



Chair Lively, Vice Chairs Levy and Gamba, and members of the committee,

The Oregon Small Woodlands Association (OSWA) proudly serves as the voice of small woodland owners, advocating for the long-term health and resilience of Oregon’s family-owned forests.

OSWA participated in the Wildfire Funding Work Group, and we appreciate lawmakers’ continued willingness to engage with small forestland owners as we work toward advancing our shared goal of a balanced, equitable, and sustainable statewide wildfire funding strategy.

To that end, OSWA members have accepted a number of compromises - including several that will directly increase costs for small, family, forestland owners - in support of the legislature’s efforts to advance a bill this session. However, considering the disproportionate impact placed on small woodland owners under the proposed bill, we cannot support HB 3940 with the -1 in its current form and urge the committee to address the following concerns.

Aligning Contiguous Lot Language for Rural Fire Districts

Problem: Section 17 allows a landowner to apply to ODF to combine contiguous lots so that they do not incur a minimum lot charge. This appears to only be for chapter 477. It is OSWA’s understanding that this should also apply to chapter 478 – rural fire protection districts.

Solution: Add the same contiguous lot language that is included in Section 17, related to contiguous lots to Section 36. OSWA requests language be added to Section 36: ‘landowner has filed for an exemption under Section 17 of this law, the exemption also applies to section 36’.

Improved Lot Definition

Problem: ORS chapter 477 uses the term “improved lot” to determine if a surcharge is to be levied. ORS chapter 478 uses the term “if a structure exists” to make the same determination.

Solution: Both chapters be changed to use the same language regarding what qualifies as an improved lot and that language be “if a structure exists” as used in chapter 478. Additionally, we request that HB 3940 further define ‘structure’ as “being larger than 400 square feet”.

Central Administrative Costs

Problem: Existing language under Section 12 does not make clear that the funds will not be used to pay for centralized administrative costs.

Solution: Add language to the Forest Protection District Section 12 (1) to make clear that the funds will not be used to pay for centralized administrative costs by mirroring the language used in Section 25 “does not include centralized administrative costs”.

Taxation of Additional Five Acres for Rural Fire Districts

Problem: Currently, RFDs tax a structure plus five acres at a high rate due to the presence of a structure. HB 3940 increases the parameter to 10 acres but does not indicate which assessment value will be used on the tax rate of the additional 5 acres.

Solution: The additional 5 acres should be taxed at the rate of the unimproved land that is adjacent to the structure and 5 acres.

Additional Technical Concerns

Forest policy, its relationship with our tax code, and wildfire funding are each uniquely complex areas of law. Proposed changes to any one of the three can have unintended consequences that impact the entire system. We urge lawmakers to consider the following technical changes to limit confusion and implementation challenges for landowners, special districts, state agencies, and other impacted parties.

Two language additions that were agreed upon and included in HB 4133 were excluded from HB 3940, we request the language be added to the bill:

From HB 4133:

SECTION 1. ORS 321.011 is amended to read:

321.011. The prevention and suppression of, **and preparedness for**, forest fires on forestlands, for the preservation of forest resources and the continuous growth of timber on lands suitable therefor, are declared to be the public policy of the State of Oregon. The Legislative Assembly recognizes that:

- (1) The forested areas situated within eastern Oregon predominate in Ponderosa pine trees and associated species, and that the forested areas situated within western Oregon predominate in Douglas fir and associated species;
- (2) Because of this difference in species, different forest fire protection problems exist in eastern and western Oregon, and different logging conditions and circumstances in each necessitate varied forest practices in the disposal of forest slashings and debris; and
- (3) Therefore, in order to give recognition to such differences and their effect on the accomplishment of the public policy stated in this section, certain classifications of forestlands within the State of Oregon are established by ORS 321.005 to 321.185 and 321.560 to 321.600.

- The change to ORS 321.011 makes it explicit that preparedness for fire needs to be a priority for local ODF districts in addition to prevention and suppression.

SECTION 2. ORS 321.012 is amended to read: 321.012.

The Legislative Assembly finds that it is in the interest of the State of Oregon that the public as a whole share responsibility for protecting the forests of this state, by making funds available *[from time to time]* for suppression of fires *[caused by the public]*.

- This change to ORS 321.012 is necessary if the state is to pay for all large fire costs.

Despite OSWA's opposition to HB 3940 in its current form, I want to reiterate that our members remain committed to working with the legislature and stakeholders to support and advance a wildfire funding proposal this session. As I referenced at the beginning of my testimony OSWA members have already accepted several significant compromises, including an increase in the minimum lot tax rate, the improved lot tax rate, and an increase in the forest products harvest tax. These all represent cost increases for small woodland owners already under strain in Oregon and we ask you to be mindful of the sacrifices we have already offered as you consider the best path forward for HB 3940.

Once again, we thank lawmakers for their leadership on this issue and look forward to continuing to work with the committee and stakeholders on some improvements to address the concerns of small woodland owners.

Thank you,

Gordan Culbertson
OSWA President