

House Bill 3410

Sponsored by Representative HOLVEY

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 owner of timber harvested from public or private forestland. Imposes tax at rates, determined under brackets according to acreage of forestland held in common ownership, multiplied by pond value of timber at time of harvest. Repeals forest products harvest taxes. Abolishes Emergency Fire Cost Committee. Abolishes Oregon Forest Land Protection Fund. Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to forestry; creating new provisions; amending ORS 197.277, 291.055, 319.010, 319.320, 319.520, 319.550, 319.831, 321.185, 321.550, 321.560, 321.570, 321.580, 321.600, 321.609, 321.682, 321.684, 321.700, 321.824, 321.991, 477.232, 477.281, 477.777, 477.880, 477.960, 477.970, 526.490, 526.675, 527.715, 825.005 and 825.017; repealing ORS 321.005, 321.011, 321.012, 321.015, 321.017, 321.035, 321.045, 321.145, 321.152, 477.277, 477.295, 477.415, 477.440, 477.445, 477.450, 477.455, 477.460, 477.750, 477.755, 477.760, 477.770 and 477.775; 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 FOR FORESTRY HARVEST

SECTION 1. (1) As used in sections 1 to 5 of this 2021 Act:

(a) **"Common ownership"** means owned by a person directly or by an entity in which the person owns a majority interest.

(b) **"Pond value"** means the amount a mill will pay for a log delivered to the mill location.

(2) **A severance tax is imposed at the time of the harvest of timber from public or private forestland.**

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

(4) **The tax is imposed at the following rates multiplied by the pond value of the timber at the time of harvest, regardless of whether the forestland of the owner is contiguous:**

(a) **1 percent, for timber harvested from forestland held in common ownership of not more than 500 acres.**

(b) **3 percent, for timber harvested from forestland held in common ownership of more than 500 acres, but not more than 2,500 acres.**

(c) **4 percent, for timber harvested from forestland held in common ownership of more than 2,500 acres, but not more than 5,000 acres.**

(d)(A) **5 percent, for timber harvested from forestland held in common ownership of more than 5,000 acres; or**

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 (B) 4 percent, for timber harvested from forestland described in subparagraph (A) of this
 2 paragraph if the owner's forestland management is certified by the Forest Stewardship
 3 Council.

4 (e) The percentage set forth in paragraphs (a) to (c) of this subsection, reduced by 50
 5 percent, for timber harvested from forestland described in paragraphs (a) to (c) of this sub-
 6 section, respectively, if the owner's forestland management is certified by the Forest
 7 Stewardship Council.

8 (5)(a) The first 25,000 feet, board measure, of timber harvested annually by any taxpayer
 9 during each calendar year, regardless of the species or variety of the trees, shall be excluded
 10 from the total quantity of timber subject to the tax imposed under this section.

11 (b) The taxpayer may select the species and varieties of trees excluded under this sub-
 12 section.

13 (6) Timber subject to the severance tax imposed under this section is not taxable per-
 14 sonal property for purposes of ORS 308.105.

15 **SECTION 2.** (1) The Department of Revenue shall send or otherwise make available a
 16 severance tax return form to an owner of timber subject to the severance tax imposed under
 17 section 1 of this 2021 Act, as shown on a State Forestry Department Notification of Oper-
 18 ations permit issued during a calendar year.

19 (2) Any owner of timber receiving a severance tax return sent by the Department of
 20 Revenue shall complete the return and submit the return to the department within the time
 21 prescribed in section 3 of this 2021 Act, even if the owner of timber has not incurred
 22 severance tax liability during the calendar year.

23 **SECTION 3.** (1) The severance tax imposed under section 1 of this 2021 Act is due and
 24 payable annually on or before April 15 of each year with respect to all timber harvested
 25 during the previous calendar year.

26 (2)(a) At the time at which the severance tax is paid and on or before April 15 of each
 27 year, each taxpayer that has harvested any timber during the previous calendar year shall
 28 prepare a return on a form prescribed by the Department of Revenue showing:

29 (A) The pond value of all timber harvested by the taxpayer during the previous calendar
 30 year;

31 (B) The amount of the severance tax for which the taxpayer is liable for harvesting
 32 during the previous calendar year;

33 (C)(i) The total acreage of forestland owned by the taxpayer; or

34 (ii) If the taxpayer is not the owner of the forestland from which the taxpayer harvested
 35 the timber, the total acreage of forestland owned by the landowner from which the taxpayer
 36 harvested the timber, which shall be supplied by the landowner upon request of the taxpayer;
 37 and

38 (D) Any other information that the department considers necessary to correctly deter-
 39 mine the severance tax due.

40 (b) The taxpayer shall mail or otherwise deliver the return, together with a remittance
 41 for the unpaid balance of the severance tax, to the department.

42 (c) The return must be signed and certified by the taxpayer, or a duly authorized agent
 43 of the taxpayer, as provided in ORS 305.810.

44 (d) The department may allow, upon written application made on or before April 15, fur-
 45 ther time not exceeding 30 days for filing a return.

1 (e) The severance tax is delinquent if not paid by April 15, regardless of any extension
2 of time for filing the return.

3 (3) All severance tax payments received under sections 1 to 4 of this 2021 Act shall be
4 credited first to penalty and then to interest accrued on the severance tax being paid and
5 then to the severance tax.

6 (4) A taxpayer incurring less than \$10 total severance tax liability under sections 1 to 4
7 of this 2021 Act in any calendar year is excused from the payment of the severance tax but
8 is required to file a return.

9 **SECTION 4.** (1) After withholding amounts equal to the actual expenses incurred by the
10 Department of Revenue in collecting the severance tax imposed under section 1 of this 2021
11 Act, the department shall pay over the balance of the revenue to the State Treasurer for
12 deposit in a suspense account established under ORS 293.445.

13 (2) After the payment of refunds, the balance of the suspense account shall be distributed
14 as follows:

15 (a) 40 percent to the Wildfire Management Fund created under section 5 of this 2021 Act.

16 (b) 40 percent to the general fund of each county in the proportion, determined as of the
17 time of harvest, that the pond value of the timber harvested in the county bears to the total
18 pond value of all timber harvested in all counties.

19 (c) 10 percent to the State Forestry Department Account established under ORS 526.060.
20 Notwithstanding ORS 291.238, the moneys transferred to the State Forestry Department
21 Account under this paragraph are continuously appropriated to the State Forester, under the
22 supervision and direction of the State Board of Forestry, for the purposes of administering
23 the Oregon Forest Practices Act and the forest practices monitoring program.

24 (d) 5 percent to the Forest Research and Experiment Account established under ORS
25 321.185 to be used for:

26 (A) The forest resource research, experimentation and studies described in ORS 526.215;

27 (B) The Forest Research Laboratory established under ORS 526.225; and

28 (C) Forestry education, including outreach programs that are coordinated with outdoor
29 school programs and other forestry instruction provided by public schools for students in
30 kindergarten through grade 12 and informational resources for owners of forestland.

31 (e) 5 percent to the Watershed Conservation Grant Fund established under ORS 541.947.

32 **SECTION 5.** (1) The Wildfire Management Fund is created in the State Treasury, sepa-
33 rate and distinct from the General Fund.

34 (2) The Wildfire Management Fund shall consist of all moneys credited to the fund, in-
35 cluding, but not limited to:

36 (a) Moneys transferred to the fund under section 4 of this 2021 Act;

37 (b) Moneys appropriated or transferred to the fund by the Legislative Assembly;

38 (c) Amounts donated to the fund;

39 (d) Earnings received on moneys in the fund; and

40 (e) Other moneys or property of any kind received for the fund from any source.

41 (3) Moneys in the fund are continuously appropriated to the State Forester for wildfire
42 suppression, mitigation and prevention.

