS 321.805 to 321.855 (relating to special assessment as designated forestland in eastern
 40 Oregon).

41 *[(d) ORS 321.700 to 321.754 (relating to special assessment as small tract forestland).]*

42 *[(e)]* (d) ORS 308A.300 to 308A.330 (relating to classification as open space land).

43 (2) Notwithstanding the provisions of any of the special assessment laws listed in subsection (1)
 44 of this section, the additional taxes, penalties and interest that would be due as a result of a change
 45 of designation to riparian shall be abated and shall not be collected.

SECTION 35. ORS 308A.706 is amended to read:

308A.706. (1) Notwithstanding that land is disqualified from special assessment, the additional taxes described under ORS 308A.703 may not be imposed and shall remain a potential tax liability if, as of the date the disqualification is taken into account on the assessment and tax roll, the land is any of the following:

(a) Disqualified exclusive farm use zone farmland or nonexclusive farm use zone farmland that:

(A) Is not being used as farmland; and

(B) Is not being used for industrial, commercial, residential or other use that is incompatible with a purpose to return the land to farm use.

(b) Acquired by a governmental agency or body as a result of an exchange of the land for land of approximately equal value held by the governmental agency or body.

(c) Acquired and used for natural heritage purposes and all of the following additional requirements are met:

(A) The land is registered under ORS 273.581 as a state natural area;

(B) The land is acquired by a private nonprofit corporation;

(C) The land is retained by the corporation, or transferred to the state by the corporation, for the purpose of educational, scientific and passive recreational use consistent with conservation of the ecological values and natural heritage resources of the area;

(D) If the land is retained by the corporation, it remains open to the public without charge for the uses described in subparagraph (C) of this paragraph; and

(E) The land is managed pursuant to a voluntary management agreement under ORS 273.581 (5).

(d) Qualified for special assessment under:

(A) ORS 308A.062, relating to farm use special assessment of land in an exclusive farm use zone;

(B) ORS 308A.068, relating to farm use special assessment of nonexclusive farm use zone farmland;

(C) ORS 321.358, relating to classification as designated forestland in western Oregon;

(D) ORS 321.839, relating to classification as designated forestland in eastern Oregon;

~~[(E) ORS 321.709, relating to qualification as small tract forestland;]~~

~~[(F)]~~ (E) ORS 308A.424, relating to wildlife habitat special assessment; or

~~[(G)]~~ (F) ORS 308A.456, relating to conservation easement special assessment.

(e) Disqualified nonexclusive farm use zone farmland, to the extent the additional taxes are deferred or abated as provided in ORS 308A.119.

(2) This section does not apply to the additional taxes imposed under ORS 308A.703 (4)(a) for the number of years during which farm use special assessment was granted pursuant to a remediation plan as defined in ORS 308A.053.

(3) In any case where the additional tax is deferred under the provisions of this section but may subsequently be imposed under ORS 308A.712, the county assessor shall continue to enter the notation "potential additional tax liability" on the assessment and tax roll.

SECTION 36. ORS 308A.718 is amended to read:

308A.718. (1) The county assessor shall send notice as provided in this section if land is disqualified under any of the following special assessment programs:

(a) Farm use special assessment under ORS 308A.050 to 308A.128.

(b) Farm *[or forest]* homesite special assessment under ORS 308A.250 to 308A.259.

(c) Western Oregon designated forestland special assessment under ORS 321.257 to 321.390.

(d) Eastern Oregon designated forestland special assessment under ORS 321.805 to 321.855.

1 [(e) *Small tract forestland special assessment under ORS 321.700 to 321.754.*]

2 [(f)] (e) Wildlife habitat special assessment under ORS 308A.403 to 308A.430.

3 [(g)] (f) Conservation easement special assessment under ORS 308A.450 to 308A.465.

4 (2) Notwithstanding that a change in use described in this section is not a disqualification, the
5 assessor shall send notice as provided in this section when the highest and best use of land changes
6 from forestland to a different highest and best use.

7 (3) Within 30 days after the date that land is disqualified from special assessment, the assessor
8 shall notify the taxpayer in writing of the disqualification and shall state the reason for the dis-
9 qualification.

10 (4) Following receipt of the notification, the taxpayer may appeal the assessor's determination
11 to the Oregon Tax Court within the time and in the manner provided in ORS 305.404 to 305.560.

12 (5)(a) When any land has been granted special assessment under any of the special assessment
13 laws listed in subsection (1) of this section and the land is disqualified from such special assessment,
14 the county assessor shall furnish the owner with a written explanation summarizing:

15 (A) ORS 308A.706 (1)(d) (relating to change in special assessment);

16 (B) ORS 308A.727 (relating to change in use to open space use special assessment for certain
17 golf courses);

18 (C) The administrative act necessary under ORS 308A.724 to change the property to another
19 classification described in this paragraph; and

20 (D) The imposition of any penalties that would result from the disqualification if no requali-
21 fication or reclassification is made under one of the other special assessment laws listed in this
22 paragraph.

