

# House Bill 3854

Sponsored by Representative RUIZ

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Bans the recoupment of certain costs if the costs are from the fault of a utility. Makes an electric company make a report on any fire event that is caused by a power line. Allows the report to be used as evidence. Specifies the economic damages allowed for property damage caused by a wildfire. (Flesch Readability Score: 61.5).

Prohibits the recovery from customers of certain costs and expenses that a public utility incurs as a result of negligence or a higher degree of fault on the part of the public utility.

Requires an investor-owned electric utility to provide an incident report to the Department of the State Fire Marshal and the State Forestry Department whenever a fire-related incident occurs that is caused by the utility's electric power line and to provide a copy of the incident report to the Public Utility Commission. Provides that the incident report may be used as evidence.

Specifies the recoverable economic damages allowed for damage or injury to property caused by a wildfire. Allows the use of other objectively verifiable information to determine fair market value.

## A BILL FOR AN ACT

1  
2 Relating to liability; creating new provisions; and amending ORS 477.089.

3       Whereas Oregonians who have lost their homes and businesses to wildfires have struggled to  
4 rebuild because of increasing costs to rebuild, supply chain challenges, inflation, underinsurance and  
5 lack of insurance; and

6       Whereas Oregonians who have lost their homes and businesses to wildfire deserve to be made  
7 whole for their losses; and

8       Whereas Oregonians who are harmed by wildfires caused by negligence, reckless disregard, in-  
9 tentional action or other misconduct should not be forced to come up with money for appraisals to  
10 prove their losses; and

11       Whereas it is important to remove unnecessary burdens on Oregonians harmed by wildfires  
12 caused by others, to allow them to pursue compensation for loss of real and personal property, any  
13 other economic damages, noneconomic damages and any other damages, and to clarify that they are  
14 entitled to all remedies under the law, including noneconomic damages, which have always been  
15 recoverable for harm caused by wildfires; and

16       Whereas to ensure accountability, Oregonians need independently operated utilities doing busi-  
17 ness in the State of Oregon to promptly report all fires involving their equipment and infrastructure;  
18 now, therefore,

19 **Be It Enacted by the People of the State of Oregon:**

20       **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 757.**

21       **SECTION 2. The following costs and expenses that a public utility incurs are not recov-**  
22 **erable from public utility customers:**

23       **(1) Costs and expenses that are, or are associated with, a criminal or civil fine or penalty**  
24 **that is based on negligence or a higher degree of fault on the part of the public utility.**

**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       (2) **Costs and expenses that are, or are associated with, a judgment or settlement from**  
 2 **a civil action that is based on negligence or a higher degree of fault on the part of the public**  
 3 **utility.**

4       **SECTION 3.** (1) As used in this section, “investor-owned utility” means a public utility,  
 5 as defined in ORS 757.005, that provides electric power and is regulated by the Public Utility  
 6 Commission under ORS chapter 757.

7       (2) **An investor-owned utility shall provide an incident report to the Department of the**  
 8 **State Fire Marshal and the State Forestry Department whenever a fire-related incident oc-**  
 9 **urs that is caused by an electric power line that is under the management, operation,**  
 10 **ownership or control of the investor-owned utility, and the fire-related incident occurred**  
 11 **within this state or posed a risk to the health or safety of residences within this state.**

12       (3) **An investor-owned utility shall provide a copy of an incident report that is provided**  
 13 **under this section to the Public Utility Commission and make public the incident report.**

14       (4) **The Department of the State Fire Marshal and the State Forestry Department may**  
 15 **each, by rule, prescribe the form and content of incident reports that must be provided to**  
 16 **the respective department under this section.**

17       (5) **An incident report provided under this section may be used as evidence, subject to**  
 18 **the Oregon Evidence Code, in any civil, criminal or enforcement action arising out of any**  
 19 **matter related to the fire-related incident.**

20       (6) **The Department of the State Fire Marshal, State Forestry Department and Public**  
 21 **Utility Commission may adopt rules to carry out the provisions of this section.**

22       **SECTION 4.** ORS 477.089 is amended to read:

23       477.089. (1) As used in this section:

24       (a) “Economic and property damage” means the sum of:

25       (A)(i) [*The lesser of*] The difference in the fair market value of property immediately before and  
 26 immediately after a wildfire; or

27       (ii) The cost of restoring property to the condition the property was in immediately before a  
 28 wildfire; and

29       (B) Any other objectively verifiable monetary losses.

30       (b) “Fair market value” means the amount, as determined by a state certified appraiser **or other**  
 31 **objectively verifiable information**, that a willing buyer would pay to a willing seller for property  
 32 in an arm’s-length transaction if both parties were fully informed about all advantages and disad-  
 33 vantages of the property and neither party is acting under a compulsion to buy or sell.

34       (c) “Forest tree species” means a tree species that is capable of producing logs, fiber or other  
 35 wood materials that are suitable for the production of lumber, sheeting, pulp, firewood or other  
 36 commercial forest products.

37       (d) “State certified appraiser” means an individual who has been certified as a state certified  
 38 appraiser under ORS 674.310 and is qualified to appraise the property that is the subject of a fair  
 39 market value determination.

40       (e) “Wildfire” means a fire that:

41       (A) Results from a violation of this chapter or of rules adopted under ORS 526.016 or 526.041;  
 42 or

43       (B) Originated on land used or capable of being used for growing forest tree species regardless  
 44 of the existing use of the land.

45       (2) Except as provided in ORS 477.092 and 477.095, in a civil action for property damage caused

1 by a wildfire, the recoverable **economic** damages are:

2 (a) The amount of economic and property damages, if the wildfire did not occur as the result  
3 of recklessness, gross negligence, willfulness or malice; or

4 (b) Twice the amount of economic and property damages, if the wildfire occurred as the result  
5 of recklessness, gross negligence, willfulness or malice.

6 (3) Except as provided in ORS 477.095 and subject to any other provision of this chapter limiting  
7 the recovery of fire fighting costs, a person who causes a wildfire is liable to any person or entity  
8 for the full amount of all expenses incurred by the person or entity in fighting the wildfire.

9 (4) The remedies provided under this section are in addition to any available criminal or civil  
10 penalties that may be assessed for the violation of a statute or rule but, subject to Article I, section  
11 10, of the Oregon Constitution, are the exclusive remedies **for recovering economic damages** for  
12 damages or injury to property caused by a wildfire. This subsection does not:

13 (a) Prohibit the bringing of any cross claim, counterclaim or joinder of parties;

14 (b) Prohibit the institution of a suit under ORS 496.705 for the recovery of damages for the un-  
15 lawful taking of wildlife; [or]

16 (c) Affect the applicability of ORS 31.600 to an action; **or**

17 **(d) Affect any other available remedies, including the recovery of noneconomic damages.**

18 (5) This section does not create a new cause of action or alter any existing cause of action.

19 **SECTION 5. (1) The amendments to ORS 477.089 by section 4 of this 2025 Act apply to**  
20 **claims that arise before, on or after the effective date of this 2025 Act and to actions in**  
21 **which a court has not entered a final judgment before the effective date of this 2025 Act.**

22 **(2) As used in subsection (1) of this section, “final judgment” means a judgment that is**  
23 **not subject to further appeal or review or for which the time to file an appeal has expired**  
24 **without a party filing an appeal.**

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