43 (4)(a) If at the end of any calendar year the unencumbered balance in the fund exceeds
44 \$125,000,000, the amount in excess shall be distributed in the same manner as described in
45 section 4 (2)(e) of this 2021 Act.

1 **(b) For purposes of this subsection, on or before January 31 of each year, the State Board**
 2 **of Forestry shall determine the unencumbered balance in the fund as of December 31 of the**
 3 **previous year.**

4 **SECTION 6.** ORS 321.550 is amended to read:

5 321.550. (1) No person shall harvest or cause to be harvested any timber from land in Oregon
 6 without first having notified the State Forester in writing with a copy to the Department of Revenue
 7 on forms prepared by the State Forester and the department of intent to harvest pursuant to ORS
 8 [321.005 to 321.185,] 321.560 to 321.600 and 321.700 to 321.754 **and sections 1 to 5 of this 2021**
 9 **Act.**

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

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

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

24 (c) The delinquency penalty shall first be added to the small tract forestland timber severance
 25 tax imposed under ORS 321.700 to 321.754, if applicable to the harvest. If the small tract forestland
 26 timber severance tax is not applicable, the delinquency penalty shall be added to the [*forest products*
 27 *harvest tax imposed under ORS 321.005 to 321.185*] **severance tax imposed under sections 1 to 5**
 28 **of this 2021 Act.**

29 **SECTION 7.** ORS 321.560 is amended to read:

30 321.560. (1) The provisions of ORS chapters 305 and 314 as to the audit and examination of re-
 31 ports and returns, determination of deficiencies, liens, assessments, claims for refund, conferences
 32 and appeals to the Oregon Tax Court, and the procedures relating thereto, apply to the determi-
 33 nation of taxes, penalties and interest imposed under ORS [321.005 to 321.185,] 321.560 to 321.600 or
 34 321.700 to 321.754 **or sections 1 to 5 of this 2021 Act**, except where the context requires otherwise.

35 (2) If a taxpayer fails to file a return required [by] **under** ORS [321.045 or] 321.700 to 321.754
 36 **or sections 1 to 5 of this 2021 Act**, or fails to pay a tax at the time the tax becomes due, there
 37 shall be added to the amount of tax required to be shown on the return a delinquency penalty of five
 38 percent of the amount of such tax.

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

43 (4) If all or any part of the delinquency or deficiency for which a determination is made is due
 44 to fraud or an intent to evade the provisions of ORS [321.005 to 321.185,] 321.560 to 321.600 or
 45 321.700 to 321.754 **or sections 1 to 5 of this 2021 Act**, or the rules adopted thereunder, a penalty

1 of 100 percent of such delinquency or deficiency shall be added, plus interest at the rate established
 2 under ORS 305.220, computed on the full amount of the delinquency or deficiency plus penalty, from
 3 the time the return was due.

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

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

10 **SECTION 8.** ORS 321.570 is amended to read:

11 321.570. (1) If any tax imposed [by ORS 321.005 to 321.185,] **under ORS** 321.560 to 321.600 or
 12 321.700 to 321.754 **or sections 1 to 5 of this 2021 Act**, or any portion of the tax, is not paid within
 13 30 days after the date that the written notice and demand for payment required under ORS 305.895
 14 is mailed, the Department of Revenue may issue a warrant for the payment of the amount of the tax,
 15 with the added penalties, interest and cost of executing the warrant. A copy of the warrant shall
 16 be mailed or delivered to the taxpayer by the department at the taxpayer's last-known address.

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

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

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

35 **SECTION 9.** ORS 321.580 is amended to read:

36 321.580. If any taxpayer neglects or refuses to make a return required to be made [by ORS
 37 321.005 to 321.185,] **under ORS** 321.560 to 321.600 or 321.700 to 321.754 **or sections 1 to 5 of this**
 38 **2021 Act**, the Department of Revenue is authorized to determine the tax due, based upon any in-
 39 formation in its possession or that may come into its possession. The department shall give the
 40 taxpayer written notice of the tax and delinquency charges and the tax and delinquency charges
 41 shall be a lien from the time of severance. If the tax and delinquency charges are not paid within
 42 30 days from the mailing of the notice, the department shall proceed to collect the tax in the manner
 43 provided in ORS 321.570.

44 **SECTION 10.** ORS 321.600 is amended to read:

45 321.600. All taxes, interest and penalties due and unpaid under ORS [321.005 to 321.185,] 321.560

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

7 **SECTION 11.** ORS 321.609 is amended to read:

8 321.609. (1) ORS [321.005 to 321.185,] 321.560 to 321.600 and 321.700 to 321.754 **and sections 1**
 9 **to 5 of this 2021 Act** shall be enforced and the taxes imposed [by ORS 321.005 to 321.185,] **under**
 10 **ORS 321.560 to 321.600 and 321.700 to 321.754 and sections 1 to 5 of this 2021 Act** shall be col-
 11 lected by the Department of Revenue, which shall have the power to prescribe forms and to adopt
 12 rules for the ascertainment, assessment and collection of the taxes imposed [by ORS 321.005 to
 13 321.185,] **under ORS 321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 5 of this 2021 Act.**

14 (2) For the purpose of determining the taxes imposed [by ORS 321.005 to 321.185,] **under ORS**
 15 **321.560 to 321.600 or 321.700 to 321.754 or sections 1 to 5 of this 2021 Act,** the department may:

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

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

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

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

21 **SECTION 12.** ORS 321.682 is amended to read:

22 321.682. (1) Except as otherwise specifically provided by law, it shall be unlawful for the De-
 23 partment of Revenue or any officer or employee of the department to divulge or make known in any
 24 manner the amount of the tax or any particulars set forth or disclosed in any report or return re-
 25 quired to be filed under ORS [321.045 or] 321.741 **or section 3 of this 2021 Act** or any appraisal
 26 data collected to make determinations of specially assessed value of forestland pursuant to ORS
 27 321.201 to 321.222. It shall be unlawful for any person or entity to whom information is disclosed
 28 or given by the department pursuant to ORS 321.684 (2) or any other provision of state law to
 29 divulge or use such information for any purpose other than that specified in the provisions of law
 30 authorizing the use or disclosure. No subpoena or judicial order shall be issued compelling the de-
 31 partment or any of its officers or employees, or any person who has acquired information pursuant
 32 to ORS 321.684 (2) or any other provision of state law, to divulge or make known the amount of tax
 33 or any particulars set forth or disclosed in any report or return except where the taxpayer's liability
 34 for timber tax is to be adjudicated by the court from which such process issues.

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

38 **SECTION 13.** ORS 321.684 is amended to read:

39 321.684. (1) The Department of Revenue may:

40 (a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or au-
 41 thorized representative, a copy of the taxpayer's [forest products harvest] **severance** tax report or
 42 return required [by ORS 321.045 or] **under ORS 321.741 or section 3 of this 2021 Act** that is filed
 43 with the department for any year, or a copy of any report filed by the taxpayer in connection with
 44 the return.

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

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

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

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

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

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

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

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

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

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

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

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

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

ASSESSMENT FOR FIRE SUPPRESSION COSTS

SECTION 13a. ORS 477.970 is amended to read:

477.970. The receipts from the assessment levied by ORS 477.880 shall be paid into the [*Oregon Forest Land Protection Fund*] **Wildfire Management Fund created under section 5 of this 2021 Act.**

**REPEAL OF FOREST PRODUCTS HARVEST TAXES;
ABOLITION OF EMERGENCY FIRE COST COMMITTEE AND
OREGON FOREST LAND PROTECTION FUND**

SECTION 14. ORS 321.005, 321.011, 321.012, 321.015, 321.017, 321.035, 321.045, 321.145, 321.152, 477.277, 477.295, 477.415, 477.440, 477.445, 477.450, 477.455, 477.460, 477.750, 477.755, 477.760, 477.770 and 477.775 are repealed.