23 (b) The written explanation required by this subsection shall be given in conjunction either with
24 the notice of disqualification required under this section or with an order or notice of disqualifica-
25 tion otherwise provided by law.

26 (c)(A) If no notice of disqualification is required to be made by this section or other provision
27 of law, the written explanation required by this subsection shall be made by the county assessor.

28 (B) A written explanation made under this paragraph shall be made by the assessor within 30
29 days of the effective date of the disqualification.

30 (6) Subsections (1) to (5) of this section do not apply if the reason for the disqualification is:

31 (a) The result of a request for disqualification by the property owner; or

32 (b) Because the property is being acquired by a government or tax-exempt entity.

33 (7) Within 30 days after the date the notification required under subsection (3) of this section
34 is mailed, a taxpayer intending to implement a remediation plan as defined in ORS 308A.053 on the
35 disqualified land that is the subject of the notification must notify the assessor in writing of the
36 taxpayer's intention to seek certification for the remediation plan.

37 **SECTION 37.** ORS 308A.733 is amended to read:

38 308A.733. (1) Where any property has been granted special assessment for the purposes of
39 property taxation under any of the special assessment laws listed in subsection (2) of this section,
40 and the owner or other qualified person applies for a change in the classification under another
41 special assessment law, the applicant shall have 30 days thereafter within which to withdraw the
42 application, by giving written notice to the public official or agency to whom the applicant applied
43 for the change in classification. If no notice of withdrawal is given by the applicant, the application
44 shall be acted upon and the change in classification made, as otherwise provided by law.

45 (2) This section applies to the following special assessment laws:

1 (a) ORS 308A.050 to 308A.128 (relating to special assessment at value for farm use).

2 (b) ORS 321.257 to 321.390 (relating to special assessment as designated forestland in western
3 Oregon).

4 (c) ORS 321.805 to 321.855 (relating to special assessment as designated forestland in eastern
5 Oregon).

6 *[(d) ORS 321.700 to 321.754 (relating to special assessment as small tract forestland).]*

7 *[(e)] (d)* ORS 308A.300 to 308A.330 (relating to classification as open space land).

8 *[(f)] (e)* ORS 308A.350 to 308A.383 (relating to designation as riparian land).

9 *[(g)] (f)* ORS 308A.403 to 308A.430 (relating to special assessment as wildlife habitat).

10 *[(h)] (g)* ORS 308A.450 to 308A.465 (relating to special assessment as conservation easement).

11 **SECTION 38.** ORS 321.267 is amended to read:

12 321.267. The following forestland may not be assessed under ORS 321.257 to 321.390:

13 (1) Forestland assessed by the Department of Revenue pursuant to ORS 308.505 to 308.674,
14 308.805 to 308.820 and 308.990.

15 (2) Except as provided in ORS 321.347, land that is prepared using intensive cultivation and
16 tilling and on which all unwanted plant growth is controlled continuously for the exclusive purpose
17 of growing Christmas trees.

18 (3) Land used for the purpose of growing hardwood timber, including but not limited to hybrid
19 cottonwood, if:

20 (a) The land is prepared using intensive cultivation methods and is cleared of competing vege-
21 tation for at least three years after tree planting;

22 (b) The timber is of a species marketable as fiber for inclusion in the furnish for manufacturing
23 paper products;

24 (c) The timber is harvested on a rotation cycle within 12 years after planting; and

25 (d) The land and timber are subject to intensive agricultural practices such as fertilization, in-
26 sect and disease control, cultivation and irrigation.

27 *[(4) Small tract forestland qualified under ORS 321.700 to 321.754 and timber harvested from small
28 tract forestland qualified under ORS 321.700 to 321.754.]*

29 **SECTION 39.** ORS 321.354 is amended to read:

30 321.354. (1)(a) The Department of Revenue shall identify the forestland that is held in common
31 ownership of 5,000 acres or more as of the assessment date for each tax year.

32 *[(b) Forestland that the department has identified under paragraph (a) of this subsection that, for
33 the previous tax year, was subject to small tract forestland assessment shall be disqualified from small
34 tract forestland assessment and shall be subject to special assessment as provided in this section as of
35 the first tax year the forestland is held in common ownership of 5,000 acres or more.]*

36 *[(c)] (b)* For purposes of this subsection, “forestland” includes land that meets the definition of
37 forestland under ORS 321.805.

38 (2) Forestland assessed under this section shall have a specially assessed value per acre equal
39 to the value certified to the county assessor for the tax year under ORS 321.216 for the applicable
40 land class of the forestland.

41 (3) For each land class described in ORS 321.210, the forestland maximum assessed value per
42 acre shall equal 103 percent of the forestland assessed value per acre for the preceding tax year or
43 100 percent of the forestland maximum assessed value per acre for the preceding tax year, which-
44 ever is greater.

45 (4)(a) The assessor shall compute the assessed value of forestland by multiplying the acreage of

1 the forestland in each land class by the lesser of:

2 (A) The specially assessed value per acre; or

3 (B) The maximum assessed value per acre.

