



## Council of Forest Trust Land Counties

1212 Court St. NE | Salem, Oregon 97301

The Council of Forest Trust Land Counties is a formal organization made up of 15 counties in Oregon that have, within their borders, approximately 745,000 acres of forest land which the counties acquired through tax foreclosure and were turned over voluntarily to the State for timber management. Most of these lands were transferred to the State between 1939-1950.

The 15 Council of Forest Trust Land Counties consist of: Benton, Clackamas, Clatsop, Columbia, Coos, Douglas, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Polk, Tillamook, and Washington Counties.

### **History of CFTLC:**

In the late 1930s, the wood products industry across the nation began a practice known as “cut and run.” They believed the value was in the tree and not in the land. So, what many companies in the wood products industry began doing was harvesting the trees as quickly as they could process them and then moving on to a different location. They did not replant and manage the land like they do today. After the trees were harvested, these lands were abandoned, and the land fell into foreclosure. Counties then reclaimed these lands through tax foreclosure proceedings.

Here in Oregon, the State Planning Board sent a report to Governor Charles Henry Martin in December of 1936 stating over 1.7 million acres of timber and grazing lands were in county ownership through these tax foreclosures. By 1939, Governor Charles Sprague saw that figure rise to 2,000,000 acres. The largest of these blocks of timberland in county ownership were in Douglas, Tillamook, and Deschutes Counties. The largest blocks of grazing land were in Harney, Malheur, and Lake Counties.

These lands were held in fee by the counties. Because of this, the land generated no taxes. Local governments, dependent upon property taxes for revenues at this time, were nearly bankrupt. County governments had two options, they could sell the land and place the land back on the tax rolls, or they could keep the land as they were. County governments were in this catch 22. If they were able to sell the land, they ran the risk of having more cut and run occur; however, if they didn't, they would not have any revenue to stay operational.

Beginning in 1939, the Legislature in partnership with these forestland-foreclosed Counties, enacted a series of laws which provided for a third option for the timber land. The lands would be held in trust by the State of Oregon. The Oregon Department of Forestry, under the direction of the State Forester and the Board of Forestry would manage these lands on the county's behalf. This was done through a series of contract agreements with the counties. These contracts stated the Department of Forestry would replant the forests and manage them on the county's behalf, and in exchange the state and the counties would share in the revenues generated through harvest.

Although this was a great solution to the problem facing counties, little revenue was being generated out of these forests held in trust by the state. The little funds raised from the forests simply supported the state's management of the lands. The reason for this little revenue was primarily two-fold. First, many of the trees had recently been planted and were not at harvestable age, and second, what was available to harvest kept catching fire in both the Tillamook Burn and various other devastating wildfires.



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Recognizing this, Governor Sprague in 1939 began to support a program which provided for the funding of the rehabilitation of the land. Governors Snell [1943-1947] and McKay [1949-1952] supported this effort as well. Legislation was enacted in 1947 to place on the forthcoming ballot an addition to the Oregon Constitution. In November of 1948, Oregon Measure 302 was put to the voters. What ultimately passed by a mere 2500 votes, or less than 1%, created a new type of bonding authority for the state, what became Article XI-E Bonds. A new type of General Obligation bond that could be used for the reforestation, rehabilitation, and protection of these forests.

By 1965, the Legislature stated that the major benefits of this reforestation program would go to the counties, and counties should consider assuming responsibility for payment of the costs of the rehabilitated bonds. The Legislature directed the Department of Forestry to meet with the counties and determine if an appropriate agreement might be reached for repayment of the debt. Meetings were held over a three-year period, and the foundation for what became the Council of Forest Trust Land Counties was created.

Counties and the Department of Forestry met to discuss and consider proposals. A final meeting of this group was held in December of 1968 when the counties gave their approval to proposed legislation which subsequently became ORS 530.115 (2). The payment by counties for paying off these Article XI-E Bonds from many years prior.