CONFORMING AMENDMENTS

SECTION 15. ORS 319.010 is amended to read:

319.010. As used in ORS 319.010 to 319.430, unless the context requires otherwise:

(1) "Aircraft" means every contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air, operated or propelled by the use of aircraft fuel.

(2) "Aircraft fuel" means any gasoline and any other inflammable or combustible gas or liquid by whatever name such gasoline, gas or liquid is known or sold, usable as fuel for the operation of aircraft, except gas or liquid, the chief use of which, as determined by the Department of Transportation is for purposes other than the propulsion of aircraft.

(3) "Airport" means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft.

(4) "Broker" means and includes every person other than a dealer engaged in business as a broker, jobber or wholesale merchant dealing in motor vehicle fuel or aircraft fuel.

(5) "Bulk transfer" means any change in ownership of motor vehicle fuel or aircraft fuel contained in a terminal storage facility or any physical movement of motor vehicle fuel or aircraft fuel between terminal storage facilities by pipeline or marine transport.

(6) "Dealer" means any person who:

(a) Imports or causes to be imported motor vehicle fuels or aircraft fuels for sale, use or distribution in, and after the same reaches the State of Oregon, but "dealer" does not include any person who imports into this state motor vehicle fuel in quantities of 500 gallons or less purchased from a supplier who is licensed as a dealer under ORS 319.010 to 319.430 and who assumes liability for the payment of the applicable license tax to this state;

(b) Produces, refines, manufactures or compounds motor vehicle fuels or aircraft fuels in the State of Oregon for use, distribution or sale in this state;

(c) Acquires in this state for sale, use or distribution in this state motor vehicle fuels or aircraft fuels with respect to which there has been no license tax previously incurred; or

(d) Acquires title to or possession of motor vehicle fuels or aircraft fuels in this state and exports the product out of this state.

(7) "Department" means the Department of Transportation.

1 (8) "Distribution" means, in addition to its ordinary meaning, the delivery of motor vehicle fuel
 2 or aircraft fuel by a dealer to any service station or into any tank, storage facility or series of tanks
 3 or storage facilities connected by pipelines, from which motor vehicle fuel or aircraft fuel is with-
 4 drawn directly for sale or for delivery into the fuel tanks of motor vehicles whether or not the
 5 service station, tank or storage facility is owned, operated or controlled by the dealer.

6 (9) "First sale, use or distribution of motor vehicle fuel or aircraft fuel" means the first with-
 7 drawal, other than by bulk transfer, of motor vehicle fuel or aircraft fuel from terminal storage fa-
 8 cilities for sale, use or distribution. "First sale, use or distribution of motor vehicle fuel or aircraft
 9 fuel" also means the first sale, use or distribution of motor vehicle fuel or aircraft fuel after import
 10 into this state if the motor vehicle fuel or aircraft fuel is delivered other than to the terminal stor-
 11 age facilities of a licensed dealer.

12 (10) **"Forest products" means products from harvested timber but does not include pro-**
 13 **ducts from short rotation fiber grown under agricultural conditions as described in ORS**
 14 **321.267 (3) or 321.824 (3), western juniper or products from harvested western juniper.**

15 [(10)] (11) "Highway" means every way, thoroughfare and place, of whatever nature, open for
 16 use of the public for the purpose of vehicular travel.

17 [(11)] (12) "Motor vehicle" means all vehicles, engines or machines, movable or immovable, op-
 18 erated or propelled by the use of motor vehicle fuel.

19 [(12)] (13) "Motor vehicle fuel" means and includes gasoline and any other inflammable or
 20 combustible gas or liquid, by whatever name such gasoline, gas or liquid is known or sold, usable
 21 as fuel for the operation of motor vehicles, except gas or liquid, the chief use of which, as deter-
 22 mined by the department, is for purposes other than the propulsion of motor vehicles upon the
 23 highways of this state.

24 [(13)] (14) "Person" includes every natural person, association, firm, partnership, corporation or
 25 the United States.

26 [(14)] (15) "Restricted landing area" means any area of land or water, or both, which is used
 27 or made available for the landing and takeoff of aircraft, the use of which, except in case of emer-
 28 gency, is provided from time to time by the department.

29 [(15)] (16) "Service station" means and includes any place operated for the purpose of retailing
 30 and delivering motor vehicle fuel into the fuel tanks of motor vehicles or aircraft fuel into the fuel
 31 tanks of aircraft.

32 [(16)] (17) "Terminal storage facility" means any fuel storage facility that has marine or pipeline
 33 access.

34 **SECTION 16.** ORS 319.320 is amended to read:

35 319.320. (1) Upon compliance with subsection (2) or (3) of this section the Department of
 36 Transportation shall refund, in the manner provided in subsection (2) or (3) of this section, the tax
 37 on motor vehicle fuel that is used in the operation of a motor vehicle:

38 (a) By any person on any road, thoroughfare or property in private ownership.

39 (b) By any person on any road, thoroughfare or property, other than a state highway, county
 40 road or city street, for the removal of forest products[, *as defined in ORS 321.005,*] or the products
 41 of such forest products converted to a form other than logs at or near the harvesting site, or for the
 42 construction or maintenance of the road, thoroughfare or property, pursuant to a written agreement
 43 or permit authorizing the use, construction or maintenance of the road, thoroughfare or property,
 44 with or by:

45 (A) An agency of the United States;

1 (B) The State Board of Forestry;

2 (C) The State Forester; or

3 (D) A licensee of an agency named in subparagraph (A), (B) or (C) of this paragraph.

4 (c) By an agency of the United States or of this state or of any county, city or port of this state
5 on any road, thoroughfare or property, other than a state highway, county road or city street.

6 (d) By any person on any county road for the removal of forest products[, *as defined in ORS*
7 *321.005,*] or the products of such forest products converted to a form other than logs at or near the
8 harvesting site, if:

9 (A) The use of the county road is pursuant to a written agreement entered into with, or to a
10 permit issued by, the State Board of Forestry, the State Forester or an agency of the United States,
11 authorizing such person to use such road and requiring such person to pay for or to perform the
12 construction or maintenance of the county road;

13 (B) The board, officer or agency that entered into the agreement or granted the permit, by
14 contract with the county court or board of county commissioners, has assumed the responsibility for
15 the construction or maintenance of such county road; and

16 (C) Copies of the agreements or permits required by subparagraphs (A) and (B) of this paragraph
17 are filed with the department.

18 (2) Except for a farmer subject to subsection (3) of this section, the person or agency, as the
19 case may be, who has paid any tax on such motor vehicle fuels levied or directed to be paid, as
20 provided by ORS 319.010 to 319.430, is entitled to claim a refund of the tax so paid on such fuels
21 or for the proportionate part of tax paid on fuels used in the operation of such vehicles, when part
22 of the operations are over such roads, thoroughfares or property. The proportionate part shall be
23 based upon the number of miles traveled by any such vehicle over such roads, thoroughfares or
24 property as compared to the total number of miles traveled by such vehicle. To be eligible to claim
25 such refund the person or agency, as the case may be, shall first establish and maintain a complete
26 record of the operations, miles traveled, gallons of fuel used and other information, in such form and
27 in such detail as the department may prescribe and require, the source of supply of all fuels pur-
28 chased or used, and the particular vehicles or equipment in which used. Whenever any such claim
29 is received and approved by the department, it shall cause the refund of tax to be paid to the
30 claimant in like manner as provided for paying of other refund claims.