4 (b) If the forestland being assessed consists of different land classes, the assessed value of the
5 forestland shall be the sum of the assessed values computed for each land class under paragraph (a)
6 of this subsection.

7 (5) Notwithstanding subsection (4) of this section, the forestland shall be assessed as provided
8 in ORS 308.232 if the real market value of the forestland is less than the value established under
9 subsection (4) of this section.

10 (6) For purposes of this section:

11 (a) The department shall certify to the county assessor of a county in which forestland identified
12 in subsection (1) of this section is located a list of the property tax accounts containing forestland
13 so identified.

14 (b) Forestland shall be considered to be in common ownership if the forestland is owned by the
15 person directly or is owned by a corporation, partnership, association or other entity in which the
16 person owns a majority interest.

17 *[(c) Additional taxes may not be imposed as a result of a disqualification under subsection (1) of*
18 *this section.]*

19 *[(d) The notification requirements and other procedures that the county assessor must follow in*
20 *disqualifying forestland do not apply to a disqualification occurring under subsection (1) of this*
21 *section.]*

22 *[(e)]* (c) The department shall notify the county assessor of forestland identified under subsection
23 (1)(a) of this section that is located in that county.

24 **SECTION 40.** ORS 321.550 is amended to read:

25 321.550. (1) No person shall harvest or cause to be harvested any timber from land in Oregon
26 without first having notified the State Forester in writing with a copy to the Department of Revenue
27 on forms prepared by the State Forester and the department of intent to harvest pursuant to ORS
28 321.005 to 321.185[,] **and** 321.560 to 321.600 and ~~321.700 to 321.754~~ **sections 1 to 4 of this 2021**
29 **Act.**

30 (2) The notification shall specify where and when the harvest will take place and the nature of
31 the harvest and shall include maps and other data as required by the State Forester and the de-
32 partment. The department shall establish by rule procedures to assure the receipt of the tax returns
33 sent out or a report of nonharvest from the person. The department shall conduct field and office
34 audits to ascertain the correctness of any timber tax return.

35 (3)(a) If a person fails to file a written notice as required in subsection (1) of this section with
36 respect to any harvest over 5,000 board feet, the department shall notify the person. If, after the
37 person has been notified, the person fails to file a written notice as required in subsection (1) of this
38 section with respect to any subsequent harvest over 5,000 board feet, there shall be added to the
39 amount of the timber tax required to be shown on the return as a result of the subsequent harvest
40 a delinquency penalty of \$250 for each violation occurring within a calendar year. The department
41 shall collect the penalty in the same manner as taxes are collected.

42 (b) No penalty shall be imposed under this subsection if a penalty for failure to file the notice
43 with the State Forester has been imposed under ORS 527.992.

44 (c) The delinquency penalty shall *[first be added to the small tract forestland timber severance tax*
45 *imposed under ORS 321.700 to 321.754, if applicable to the harvest. If the small tract forestland timber*

1 *severance tax is not applicable, the delinquency penalty shall*] be added to the forest products harvest
2 tax imposed under ORS 321.005 to 321.185, **or to the severance tax imposed under sections 1 to**
3 **4 of this 2021 Act, as applicable.**

4 **SECTION 41.** ORS 321.833 is amended to read:

5 321.833. (1)(a) The Department of Revenue shall identify the forestland that is held in common
6 ownership of 5,000 acres or more as of the assessment date for each tax year.

7 *[(b) Forestland that the department has identified under paragraph (a) of this subsection that, for*
8 *the previous tax year, was subject to small tract forestland assessment shall be disqualified from any*
9 *small tract forestland assessment and shall be subject to special assessment as provided in this section*
10 *as of the first tax year the forestland is held in common ownership of 5,000 acres or more.]*

11 *[(c) (b) For purposes of this subsection, “forestland” includes land that meets the definition of*
12 *forestland under ORS 321.257.*

13 (2) Forestland assessed under this section shall have a specially assessed value per acre equal
14 to the value certified to the county assessor for the tax year under ORS 321.216.

15 (3) Forestland assessed under this section shall have a maximum assessed value per acre equal
16 to 103 percent of the forestland assessed value per acre for the preceding tax year or 100 percent
17 of the forestland maximum assessed value per acre for the preceding tax year, whichever is greater.

18 (4)(a) The assessor shall compute the assessed value of forestland by multiplying the acreage of
19 the forestland by the lesser of:

20 (A) The specially assessed value per acre; or

21 (B) The maximum assessed value per acre.

22 (b) Notwithstanding paragraph (a) of this subsection, the forestland shall be assessed as provided
23 in ORS 308.232 if the real market value of the forestland is less than the value established under
24 paragraph (a) of this subsection.

25 (5) For purposes of this section:

26 (a) The department shall certify to the county assessor of a county in which forestland identified
27 in subsection (1) of this section is located a list of the property tax accounts containing forestland
28 so identified.

29 (b) Forestland shall be considered to be in common ownership if the forestland is owned by the
30 person directly or is owned by a corporation, partnership, association or other entity in which the
31 person owns a majority interest.

