

HB 3947 -1 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Prepared By: Erin Pischke, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 4/1

WHAT THE MEASURE DOES:

The measure changes Oregon’s surplus revenue “kicker” estimate to fund wildfire prevention and response.

Detailed summary:

Increases the amount of the estimate of revenues that will be received from General Fund revenue sources other than corporate income and excise taxes for the biennium beginning July 1, 2023. Requires that the difference between the amount actually collected and the amount estimated after the close of the 2023 regular session be transferred to the State Fire Marshal Fund for funding wildfire prevention and response. Provides for the return to taxpayers of surplus revenue over the adjusted estimate amount if the constitutional threshold is exceeded. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment stipulates that the difference between the amount actually collected and the amount estimated after the close of the 2023 regular session be transferred to the State Forestry Department Account (Account) and requires that be transferred in equal shares to the Account and to the State Fire Marshal Fund.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

BACKGROUND:

According to the Oregon Department of Revenue, Oregon’s surplus refund or “kicker” law refunds taxpayers any surplus revenue if the actual revenue exceeds the forecasted amount by more than two percent. The 1979 Legislative Assembly enacted the surplus kicker statute along with a spending limit and a tax plan. Voters approved this package in the 1980 primary election. The 1999 Legislative Assembly referred a constitutional amendment placing much of the kicker statute in the Oregon Constitution. Voters approved that amendment in November 2000. The constitutional provision first applied to the kicker calculation following the 2001–03 biennium.

Oregon Governor Kate Brown created the Governor's Council on Wildfire Response by executive order in January of 2019. The Council was tasked with reviewing Oregon’s current model for wildfire prevention, preparedness, and response, and analyzing whether the current model is sustainable given increasing wildfire risks. The Council met regularly for nine months and formed three active subcommittees that focused on mitigation, fire suppression, and adaptation and recovery. The product of the Council's extensive work was a final report that concluded that some or all of the current models are not sufficient to ensure Oregon is prepared for increasingly severe wildfire seasons.