By 1969, State Forester Ed Schroeder began conversations with county officials suggesting a need for a regularly constituted group of county individuals to meet with the Department of Forestry officials on a regular and long-term basis. Conversations were also had with Governor Tom McCall [1967-1975]. At the annual Conference for the Association of Oregon Counties (AOC) in November of 1978, Schroeder again broached the subject with county leaders. He emphasized that a close working relationship between the 15 counties that deeded forestland to the state in trust and his department would be of benefit to both. The first meeting between the counties and the Department was held on December 28, 1978, in the Tillamook Forest.

Discussions at this first meeting found a few issues to be prevalent.

- First, counties needed to be familiar with the development of their forest lands to protect county interests and to correct a growing assumption that the lands could be manipulated unilaterally by the state;
- Second, the deeds which transferred the lands to the state were in fact ‘contracts’ and continued in effect so far as the Department of Forestry was concerned, but this point needed to be strengthened;
- Third, there is a continuing need for regular meetings between county officials and the Department of Forestry; and
- Lastly, the Attorney General had been asked for an opinion on the county repayment program for the rehabilitation of the bond debt.

Issues between the state and the Forest Trust Land Counties came to a head in 1978. The Oregon legislature passed a bill to establish the Crabtree Valley State Park in eastern Linn County. This area was



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owned by Willamette Industries (known today as Weyerhaeuser). The original plan was to do a land exchange between industry and the Bureau of Land Management; however, when that deal fell through, the state began looking into a land exchange between industry and the state. The land in question would be converted into a park, administered by the Oregon State Parks Department and Willamette Industries would receive state timberland of equal value. The equal value land that was put up for exchange was located in Linn County and was originally placed in trust for management by the state. This exchange land today is known as the Santiam State Forest in Linn County.

Issues around the “Crabtree Caper” as it became known in 1978 made it clear to the counties, they needed to come together in a formal organization to represent and protect their trust deeded interests. The Council of Forest Trust Land Counties (CFTLC) was formed.

CFTLC was established with five main objectives:

- 1) Protect the trust and contractual relationship between the forest trust land counties and the state of Oregon.
- 2) Support sound, active management of county forest trust lands.
- 3) Protect the flow of revenues from county forest trust lands for essential local public services.
- 4) Support forest trust land counties.
- 5) Provide an organization that will effectively communicate these objects.

This new organization, CFTLC, worked the legislative process to kill the proposed land exchange between industry and the state. Then, after being successful, the counties filled a lawsuit against the state of Oregon, known as Tillamook 1. The crux of that lawsuit was whether the state could give away lands deeded to them by counties under contract. The Supreme Court ruled in the counties favor. They found that the Oregon legislature could not give away portions of the state forests for the creation of a new state park.

The Counties were able to place in statute, ORS 526.156 which established the Forest Trust Land Advisory Committee. A statutory committee which is required to consult and communicate with the Department of Forestry, State Forester, and Board of Forestry on any and all matters related to the State Forestlands. Counties were also able to have a seat on the Board of Forestry. This seat was allocated to counties until Kitzhaber II, when the legislature changed the makeup of the Board to the current configuration.

The revenue agreement reached between counties and the Department, was placed in statute and calls for all revenues generated through timber harvest in these deeded trust forests, or state forests, to be shared with the counties and the Department of Forestry (ORS 530.110). The first 15% is taken off the top of all generated revenues and put toward the Department for distribution to the State Forests Protection Subaccount. This fund is used to pay for the cost of fire protection in the state forests. What this equates to after all distributions are made is, the counties receive 63.75% of the revenue generated and the Department of Forestry receives 36.25% of the revenue generated.



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The Department uses their funds to run the State Forest Division. It is the only division at the Department of Forestry to have never needed or relied on the General Fund for operations. The Counties distribute the funds into three buckets.

On average, the 15 trust land counties distribute funds in the following ways.

- 1) Counties allocate 60% to schools.
- 2) Counties allocate the remaining 23% to the various special districts in their counties.
- 3) Counties keep 17% for their own expenses.