32 *[(c) Additional taxes may not be imposed as a result of a disqualification under subsection (1) of*
33 *this section.]*

34 *[(d) The notification requirements and other procedures that the county assessor must follow in*
35 *disqualifying forestland do not apply to a disqualification occurring under subsection (1) of this*
36 *section.]*

37 *[(e) (c) The department shall notify the county assessor of forestland identified under subsection*
38 *(1)(a) of this section that is located in that county.*

39 **SECTION 42.** ORS 215.236 is amended to read:

40 215.236. (1) As used in this section, “dwelling” means a single-family residential dwelling not
41 provided in conjunction with farm use.

42 (2) The governing body or its designee may not grant final approval of an application made un-
43 der ORS 215.213 (3) or 215.284 (1), (2), (3), (4) or (7) for the establishment of a dwelling on a lot or
44 parcel in an exclusive farm use zone that is, or has been, receiving special assessment without evi-
45 dence that the lot or parcel upon which the dwelling is proposed has been disqualified for special

1 assessment at value for farm use under ORS 308A.050 to 308A.128 or other special assessment under
2 ORS 308A.315, 321.257 to 321.390[321.700 to 321.754] or 321.805 to 321.855 and any additional tax
3 imposed as the result of disqualification has been paid.

4 (3) The governing body or its designee may grant tentative approval of an application made
5 under ORS 215.213 (3) or 215.284 (1), (2), (3), (4) or (7) for the establishment of a dwelling on a lot
6 or parcel in an exclusive farm use zone that is specially assessed at value for farm use under ORS
7 308A.050 to 308A.128 upon making the findings required by ORS 215.213 (3) or 215.284 (1), (2), (3),
8 (4) or (7). An application for the establishment of a dwelling that has been tentatively approved shall
9 be given final approval by the governing body or its designee upon receipt of evidence that the lot
10 or parcel upon which establishment of the dwelling is proposed has been disqualified for special
11 assessment at value for farm use under ORS 308A.050 to 308A.128 or other special assessment under
12 ORS 308A.315, 321.257 to 321.390[321.700 to 321.754] or 321.805 to 321.855 and any additional tax
13 imposed as the result of disqualification has been paid.

14 (4) The owner of a lot or parcel upon which the establishment of a dwelling has been tentatively
15 approved as provided by subsection (3) of this section shall, before final approval, simultaneously:

16 (a) Notify the county assessor that the lot or parcel is no longer being used as farmland or for
17 other specially assessed uses described in subsection (2) or (3) of this section;

18 (b) Request that the county assessor disqualify the lot or parcel from special assessment under
19 ORS 308A.050 to 308A.128, 308A.315, 321.257 to 321.390[321.700 to 321.754] or 321.805 to 321.855;
20 and

21 (c) Pay any additional tax imposed upon disqualification from special assessment.

22 (5) Except as provided in subsection (6) of this section, a lot or parcel that has been disqualified
23 pursuant to subsection (4) of this section may not requalify for special assessment unless, when
24 combined with another contiguous lot or parcel, it constitutes a qualifying parcel.

25 (6)(a) A lot or parcel that has been disqualified pursuant to subsection (4) of this section may
26 requalify for wildlife habitat special assessment under ORS 308A.403 to 308A.430 or conservation
27 easement special assessment under ORS 308A.450 to 308A.465 without satisfying the requirements
28 of subsection (5) of this section.

29 (b) Upon disqualification from wildlife habitat special assessment under ORS 308A.430 or dis-
30 qualification from conservation easement special assessment under ORS 308A.465, the lot or parcel
31 shall be subject to the requirements of subsection (5) of this section.

32 (7) When the owner of a lot or parcel upon which the establishment of a dwelling has been
33 tentatively approved notifies the county assessor that the lot or parcel is no longer being used as
34 farmland and requests disqualification of the lot or parcel for special assessment at value for farm
35 use, the county assessor shall:

36 (a) Disqualify the lot or parcel for special assessment at value for farm use under ORS 308A.050
37 to 308A.128 or other special assessment by removing the special assessment;

38 (b) Provide the owner of the lot or parcel with written notice of the disqualification; and

39 (c) Impose the additional tax, if any, provided by statute upon disqualification.

40 (8) The Department of Consumer and Business Services, a building official, as defined in ORS
41 455.715 (1), or any other agency or official responsible for the administration and enforcement of the
42 state building code, as defined in ORS 455.010, may not issue a building permit for the construction
43 of a dwelling on a lot or parcel in an exclusive farm use zone without evidence that the owner of
44 the lot or parcel upon which the dwelling is proposed to be constructed has paid the additional tax,
45 if any, imposed by the county assessor under subsection (7)(c) of this section.

SECTION 43. ORS 308A.700 is amended to read:

308A.700. As used in ORS 308A.700 to 308A.733:

(1) “Disqualification” includes the removal of forestland designation under ORS 321.359[*321.712, 321.716*] or 321.842.