31 (3) A farmer who has paid any tax on motor vehicle fuels levied or directed to be paid, as pro-
32 vided in ORS 319.010 to 319.430, is entitled to claim a refund of the tax paid on such fuels used in
33 farming operations in the operation of any motor vehicle on any road, thoroughfare or property in
34 private ownership. To be eligible to claim such refund a farmer shall maintain in such form and in
35 such detail as the department may prescribe and require, a record, supported by purchase invoices,
36 of all such motor vehicle fuel purchased (including fuel purchased to operate any motor vehicle on
37 the highway) and, for each and every motor vehicle operated on the highway, a record of all fuel
38 used and of all miles traveled on the highway. Whenever any such claim is received and approved
39 by the department, it shall cause the refund of tax to be paid to the claimant in like manner as
40 provided for paying of other refund claims.

41 (4) As used in subsections (2) and (3) of this section, "farmer" includes any person who manages
42 or conducts a farm for the production of livestock or crops but does not include a person who
43 manages or conducts a farm for the production of forest products[, *as defined in ORS 321.005,*] or
44 the products of such forest products converted to a form other than logs at or near the harvesting
45 site, or of forest trees unless the production of such forest products or forest trees is only incidental

1 to the primary purpose of the farming operation.

2 **SECTION 17.** ORS 319.520 is amended to read:

3 319.520. As used in ORS 319.510 to 319.880, unless the context clearly indicates a different
4 meaning:

5 (1) “Cardlock card” means a fuel card:

6 (a) Capable of generating an electronic invoice or electronic statement that includes the infor-
7 mation required by ORS 319.671 and the applicable fuel tax amount;

8 (b) Issued for a specific vehicle, a specific piece of equipment or a group of equipment;

9 (c) That includes the qualifying information, as designated by the Department of Transportation
10 by rule, that is printed on the electronic invoice or electronic statement;

11 (d) That allows the tax status of the cardlock card to be indicated on the electronic invoice or
12 electronic statement and includes state tax as a separate item on the invoice or statement; and

13 (e) That allows a cardlock card issuer to generate a statement recording, by fuel type, gallons
14 of fuel purchased for domestic and foreign customers each month.

15 (2) “Combined weight” means the total empty weight of all vehicles in a combination plus the
16 total weight of the load carried on that combination of vehicles.

17 (3) “Delinquent” means having failed to pay a tax or penalty within the time provided by law.

18 (4) “Department” means the Department of Transportation.

19 (5) “Domestic customer” means a customer making a purchase at a nonretail facility owned by
20 the cardlock card issuer.

21 (6) “Foreign customer” means a customer making a purchase at a nonretail facility owned by
22 a seller other than the cardlock card issuer.

23 **(7) “Forest products” means products from harvested timber but does not include pro-**
24 **ducts from short rotation fiber grown under agricultural conditions as described in ORS**
25 **321.267 (3) or 321.824 (3), western juniper or products from harvested western juniper.**

26 [(7)] (8) “Fuel” means any combustible gas, liquid or material of a kind used for the generation
27 of power to propel a motor vehicle on the highways except motor vehicle fuel as defined in ORS
28 319.010.

29 [(8)] (9) “Highway” means every way, thoroughfare and place, of whatever nature, open to the
30 use of the public for the purpose of vehicular travel.

31 [(9)] (10) “Light weight” means the weight of a vehicle when fully equipped for moving over the
32 highway.

33 [(10)] (11) “Motor vehicle” means every self-propelled vehicle operated on the highway, except
34 an implement of husbandry used in agricultural operations and only incidentally operated or moved
35 upon the highway.

36 [(11)] (12) “Nonretail facility” means:

37 (a) An unattended facility accessible only by cardlock card and not associated with a retail fa-
38 cility; or

39 (b) An unattended portion of a retail facility separate from the retail operations and accessible
40 only by cardlock card.

41 [(12)] (13) “Person” means any individual, firm, copartnership, joint venture, association, corpo-
42 ration, trust, receiver or any group or combination acting as a unit.

43 [(13)] (14) “Seller” means:

44 (a) A person that sells fuel to a user; or

45 (b) If the fuel is dispensed at a nonretail facility, the person that owns the user’s accounts and

1 bills the user for fuel purchased at a nonretail facility.

2 [(14)] (15) “To sell fuel for use in a motor vehicle” means to dispense or place fuel for a price
 3 into a receptacle on a motor vehicle, from which receptacle the fuel is supplied to propel the motor
 4 vehicle.

5 [(15)] (16) “To use fuel in a motor vehicle” means to receive into any receptacle on a motor
 6 vehicle, fuel to be consumed in propelling the motor vehicle on the highways of this state; and, if
 7 the fuel is received into the receptacle outside the taxing jurisdiction of the state, “to use fuel in
 8 a motor vehicle” means to consume in propelling the motor vehicle on the highways of this state.

9 **SECTION 18.** ORS 319.831 is amended to read:

10 319.831. (1) If a user obtains fuel for use in a motor vehicle in this state and pays the use fuel
 11 tax on the fuel obtained, the user may apply for a refund of that part of the use fuel tax paid which
 12 is applicable to use of the fuel to propel a motor vehicle:

13 (a) In another state, if the user pays to the other state an additional tax on the same fuel;

14 (b) Upon any road, thoroughfare or property in private ownership;

15 (c) Upon any road, thoroughfare or property, other than a state highway, county road or city
 16 street, for the removal of forest products[, *as defined in ORS 321.005,*] or the products of such forest
 17 products converted to a form other than logs at or near the harvesting site, or for the construction
 18 or maintenance of the road, thoroughfare or property, pursuant to a written agreement or permit
 19 authorizing the use, construction or maintenance of the road, thoroughfare or property, with or by:

20 (A) An agency of the United States;

21 (B) The State Board of Forestry;

22 (C) The State Forester; or

23 (D) A licensee of an agency named in subparagraph (A), (B) or (C) of this paragraph;

24 (d) By an agency of the United States or of this state or of any county, city or port of this state
 25 on any road, thoroughfare or property, other than a state highway, county road or city street;

26 (e) By any incorporated city or town of this state;

27 (f) By any county of this state or by any road assessment district formed under ORS 371.405 to
 28 371.535;

29 (g) Upon any county road for the removal of forest products [*as defined in ORS 321.005,*] or the
 30 products of such forest products converted to a form other than logs at or near the harvesting site,
 31 if:

32 (A) Such use upon the county road is pursuant to a written agreement entered into with, or to
 33 a permit issued by, the State Board of Forestry, the State Forester or an agency of the United
 34 States, authorizing such user to use such road and requiring such user to pay for or to perform the
 35 construction or maintenance of the county road;

36 (B) The board, officer or agency that entered into the agreement or granted the permit, by
 37 contract with the county court or board of county commissioners, has assumed the responsibility for
 38 the construction or maintenance of such county road; and

39 (C) Copies of the agreements or permits required by subparagraphs (A) and (B) of this paragraph
 40 are filed with the Department of Transportation;

41 (h) By a school district or education service district of this state or the contractors of a school
 42 district or education service district, for those vehicles being used to transport students;

43 (i) By a rural fire protection district organized under the provisions of ORS chapter 478;

44 (j) By any district, as defined in ORS chapter 198, that is not otherwise specifically provided for
 45 in this section; or

1 (k) By any state agency, as defined in ORS 240.855.

2 (2) An application for a refund under subsection (1) of this section shall be filed with the de-
3 partment within 15 months after the date the use fuel tax, for which a refund is claimed, is paid.

4 (3) The application for a refund provided by subsection (1) of this section shall include a signed
5 statement by the applicant indicating the amount of fuel for which a refund is claimed, and the way
6 in which the fuel was used which qualifies the applicant for a refund. If the fuel upon which the
7 refund is claimed was obtained from a seller to whom the use fuel tax was paid, the application shall
8 be supported by the invoices which cover the purchase of the fuel. If the applicant paid the use fuel
9 tax directly to the department, the applicant shall indicate the source of the fuel and the date it
10 was obtained.