(2) “Urban growth boundary” means an urban growth boundary contained in a city or county comprehensive plan that has been acknowledged by the Land Conservation and Development Commission pursuant to ORS 197.251 or an urban growth boundary that has been adopted by a metropolitan service district under ORS 268.390 (3).

SECTION 44. ORS 308A.730 is amended to read:

308A.730. (1) If land specially valued under ORS 308A.062, 308A.068, 321.257 to 321.390[*321.700 to 321.754*] or 321.805 to 321.855 is acquired by a governmental agency or body as a result of an exchange of the land for land of approximately equal value held by the governmental agency or body and the land acquired from the governmental agency or body is not farm use land located within an exclusive farm use zone or is not land, the highest and best use of which is the growing and harvesting of trees of a marketable species, the owner shall make application for special valuation as farm or forest land in the manner provided under ORS 308A.077, 321.358[*321.706*] or 321.839, whichever is applicable, as follows:

(a) If the exchange takes place prior to July 1, the owner shall file the application on or before August 1.

(b) If the exchange takes place on or after July 1, the owner shall file the application on or before April 1 of the following year.

(2) Failure to file an application as required under this section, or failure to otherwise meet the qualification for special valuation under the special assessment law for which application is made shall disqualify the land under ORS 308A.703. However, the amount of additional taxes imposed upon the disqualification under this subsection shall be equal to those that would have been imposed against the land transferred to the governmental agency or body on account of the exchange were it not for ORS 308A.706 (1)(b).

(3) If an application filed under this section is for classification for farm use special assessment under ORS 308A.068, the owner shall have five years beginning with the first year of classification to meet the income requirements under ORS 308A.071 and need not meet the two-year farm use requirements of ORS 308A.068.

(4) This section does not apply to an exchange of forestland to which ORS 308A.706 (1)(b) (relating to governmental exchange) applies.

SECTION 45. ORS 308A.743 is amended to read:

308A.743. (1) Land that is specially assessed under ORS 308A.050 to 308A.128, 308A.300 to 308A.330, 308A.403 to 308A.430, 308A.450 to 308A.465, 321.257 to 321.390[*321.700 to 321.754*] or 321.805 to 321.855, or land that is exempt from property tax under ORS 308A.350 to 308A.383, may not be disqualified from the special assessment or exemption, and may not be subject to additional taxes under ORS 308A.700 to 308A.733 or other law, if the property owner has:

(a) Entered into a wildlife habitat conservation and management plan, as described in ORS 308A.403 to 308A.430, approved by the State Department of Fish and Wildlife; or

(b) Executed a conservation easement, as defined in ORS 271.715, or a deed restriction and the land:

(A) Is managed in compliance with the conservation easement or deed restriction; and

(B) Continues to meet the requirements for special assessment or exemption. The existence of

1 the conservation easement or deed restriction may not cause the disqualification of the land from
 2 special assessment or exemption or preclude the disqualification of the land from special assessment
 3 or exemption for some other reason.

4 (2) A property owner who executes a conservation easement may convey the easement to a land
 5 trust or other qualified entity without a loss of benefits under this section.

6 (3) In order for land to be subject to this section:

7 (a) The conservation easement, deed restriction or wildlife habitat conservation and management
 8 plan must be recorded in the records of the clerk of the county in which the land is located; and

9 (b) A copy of the conservation easement, deed restriction or wildlife habitat conservation and
 10 management plan, along with the property tax account number for the land, must be sent to the
 11 county assessor.

12 **SECTION 46.** ORS 310.165 is amended to read:

13 310.165. (1) For any unit of property partially exempt from tax under ORS 307.250, 307.370 or
 14 308.459 or any other law, the assessor shall determine the maximum amount of taxes on property
 15 to be imposed on such unit of property under ORS 310.150, by using the lesser of the real market
 16 value or the taxable value of the unit of property after the exemption has been applied.

17 (2) For any unit of property that is specially assessed for ad valorem tax purposes under ORS
 18 308A.050 to 308A.128, 308A.250 to 308A.259, 308A.315, 321.257 to 321.390, [321.700 to 321.754,] 321.805
 19 to 321.855 or 358.480 to 358.545, the assessor shall determine the maximum amount of taxes on
 20 property to be imposed on such property under ORS 310.150 by using the lesser of the real market
 21 value or the specially assessed value of the property.

22 (3) In the case of any unit of property of which a part of the unit is exempt from taxation, and
 23 that part may be identified both as to value and physical description, the real market value of the
 24 unit shall not include the value of the exempt part of the unit.

25 (4) This subsection applies to any unit of property described in subsection (1) or (2) of this sec-
 26 tion for which the maximum amount of taxes imposed has been determined under this section. If the
 27 unit of property is subject to imposition of additional taxes due to disqualification from special as-
 28 sessment or partial exemption, the determination of the maximum amount of additional taxes that
 29 may be imposed due to disqualification shall be made on the basis of the real market value of the
 30 property for the year to which the additional taxes relate.

31 **SECTION 47.** ORS 321.560 is amended to read:

32 321.560. (1) The provisions of ORS chapters 305 and 314 as to the audit and examination of re-
 33 ports and returns, determination of deficiencies, liens, assessments, claims for refund, conferences
 34 and appeals to the Oregon Tax Court, and the procedures relating thereto, apply to the determi-
 35 nation of taxes, penalties and interest imposed under ORS 321.005 to 321.185[,] **or** 321.560 to 321.600
 36 or [321.700 to 321.754] **sections 1 to 4 of this 2021 Act**, except where the context requires other-
 37 wise.

38 (2) If a taxpayer fails to file a return required [by] **under** ORS 321.045 [or 321.700 to 321.754]
 39 **or sections 1 to 4 of this 2021 Act**, or fails to pay a tax at the time the tax becomes due, there
 40 shall be added to the amount of tax required to be shown on the return a delinquency penalty of five
 41 percent of the amount of such tax.

42 (3) If the failure to file a return continues for a period in excess of three months after the due
 43 date, there shall be added to the amount of tax required to be shown on the return a failure to file
 44 penalty of 20 percent of the amount of such tax. This penalty is in addition to the delinquency
 45 penalty imposed [by] **under** subsection (2) of this section.

1 (4) If all or any part of the delinquency or deficiency for which a determination is made is due
 2 to fraud or an intent to evade the provisions of ORS 321.005 to 321.185[,] **or** 321.560 to 321.600 or
 3 [321.700 to 321.754] **sections 1 to 4 of this 2021 Act**, or the rules adopted thereunder, a penalty of
 4 100 percent of such delinquency or deficiency shall be added, plus interest at the rate established
 5 under ORS 305.220, computed on the full amount of the delinquency or deficiency plus penalty, from
 6 the time the return was due.

7 (5) For purposes of this section, the amount of tax required to be shown on the return shall be
 8 reduced by the amount of any part of the tax that is paid on or before the date prescribed for pay-
 9 ment of the tax and by the amount of any credit against the tax that may be lawfully claimed upon
 10 the return.

11 (6) A delinquent tax or a deficiency shall bear interest at the rate established under ORS 305.220
 12 from the time the return was due.

13 **SECTION 48.** ORS 321.570 is amended to read:

14 321.570. (1) If any tax imposed [by] **under** ORS 321.005 to 321.185[,] **or** 321.560 to 321.600 or
 15 [321.700 to 321.754] **sections 1 to 4 of this 2021 Act**, or any portion of the tax, is not paid within
 16 30 days after the date that the written notice and demand for payment required under ORS 305.895
 17 is mailed, the Department of Revenue may issue a warrant for the payment of the amount of the tax,
 18 with the added penalties, interest and cost of executing the warrant. A copy of the warrant shall
 19 be mailed or delivered to the taxpayer by the department at the taxpayer's last-known address.

20 (2) At any time after issuing a warrant under this section, the department may record the war-
 21 rant in the County Clerk Lien Record of any county of this state. Recording of the warrant has the
 22 effect described in ORS 205.125. After recording a warrant, the department may direct the sheriff
 23 for the county in which the warrant is recorded to levy upon and sell the real and personal property
 24 of the taxpayer found within that county, and to levy upon any currency of the taxpayer found
 25 within that county, for the application of the proceeds or currency against the amount reflected in
 26 the warrant and the sheriff's cost of executing the warrant. The sheriff shall proceed on the warrant
 27 in the same manner prescribed by law for executions issued against property pursuant to a judg-
 28 ment, and is entitled to the same fees as provided for executions issued against property pursuant
 29 to a judgment. The fees of the sheriff shall be added to and collected as a part of the warrant li-
 30 ability.

31 (3) In the discretion of the department a warrant under this section may be directed to any
 32 agent authorized by the department to collect this tax. In the execution of the warrant the agent
 33 has the powers conferred by law upon sheriffs, but is entitled to no fee or compensation in excess
 34 of actual expenses paid in the performance of such duty.

35 (4) Until a warrant issued under this section is satisfied in full, the department has the same
 36 remedies to enforce the claim for taxes against the taxpayer as if the state had recovered judgment
 37 against the taxpayer for the amount of the tax.

38 **SECTION 49.** ORS 321.580 is amended to read:

39 321.580. If any taxpayer neglects or refuses to make a return required to be made [by] **under**
 40 ORS 321.005 to 321.185[,] **or** 321.560 to 321.600 or [321.700 to 321.754] **sections 1 to 4 of this 2021**
 41 **Act**, the Department of Revenue is authorized to determine the tax due, based upon any information
 42 in its possession or that may come into its possession. The department shall give the taxpayer
 43 written notice of the tax and delinquency charges and the tax and delinquency charges shall be a
 44 lien from the time of severance. If the tax and delinquency charges are not paid within 30 days from
 45 the mailing of the notice, the department shall proceed to collect the tax in the manner provided in

1 ORS 321.570.

2 **SECTION 50.** ORS 321.600 is amended to read:

3 321.600. All taxes, interest and penalties due and unpaid under ORS 321.005 to 321.185[,] or
4 321.560 to 321.600 or [321.700 to 321.754] **sections 1 to 4 of this 2021 Act** constitute a debt due the
5 State of Oregon and may be collected, together with interest, penalty and costs, by appropriate ju-
6 dicial proceeding, which remedy is in addition to all other existing remedies. However, no proceed-
7 ing for the collection of taxes under ORS 321.005 to 321.185[,] or 321.560 to 321.600 or [321.700 to
8 321.754] **sections 1 to 4 of this 2021 Act** shall be instituted after the expiration of six years from
9 the date the taxes were due.