11 (4) The department may require any person who applies for a refund provided by subsection (1)
12 of this section to furnish a statement, under oath, giving the person's occupation, description of the
13 machines or equipment in which the fuel was used, the place where used and such other information
14 as the department may require.

15 **SECTION 19.** ORS 321.700 is amended to read:

16 321.700. As used in ORS 321.700 to 321.754:

17 (1) "Common ownership" means direct ownership by one or more individuals or ownership by
18 a corporation, partnership, association or other entity in which an individual owns a majority in-
19 terest.

20 (2) "Contiguous" means having a common boundary that is greater than a single point.

21 (3) "Contiguous parcels":

22 (a) Includes parcels separated by public or county roads, state highways, nonnavigable streams
23 or nonnavigable rivers.

24 (b) Does not include parcels that are separated by an interstate highway, a navigable stream
25 or a navigable river, unless there is an underpass, a bridge or another direct access between the
26 separated parcels.

27 (4) "Department" means the Department of Revenue.

28 (5) "Eastern Oregon" means that portion of the State of Oregon lying east of a line beginning
29 at the intersection of the northern boundary of the state and the western boundary of Wasco
30 County, thence southerly along the western boundaries of the counties of Wasco, Jefferson,
31 Deschutes and Klamath to the southern boundary of the state.

32 (6) "Forestland" means land that meets the definition of forestland under ORS 321.257 if the land
33 is located in western Oregon or land that meets the definition of forestland in ORS 321.805 if located
34 in eastern Oregon.

35 (7) "Harvest" means the point at which timber that has been cut, severed or removed for pur-
36 poses of sale or use is first measured in the ordinary course of business as determined by reference
37 to common practice in the timber industry.

38 (8) "Land class" means a forestland land class described in ORS 321.210 or eastern Oregon
39 forestland.

40 (9) "Owner of timber" [*has the meaning given that term in ORS 321.005*] **means any individual**
41 **or combination of individuals, partnership, firm, corporation or association of whatever na-**
42 **ture holding title to harvested timber by virtue of:**

43 (a) **An instrument of conveyance;**

44 (b) **The harvesting of the timber; or**

45 (c) **The harvesting of the timber and payment therefor.**

1 (10) "Parcel" means a quantity of land that is capable of being described in a single description
 2 by a closed traverse, as one or more subsections or sections of a township, as one or more lots,
 3 blocks or tracts in a subdivision or as one or more tax lots.

4 (11) "Small tract forestland" means forestland subject to assessment under ORS 321.700 to
 5 321.754 and from which the harvesting of timber is subject to severance taxation under ORS 321.700
 6 to 321.754.

7 (12) "Taxpayer" means the owner of timber at time of harvest.

8 (13) "Timber" includes logs that are capable of being measured in board feet and that meet or
 9 exceed minimum sawmill grade and other forest products determined by the Department of Revenue
 10 by rule.

11 (14) "Unit of proper measurement" means any unit of measurement commonly used in the timber
 12 industry for measuring timber and harvested timber products.

13 (15) "Western Oregon" means that portion of the State of Oregon lying west of a line beginning
 14 at the intersection of the northern boundary of the state and the western boundary of Wasco
 15 County, thence southerly along the western boundaries of the counties of Wasco, Jefferson,
 16 Deschutes and Klamath to the southern boundary of the state.

17 **SECTION 20.** ORS 321.824 is amended to read:

18 321.824. (1) Lands assessed by the Department of Revenue pursuant to ORS 308.505 to 308.674
 19 or 308.805 to 308.820 may not be assessed under ORS 321.805 to 321.855.

20 (2) Land used exclusively for growing cultured Christmas trees may not be assessed under ORS
 21 321.805 to 321.855.

22 (3) Land that is used to grow hardwood timber, including but not limited to hybrid cottonwood,
 23 may not be assessed under ORS 321.805 to 321.855 if:

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

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

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

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

31 (4) Nothing contained in ORS 321.805 to 321.855 shall prevent:

32 (a) The collection of ad valorem property taxes that became a lien against timber prior to July
 33 1, 1962.

34 (b) The collection of taxes, charges or assessments made pursuant to law for protection.

35 (c) The collection of taxes levied under the provisions of ORS [321.005 to 321.185 and] 321.560
 36 to 321.600 **and sections 1 to 5 of this 2021 Act.**

37 **SECTION 21.** ORS 321.991 is amended to read:

38 321.991. Violation of any provision of ORS [321.005 to 321.185 and] 321.560 to 321.600 **or**
 39 **sections 1 to 5 of this 2021 Act** is a Class A misdemeanor.

40 **SECTION 22.** ORS 526.490 is amended to read:

41 526.490. (1) It is the policy of the State of Oregon to encourage the afforestation of idle land for
 42 the purpose of establishing commercial forests if such afforestation is consistent with landowner
 43 objectives. The purpose of this section is to provide an incentive for afforestation by providing as-
 44 surance that the State of Oregon will not prohibit the harvesting of trees planted on such lands
 45 within the first crop rotation.

1 (2) As used in this section:

2 (a) "Free to grow" means a stand of well-distributed trees that has a high probability of re-
3 maining or becoming vigorous, healthy and dominant over undesired competing vegetation.

4 (b) "**Merchantable stand of timber**" means any stand on forestlands containing living or
5 **dead timber that is being or can be harvested.**

6 [(b)] (c) "Parcel" has the meaning given that term in ORS 92.010.

7 (3) Notwithstanding ORS 527.676, 527.710 or 527.755 or any rules promulgated thereunder, and
8 except as provided in subsection (4) of this section, a person who, after September 9, 1995, plants
9 or causes to be planted a stand of timber that is intended to become a merchantable stand of timber
10 [as defined in ORS 321.005] on a parcel owned by the person, or a portion of such parcel not less
11 than five contiguous acres, shall not be prohibited from harvesting the planted timber provided that:

12 (a) Prior to the time of planting, the parcel or portion thereof has not been subject to any forest
13 practice as defined in ORS 527.620 since July 1, 1972; and

14 (b) Prior to the time of planting, the stocking of forest tree species on the subject parcel or
15 portion thereof is less than 25 square feet of basal area per acre.

16 (4) The provisions of subsection (3) of this section shall not apply to any land or timber located
17 within 20 feet of any large or medium stream, or any small stream that is a fish-bearing or domestic
18 use stream, as defined by the State Board of Forestry.

19 (5)(a) If, within two to five years of planting under subsection (3) of this section, the person
20 notifies the State Forester, the State Forester shall inspect the timber and shall issue a certificate
21 to the owner indicating that a free to grow stand of timber has been established under subsection
22 (3) of this section and identifying the location of the timber. Upon request of the owner and payment
23 of any applicable fee, the county clerk in the county wherein the parcel is located shall record the
24 certificate as specified under ORS 205.130.

25 (b) A person who notifies the State Forester and requests certification shall provide an accurate
26 plat of the parcel or portion planted under subsection (3) of this section to the State Forester as
27 well as photographs that accurately depict the condition of the land prior to planting.

28 (c) The State Forester may, by rule, establish a fee or schedule of fees adequate to cover such
29 necessary expenses incurred by the State Forester in conducting inspection and certification activ-
30 ities. Fees may be charged to the person requesting certification.

31 (6)(a) Except as provided in subsection (3) of this section, all forest practices conducted on the
32 planted parcel or portion thereof shall be subject to the provisions of ORS 527.610 to 527.770, 527.990
33 (1) and 527.992.

34 (b) No parcel or portion of such parcel shall be subject to the provisions of subsections (3) and
35 (5) of this section more than once.

36 **SECTION 23.** ORS 825.005 is amended to read:

37 825.005. As used in this chapter:

38 (1) "Carrier" or "motor carrier" means for-hire carrier or private carrier.