10 **SECTION 51.** ORS 321.609 is amended to read:

11 321.609. (1) ORS 321.005 to 321.185[,] and 321.560 to 321.600 and [321.700 to 321.754] **sections 1**
12 **to 4 of this 2021 Act** shall be enforced and the taxes imposed [by] **under** ORS 321.005 to
13 321.185[,] and 321.560 to 321.600 and [321.700 to 321.754] **sections 1 to 4 of this 2021 Act** shall be
14 collected by the Department of Revenue, which shall have the power to prescribe forms and to adopt
15 rules for the ascertainment, assessment and collection of the taxes imposed [by] **under** ORS 321.005
16 to 321.185[,] or 321.560 to 321.600 or [321.700 to 321.754] **sections 1 to 4 of this 2021 Act**.

17 (2) For the purpose of determining the taxes imposed [by] **under** ORS 321.005 to 321.185[,] and
18 321.560 to 321.600 or [321.700 to 321.754] **sections 1 to 4 of this 2021 Act**, the department may:

19 (a) Require any person to furnish any information deemed necessary.

20 (b) Examine the books, records and files of such person.

21 (c) Subpoena and examine witnesses and administer oaths.

22 (d) Enter upon and inspect the land of any owner of the land from which any timber has been
23 harvested.

24 **SECTION 52.** ORS 321.682 is amended to read:

25 321.682. (1) Except as otherwise specifically provided by law, it shall be unlawful for the De-
26 partment of Revenue or any officer or employee of the department to divulge or make known in any
27 manner the amount of the tax or any particulars set forth or disclosed in any report or return re-
28 quired to be filed under ORS 321.045 or [321.741] **section 3 of this 2021 Act** or any appraisal data
29 collected to make determinations of specially assessed value of forestland pursuant to ORS 321.201
30 to 321.222. It shall be unlawful for any person or entity to whom information is disclosed or given
31 by the department pursuant to ORS 321.684 (2) or any other provision of state law to divulge or use
32 such information for any purpose other than that specified in the provisions of law authorizing the
33 use or disclosure. No subpoena or judicial order shall be issued compelling the department or any
34 of its officers or employees, or any person who has acquired information pursuant to ORS 321.684
35 (2) or any other provision of state law, to divulge or make known the amount of tax or any partic-
36 ulars set forth or disclosed in any report or return except where the taxpayer's liability for timber
37 tax is to be adjudicated by the court from which such process issues.

38 (2) As used in this section, "officer," "employee" or "person" includes an authorized represen-
39 tative of the officer, employee or person, or any former officer, employee or person, or an authorized
40 representative of such former officer, employee or person.

41 **SECTION 53.** ORS 321.684 is amended to read:

42 321.684. (1) The Department of Revenue may:

43 (a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or au-
44 thorized representative, a copy of the taxpayer's forest products harvest tax report or return re-
45 quired [by] **under** ORS 321.045 or [321.741] **section 3 of this 2021 Act** that is filed with the

1 department for any year, or a copy of any report filed by the taxpayer in connection with the return.

2 (b) Publish a list of taxpayers who are entitled to unclaimed tax refunds.

3 (c) Publish statistics classified so as to prevent the identification of taxable value or any par-
4 ticulars contained in any report or return.

5 (d) Disclose a taxpayer's name, address and Social Security number or employer identification
6 number to the extent necessary in connection with the processing and mailing of forms for any re-
7 port or return required in the administration of ORS 321.045 and [321.741] **section 3 of this 2021**
8 **Act.**

9 (e) Disclose to the State Forester, upon request of the forester, for the purpose of soliciting
10 nominations and recommendations referred to in ORS 526.610, the names of producers meeting pro-
11 ducer class qualifications established under ORS 526.610 who filed forest products harvest tax re-
12 turns.

13 (f) Disclose appraisal data collected to make determinations of specially assessed value of
14 forestland under ORS 321.201 to 321.222 to any member of a forestland value advisory committee the
15 department has convened under ORS 321.213.

16 (2) The department also may disclose and give access to information described in ORS 321.682
17 to:

18 (a) The Commissioner of Internal Revenue or authorized representative, for tax purposes only.

19 (b) The United States Forest Service, Bureau of Land Management and the State Forestry De-
20 partment pursuant to their regulatory programs and for investigative purposes related to timber
21 theft.

22 (c) The Attorney General, assistants and employees in the Department of Justice or other legal
23 representative of the State of Oregon, to the extent the department considers disclosure or access
24 necessary for the performance of the duties of advising or representing the department pursuant to
25 ORS 321.045 and [321.741] **section 3 of this 2021 Act.**

26 (d) Employees of the State of Oregon, other than the Department of Revenue or Department of
27 Justice, to the extent the department considers disclosure or access necessary for such employees
28 to perform their duties under contracts or agreements between the department and any other de-
29 partment, agency or subdivision of the State of Oregon in the department's administration of the tax
30 laws.

31 (e) The Legislative Revenue Officer or the authorized representative of the Legislative Revenue
32 Officer upon compliance with ORS 173.850. The officer or representative may not remove from the
33 premises of the department any materials that would reveal the identity of any taxpayer or any
34 other person or the volume of harvest and value reported on individual returns and reports.

35 (f) Any agency of the State of Oregon, or any person, or any officer or employee of the agency
36 or person to whom disclosure or access is given by state law and not otherwise referred to in this
37 section, including but not limited to the Secretary of State as Auditor of Public Accounts under
38 section 2, Article VI of the Constitution of the State of Oregon.

39 (3) Each officer or employee of the department and each person described or referred to in
40 subsection (2)(b) to (f) of this section to whom disclosure or access to the tax information is given
41 under subsection (2) of this section or any other provision of state law, prior to beginning employ-
42 ment or the performance of duties involving such disclosure or access, shall be advised in writing
43 of the provisions of ORS 321.682 and 321.686 relating to penalties for the violation of ORS 321.682,
44 and shall, as a condition of employment or performance of duties, execute a certificate for the de-
45 partment, in a form prescribed by the department, stating in substance that the person has read

1 these provisions of law, that the person has had them explained and that the person is aware of the
 2 penalties for the violation of ORS 321.682.

3 **SECTION 54.** (1) **The amendments to ORS 215.236, 308A.377, 308A.706, 308A.718, 308A.730,**
 4 **308A.733, 308A.743, 310.165, 321.267, 321.354, 321.550, 321.560, 321.570, 321.580, 321.600, 321.609,**
 5 **321.682, 321.684 and 321.833 by sections 34 to 42 and 44 to 53 of this 2021 Act apply to calendar**
 6 **years beginning on or after January 1, 2024.**

7 (2) **The amendments to ORS 308A.700 by section 43 of this 2021 Act apply to property tax**
 8 **years beginning on or after July 1, 2024.**

9
 10 **OREGON FOREST PRACTICES ACT PENALTIES**

11
 12 **SECTION 55.** ORS 527.685 is amended to read:

13 527.685. (1) The State Board of Forestry shall by rule establish the amount of civil penalty that
 14 may be imposed for a particular violation. Except as provided in subsection (5) of this section, no
 15 civil penalty shall exceed [\$5,000] \$_____ per violation.

16 (2) In imposing a penalty authorized by this section, the State Forester may consider the fol-
 17 lowing factors:

18 (a) The past history of the person incurring a penalty in taking all feasible steps or procedures
 19 necessary or appropriate to correct any violation.

20 (b) Any prior violations of statutes, rules, orders and permits pertaining to the Oregon Forest
 21 Practices Act.

22 (c) The gravity and magnitude of the violation.

23 (d) Whether the violation was repeated or continuous.

24 (e) Whether the cause of the violation was an unavoidable accident, negligence or an intentional
 25 act.

26 (f) The size and type of ownership of the operation.

27 (g) Any relevant rule of the board.

28 (h) The violator's cooperativeness and efforts to correct the violation.

29 (3) The penalty imposed under this section may be remitted or mitigated upon such terms and
 30 conditions as the board determines to be proper and consistent with the public benefit. Upon the
 31 request of the person incurring the penalty, the board shall consider evidence of the economic and
 32 financial condition of the person in determining whether a penalty shall be remitted or mitigated.

33 (4) The board, by rule, may delegate to the State Forester upon such conditions as deemed
 34 necessary, all or part of the authority of the board provided in subsection (3) of this section to as-
 35 sess, remit or mitigate civil penalties.

36 (5) For a violation of ORS 527.745, or rules for reforestation adopted pursuant to ORS 527.745,
 37 the State Forester may impose a civil penalty in an amount equal to the estimated cost of reforest-
 38 ing lands pursuant to ORS 527.690.

39 **SECTION 56.** ORS 527.990 is amended to read:

40 527.990. (1) Subject to ORS 153.022, violation of ORS 527.670, 527.672, 527.676, 527.740, 527.750
 41 or 527.755, or any rule promulgated under ORS 527.710 is a Class [A *misdemeanor*] _____. Each
 42 day of operation in violation of an order issued under ORS 527.680 (3) shall be deemed to be a sep-
 43 arate offense.

44 (2) Violation of ORS 527.260 (1) is a Class [A *misdemeanor*] _____. Violation of ORS 527.260

45 (3) is a Class [C *misdemeanor*] _____.