39 (2) "Cartage carrier" means any person who undertakes to transport any class of property by
40 motor vehicle for compensation when the transportation is performed wholly within an incorporated
41 city or a commercial zone adjacent to an incorporated city.

42 (3) "Certificate" means an authority issued to a for-hire carrier under ORS 825.110.

43 (4) "Combined weight" means the weight of the motor vehicle plus the weight of the maximum
44 load which the applicant has declared such vehicle will carry. Any declared combined weight is
45 subject to audit and approval by the Department of Transportation.

1 (5) "Department" means the Department of Transportation.

2 (6) "Extreme miles" or "extreme mileage" means the total miles operated by a vehicle over the
 3 public highways, except the extra miles necessarily operated in traversing detours or temporary
 4 routes on account of road blockades in the state.

5 **(7) "Forest products" means products from harvested timber but does not include pro-**
 6 **ducts from short rotation fiber grown under agricultural conditions as described in ORS**
 7 **321.267 (3) or 321.824 (3), western juniper or products from harvested western juniper.**

8 [(7)] (8) "For-hire carrier" means:

9 (a) Any person who transports persons or property for hire or who publicly purports to be
 10 willing to transport persons or property for hire by motor vehicle; or

11 (b) Any person who leases, rents or otherwise provides a motor vehicle to the public and who
 12 in connection therewith in the regular course of business provides, procures or arranges for, di-
 13 rectly, indirectly or by course of dealing, a driver or operator therefor.

14 [(8)] (9) "Household goods" means the personal effects or other property used or to be used in
 15 a dwelling but does not include property transported from a store or factory or property exclusively
 16 for office use.

17 [(9)] (10) "Motor vehicle" means any self-propelled vehicle and any such vehicle in combination
 18 with any trailing units, used or physically capable of being used upon any public highway in this
 19 state in the transportation of persons or property, except vehicles operating wholly on fixed rails
 20 or tracks and electric trolley buses. "Motor vehicle" includes overdimension vehicles or vehicles
 21 permitted excessive weights pursuant to a special authorization issued by a city, county or the De-
 22 partment of Transportation.

23 [(10)] (11) "Permit" means an authority issued to a carrier under ORS 825.102, 825.106, 825.108
 24 or 825.127.

25 [(11)] (12) "Private carrier" means any person who operates a motor vehicle over the public
 26 highways of this state for the purpose of transporting persons or property when the transportation
 27 is incidental to a primary business enterprise, other than transportation, in which such person is
 28 engaged.

29 [(12)] (13) "Privilege taxes" means the weight-mile tax and fees prescribed in this chapter.

30 [(13)] (14) "Property" includes, but is not limited to, permanent loads such as equipment, appli-
 31 ances, devices, or ballast that are attached to, carried on, or made a part of the vehicle and that
 32 are designed to serve some functional purpose.

33 [(14)] (15) "Public highway" means every street, alley, road, highway and thoroughfare in this
 34 state used by the public or dedicated or appropriated to public use.

35 [(15)] (16) "Transit-type motor vehicle" means any passenger-carrying vehicle that does not have
 36 a separate space for transporting baggage or express.

37 [(16)] (17) "Transporter" has the meaning given that term in ORS 466.005.

38 **SECTION 24.** ORS 825.017 is amended to read:

39 825.017. Except as provided in this section and ORS 825.026 and 825.030, this chapter does not
 40 apply to the persons or vehicles described in this section. The exemption under this section applies
 41 to the following persons and vehicles:

42 (1) Vehicles being used by, or under contract with, any school board, district or person respon-
 43 sible for the administration of elementary or secondary school activities, and engaged exclusively
 44 in transporting students or combinations of students and other persons to or from school, to or from
 45 authorized school activities or other activities sponsored by the governing board of a public uni-

1 versity listed in ORS 352.002, or for purposes provided under ORS 332.427. This exemption shall not
 2 be affected by the charging of a fee to cover the costs of the transportation.

3 (2) Vehicles being used in a taxicab operation if the vehicle:

4 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed five;

5 (b) Carries passengers for hire where the destination and route traveled may be controlled by
 6 a passenger and the fare is calculated on the basis of any combination of an initial fee, distance
 7 traveled or waiting time; and

8 (c) Is transporting persons or property, or both, between points in Oregon.

9 (3) Vehicles being used for the transportation of property by private carrier by means of a single
 10 vehicle or combination of vehicles with a combined weight that does not exceed 8,000 pounds.

11 (4) Vehicles being used in operating implements of husbandry.

12 (5) Vehicles being used as a hearse or ambulance.

13 (6) Vehicles being used over any private road or thoroughfare.

14 (7) Vehicles being used on any road, thoroughfare or property, other than a state highway,
 15 county road or city street, for the removal of forest products [*as defined in ORS 321.005*], or the
 16 product of forest products converted to a form other than logs at or near the harvesting site, or
 17 when used for the construction or maintenance of the road, thoroughfare or property, pursuant to
 18 a written agreement or permit authorizing the use, construction or maintenance of the road,
 19 thoroughfare or property, with:

20 (a) An agency of the United States;

21 (b) The State Board of Forestry;

22 (c) The State Forester; or

23 (d) A licensee of an agency named in this subsection.

24 (8) Vehicles being used on any county road for the removal of forest products [*as defined in ORS*
 25 *321.005*], or the products of forest products converted to a form other than logs at or near the har-
 26 vesting site, if:

27 (a) The use is pursuant to a written agreement entered into with the State Board of Forestry,
 28 the State Forester or an agency of the United States, authorizing the owner of the motor vehicle
 29 to use the road and requiring the owner to pay for or to perform the construction or maintenance
 30 of the county road, including any operator of a motor vehicle retained to transport logs, poles and
 31 piling for the owners who are exempt under this section;

32 (b) The board, officer or agency that entered into the agreement or granted the permit, by con-
 33 tract with the county court or board of county commissioners, has assumed the responsibility for the
 34 construction or maintenance of the county road; and

35 (c) Copies of the agreements or permits required by this subsection are filed with the Director
 36 of Transportation.

37 (9) Vehicles being used in transporting persons with disabilities, with or without their supervi-
 38 sors or assistants, to or from rehabilitation facilities or child care services if the motor vehicle is
 39 a passenger motor vehicle with a seating capacity of not more than 12 passengers. The exemption
 40 provided by this subsection applies only when the motor vehicle is operated by or under contract
 41 with any person responsible for the administration of rehabilitation facilities as defined in ORS
 42 344.710 to 344.730 or child care services provided by a facility licensed under ORS 329A.030 and
 43 329A.250 to 329A.450.

44 (10) Vehicles owned or operated by the United States or by any governmental jurisdiction within
 45 the United States except as provided in ORS 825.022. This chapter does apply to vehicles when

1 owned or operated:

2 (a) As a carrier of property for hire;

3 (b) By a transportation district organized under ORS 267.510 to 267.650;

4 (c) By a county service district authorized to provide public transportation under ORS 451.010;

5 or

6 (d) By an intergovernmental body formed by two or more public bodies, as defined in ORS
7 174.109, to provide public transportation.

8 (11) Vehicles owned or operated by a mass transit district organized under ORS 267.010 to
9 267.394.

10 (12) Vehicles owned or operated by, or under contract with, a person responsible for the con-
11 struction or reconstruction of a highway under contract with the Department of Transportation or
12 with an agency of the United States when operated within the immediate construction project as
13 described in the governmental agency contract during the construction period.

14 (13) Vehicles owned or operated by, or under contract with, a charitable organization when ex-
15 clusively engaged in performing transportation, either one way or round trip, necessary to the op-
16 eration of the charitable organization. As used in this subsection, "charitable organization" means
17 an organization that has no capital stock and no provision for making dividends or profits, but de-
18 rives its funds principally from public and private charity and holds them in trust for the promotion
19 of the welfare of others and not for profit. Any organization claiming an exemption under this sub-
20 section shall file an affidavit with the department stating that it is organized and operated in ac-
21 cordance with the requirements of this subsection.

22 (14) Passenger vehicles with a passenger seating capacity that does not exceed five when used
23 in the transportation of new telephone books.

24 (15) A vehicle that is used in a limousine service operation in which the destination and route
25 traveled may be controlled by the passenger and the fare is calculated on the basis of any combi-
26 nation of initial fee, distance traveled and waiting time if the vehicle:

27 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed eight;

28 (b) Carries passengers for hire between points in Oregon; and

29 (c) Operates on an irregular route basis.

30 (16) Fire trucks and rescue vehicles that are designated as emergency vehicles by the Depart-
31 ment of Transportation under ORS 801.260, while involved in emergency and related operations.

32 (17) A person who provides services related to the packing or loading of household goods if the
33 person does not:

34 (a) Provide or operate a motor vehicle for the movement of the household goods; and

35 (b) Act as an agent for any person who does provide or operate a motor vehicle for the move-
36 ment of the household goods.

37 **SECTION 25.** ORS 321.185 is amended to read:

38 321.185. (1) There hereby is established in the State Treasury in the General Fund an account
39 to be known as the Forest Research and Experiment Account, which account hereby is appropriated
40 continuously to the Higher Education Coordinating Commission for distribution to Oregon State
41 University for the purposes of ORS 526.215 and 526.225.

42 (2) The Forest Research and Experiment Account shall consist of [*allocations from harvest taxes*
43 *as provided in ORS 321.015 (1)*] **revenues from the severance tax imposed under sections 1 to**
44 **5 of this 2021 Act.**

45 **NOTE:** Section 26 was deleted. Subsequent sections were not renumbered.

1 **SECTION 27.** ORS 526.675 is amended to read:

2 526.675. *[(1)]* The Oregon Forest Resources Institute Fund is created in the State Treasury,
3 separate and distinct from the General Fund. Except as otherwise provided by law, all moneys re-
4 ceived by the Oregon Forest Resources Institute shall be paid into the State Treasury and credited
5 to the fund. All moneys in the fund are appropriated continuously to the institute to carry out its
6 duties, functions and powers. Interest earnings on all moneys in the fund shall be retained in the
7 fund.

8 *[(2) The board of directors of the institute may repay moneys from the fund to persons who paid*
9 *a privilege tax levied under ORS 321.017. The board may repay the amount of tax paid upon applica-*
10 *tion by the person who paid the tax. The board shall adopt rules necessary for the implementation of*
11 *this subsection. Rules adopted by the board shall include standards for the repayment of moneys and*
12 *limits on the amount that may be requested.]*

13 **SECTION 28.** ORS 197.277 is amended to read:

14 197.277. (1) The goals and rules established in ORS chapters 195, 196 and 197 do not apply to
15 programs, rules, procedures, decisions, determinations or activities carried out under the Oregon
16 Forest Practices Act administered under ORS 527.610 to 527.770, 527.990 (1) and 527.992.

17 (2) No goal or rule shall be adopted, construed or administered in a manner to require or allow
18 local governments to take any action prohibited by ORS 527.722.

19 (3) The Land Conservation and Development Commission shall amend goals and rules as neces-
20 sary to implement ORS 197.180, 197.277, 197.825, 215.050, *[477.440, 477.455, 477.460,]* 526.009, 526.016,
21 526.156, 527.620, 527.630, 527.660, 527.670, 527.683 to 527.687, 527.715, 527.990 and 527.992.

22 **SECTION 29.** ORS 527.715 is amended to read:

23 527.715. The State Board of Forestry shall establish, by rule, the standards and procedures to
24 implement the provisions of ORS 197.180, 197.270, 197.825, 215.050, *[477.440, 477.455, 477.460,]*
25 526.009, 526.016, 526.156, 527.620, 527.630, 527.660, 527.670, 527.683 to 527.724, 527.736 to 527.760 and
26 527.992.

27 **SECTION 30.** ORS 291.055 is amended to read:

28 291.055. (1) Notwithstanding any other law that grants to a state agency the authority to es-
29 tablish fees, all new state agency fees or fee increases adopted during the period beginning on the
30 date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date
31 of adjournment sine die of the next regular session of the Legislative Assembly:

32 (a) Are not effective for agencies in the executive department of government unless approved
33 in writing by the Director of the Oregon Department of Administrative Services;

34 (b) Are not effective for agencies in the judicial department of government unless approved in
35 writing by the Chief Justice of the Supreme Court;

36 (c) Are not effective for agencies in the legislative department of government unless approved
37 in writing by the President of the Senate and the Speaker of the House of Representatives;

38 (d) Shall be reported by the state agency to the Oregon Department of Administrative Services
39 within 10 days of their adoption; and

40 (e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assem-
41 bly as described in this subsection, unless otherwise authorized by enabling legislation setting forth
42 the approved fees.

43 (2) This section does not apply to:

44 (a) Any tuition or fees charged by a public university listed in ORS 352.002.

45 (b) Taxes or other payments made or collected from employers for unemployment insurance re-

1 quired by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contri-
 2 butions and assessments calculated by cents per hour for workers' compensation coverage required
 3 by ORS 656.506.

4 (c) Fees or payments required for:

5 (A) Health care services provided by the Oregon Health and Science University, by the Oregon
 6 Veterans' Homes pursuant to ORS 408.362 and 408.365 to 408.385 and by other state agencies and
 7 institutions pursuant to ORS 179.610 to 179.770.

8 (B) Copayments and premiums paid to the Oregon medical assistance program.

9 (C) Assessments paid to the Department of Consumer and Business Services under sections 3
 10 and 5, chapter 538, Oregon Laws 2017.

11 (d) Fees created or authorized by statute that have no established rate or amount but are cal-
 12 culated for each separate instance for each fee payer and are based on actual cost of services pro-
 13 vided.

14 (e) State agency charges on employees for benefits and services.

15 (f) Any intergovernmental charges.

16 (g) Forest protection district assessment rates established by ORS 477.210 to 477.265 [*and the*
 17 *Oregon Forest Land Protection Fund fees established by ORS 477.760*].

18 (h) State Department of Energy assessments required by ORS 456.595 and 469.421 (8).

19 (i) Assessments on premiums charged by the Director of the Department of Consumer and
 20 Business Services pursuant to ORS 731.804 or fees charged by the director to banks, trusts and
 21 credit unions pursuant to ORS 706.530 and 723.114.

22 (j) Public Utility Commission operating assessments required by ORS 756.310 or charges paid to
 23 the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

24 (k) Fees charged by the Housing and Community Services Department for intellectual property
 25 pursuant to ORS 456.562.

26 (L) New or increased fees that are anticipated in the legislative budgeting process for an
 27 agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted
 28 budget or the legislatively approved budget for the agency.

29 (m) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

30 (n) Portal provider fees as defined in ORS 276A.270 and established by the State Chief Infor-
 31 mation Officer under ORS 276A.276 (3) and recommended by the Electronic Government Portal Ad-
 32 visory Board.

33 (o) Fees set by the State Parks and Recreation Director and approved by the State Parks and
 34 Recreation Commission under ORS 390.124 (2)(b).

35 (3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unex-
 36 pected and temporary revenue surpluses may be increased to not more than their prior level without
 37 compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency
 38 specifies the following:

39 (A) The reason for the fee decrease; and

40 (B) The conditions under which the fee will be increased to not more than its prior level.

41 (b) Fees that are decreased for reasons other than those described in paragraph (a) of this sub-
 42 section may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

43 **SECTION 31.** ORS 477.232 is amended to read:

44 477.232. Subject to the forest patrol assessment limitations set forth in ORS 477.230:

45 (1) Actual costs incurred by the forester in the prevention and suppression of fire on grazing

1 land or timberland located within a forest protection district, in excess of the amount budgeted as
 2 required by ORS 477.230, [*but not including those costs eligible for equalization by the Oregon Forest*
 3 *Land Protection Fund,*] shall be, without regard to proceedings for the collection of the costs:

- 4 (a) Included in the budget for the next fiscal year; and
- 5 (b) Levied and assessed against the grazing land or timberland in the district.

6 (2) Budgeted amounts not expended may be carried forward as a credit to the assessment rate
 7 for the ensuing year.

8 **SECTION 32.** ORS 319.550 is amended to read:

9 319.550. (1) Except as provided in this section, a person may not use fuel in a motor vehicle in
 10 this state unless the person holds a valid user's license.

11 (2) A nonresident may use fuel in a motor vehicle not registered in Oregon for a period not
 12 exceeding 30 days without obtaining a user's license or the emblem issued under ORS 319.600, if, for
 13 all fuel used in a motor vehicle in this state, the nonresident pays to a seller, at the time of the sale,
 14 the tax provided in ORS 319.530.

15 (3) A user's license is not required for a person who uses fuel in a motor vehicle with a com-
 16 bined weight of 26,000 pounds or less if, for all fuel used in a motor vehicle in this state, the person
 17 pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

18 (4)(a) A user's license is not required for a person who uses fuel as described in ORS 319.520
 19 [(7)] **(8)** in the vehicles specified in this subsection if the person pays to a seller, at the time of the
 20 sale, the tax provided in ORS 319.530.

21 (b) Paragraph (a) of this subsection applies to the following vehicles:

- 22 (A) Motor homes as defined in ORS 801.350.
- 23 (B) Recreational vehicles as defined in ORS 174.101.

24 (5) A user's license is not required for a person who uses fuel in a motor vehicle:

25 (a) Metered use by which is subject to the per-mile road usage charge imposed under ORS
 26 319.885; and

27 (b) That also uses fuels subject to ORS 319.510 to 319.880.

28 (6) A user's license is not required for a person who uses fuel in a motor vehicle on which an
 29 emblem issued for the motor vehicle pursuant to ORS 319.535 is displayed.

30 **SECTION 33.** ORS 477.281 is amended to read:

31 477.281. (1) The obligation of an owner of timberland or grazing land for payment of assessments
 32 and taxes for fire protection of forestland is limited to:

33 (a) The payment of moneys pursuant to [*ORS 321.015 (2), 477.277, 477.295, 477.760 (4) and 477.880*
 34 *to maintain the Oregon Forest Land Protection Fund*] **ORS 477.880**; and

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

37 (2) As used in this section, "obligation of an owner of timberland or grazing land for payment
 38 of assessments and taxes for fire protection of forestland" does not include the duties or obligations
 39 of the owner under ORS 477.066, 477.068 or 477.120 or the obligations of an owner of land included
 40 in a rural fire protection district pursuant to ORS 478.010.

41 **SECTION 34.** ORS 477.777 is amended to read:

42 477.777. [(1) *As part of the preparation of the agency request budget submitted to the Oregon De-*
 43 *partment of Administrative Services pursuant to ORS 291.208 for the State Forestry Department, the*
 44 *State Forester shall prepare, in addition to any amounts budgeted for forest protection districts pur-*
 45 *suant to ORS 477.205 to 477.281, a request for a General Fund appropriation for the following pur-*

1 poses:]

2 [(a) Providing funds for the purchase of emergency fire suppression costs insurance under ORS
3 477.775.]

4 [(b) Acquiring and placing centrally managed fire suppression resources for statewide use.]

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

8 [(d) Enhancing forest protection district resources in cases where land productivity or other eco-
9 nomic factors seriously limit the ability of the forester to perform fire protection responsibilities.]

10 [(e) Mitigating forest patrol assessment rates in cases where land productivity or other economic
11 factors seriously limit the ability of the owners of forestlands in the forest protection district to comply
12 with ORS 477.210 (1).]

13 [(2) The State Forester shall utilize critical discretion in the expenditure of the funds provided to
14 the State Forestry Department pursuant to the separate request required under subsection (1) of this
15 section.]

16 [(3)] (1) The State Forester shall report to the Emergency Board, each year, after the close of
17 the fire season, on:

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

19 (b) The moneys expended on fire suppression;

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

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

23 [(4)] (2) When reporting the nature and severity of the fire season under subsection [(3)] (1) of
24 this section, for each fire consuming 1,000 or more acres, the State Forester shall provide informa-
25 tion regarding the resulting losses on private lands of timber, buildings, fencing and livestock and
26 of grazing land capacity if the land is expected to be unavailable for two or more grazing seasons.

27 **SECTION 35.** ORS 477.880 is amended to read:

28 477.880. (1) An assessment for the cost of fire protection and suppression is levied upon the
29 owners of all forestland that has been classified under ORS 526.305 to 526.370 and that is protected
30 from the start or spread of fire thereon or therefrom by:

31 (a) The forester under ORS 477.210 (4), with the approval of the State Board of Forestry;

32 (b) The United States of America through contract or agreement with the forester or board;

33 (c) Any forest protective agency under contract or agreement with the forester or board pursu-
34 ant to ORS 477.406; or

35 (d) Any forest protective agency, described in paragraph (c) of this subsection, under a contract
36 or agreement with the United States of America wherein such agency agrees to protect specific
37 federal forestlands, and in return, the United States of America agrees to protect specific lands of
38 such agency.

39 (2) [Except as otherwise provided in ORS 477.760,] For each fiscal year the assessment levied per
40 acre of ownership of forestland designated in subsection (1) of this section shall be:

41 (a) Seven and one-half cents for all forestlands east of the summit of the Cascade Mountains and
42 all forestlands which have been classified Class 3, agricultural class, under ORS 526.305 to 526.370;

43 or

44 (b) Five cents for all forestlands not described in paragraph (a) of this subsection.

45 **SECTION 36.** ORS 477.960 is amended to read:

1 477.960. [(1)] Insofar as applicable, the assessment levied under ORS 477.880 shall be due and
 2 payable to the forester in like manner and procedure, including penalties and interest, as set forth
 3 for the collection of the protection costs provided in ORS 477.270. Wherever applicable, the assess-
 4 ment levied under ORS 477.880 shall be combined with the budgeted cost certified to the county
 5 under ORS 477.270 as one amount for each account listed so that the officer in charge of the roll
 6 can extend the amounts on the assessment roll in a separate column in a single figure.

7 [(2) *The minimum assessment set forth in ORS 477.295 shall be applied to the combined amount*
 8 *described in subsection (1) of this section.*]
 9

10 **UNIT CAPTIONS NOT PART OF LAW**

11
 12 **SECTION 37.** **The unit captions used in this 2021 Act are provided only for the conven-**
 13 **ience of the reader and do not become part of the statutory law of this state or express any**
 14 **legislative intent in the enactment of this 2021 Act.**

15 **OPERATIVE AND EFFECTIVE DATES**

16
 17
 18 **SECTION 38.** **Sections 1 to 5 of this 2021 Act, the amendments to statutes by sections 6**
 19 **to 13a and 15 to 36 of this 2021 Act and the repeal of statutes by section 14 of this 2021 Act**
 20 **become operative on January 1, 2022.**

21 **SECTION 39.** **Any moneys remaining in the Oregon Forest Land Protection Fund on the**
 22 **operative date specified in section 38 of this 2021 Act that are unexpended, unobligated and**
 23 **not subject to any conditions shall be transferred to the Wildfire Management Fund created**
 24 **under section 5 of this 2021 Act.**

25 **SECTION 40.** **This 2021 Act takes effect on the 91st day after the date on which the 2021**
 26 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**
 27