

## Oregon Department of Forestry 2009 Legislative Concepts

### WORKING FORESTS, FORESTLAND BASE

**Incentives to retain working forestlands:** Staff is developing legislative approaches that may help keep forest use competitive with conversion to other uses. Alternatives include:

- Supporting and expanding an Oregon Business Association proposal for an Environmental Enhancement Tax Credit. Businesses would receive the credit if they exceed state and federal environmental regulations. The proposal could be expanded to grant Oregon businesses a tax credit for donations to a Forest Landowner Technical Assistance Fund. Money in the fund could be used to provide one-on-one technical assistance to landowners, with financial assistance coming from existing sources, such as the Forest Resource Trust and Oregon Watershed Enhancement Board grants.
- Expanded use of conservation easements, possibly through a pilot program in which the federal Bonneville Power Administration would provide funds to purchase easements, which ODF would then hold.
- Use of conservation easements and/or tax credits for landowners who provide public access.
- Carbon tax or cap-and-trade approaches that would generate greenhouse gas emission mitigation funds, which could be used for enhancing forestland values.

### PROTECTION FROM FIRE

**Forestland classification:** This concept proposes updates and clarifications to sections of Oregon Revised Statutes (ORS) 526 .305-340, which relate to the classification of land for assessment of fire protection fees. Generally, the changes would add and clarify definitions and make needed adjustments to county classification committees' scope and appointees.

The concept arises from a thorough review of the statutes, rules and policy that make up the ODF forestland classification framework. This system has not been substantively updated in over 30 years, a period during which much has changed on the lands that ODF protects from fire.

The 15.8 million acres for which ODF provides wildfire protection are mostly privately owned. The protection area also includes some city, county and state land, and about 2.37 million acres of federal lands. About 3.5 million acres of ODF-protected land are in the wildland-urban interface (WUI).

To help pay for this protection, the agency collects a fee or "forest patrol assessment" from owners of protected forestland within protection district boundaries.

The ODF forestland classification system originated in part through passage of the Forest Land Classification Act of 1937. By the 1950's, the system had been adopted statewide with significant regional variation in interpretation and application.

Today, the wildfire protection environment, land uses and values at risk are much different, Oregon's population has increased, and demographics and settlement patterns have changed. WUI areas now cover larger portions of many forest protection districts and contain thousands of high-value dwellings. As a result of these trends, the complexity and costs of the ODF Fire Protection Division and the complete and coordinated fire protection system continue to escalate.

The Department's classification system review sought to provide recommendations and updates to reflect current conditions, and to identify ways to improve the efficiency and consistency of the system's administration.

The review process identified a range of recommended changes in statutes, rules and Department guidance.

**Emergency fire costs:** Legislation will be necessary to continue the current system, supported by the 2005 and 2007 Legislatures, for sharing of emergency firefighting costs among landowners and the general fund, and for providing for severity funding. As part of this system, legislative action is necessary each session to maintain the landowner share of responsibility at \$15 million; the amount otherwise reverts to \$10 million.

**Protection efficiency and effectiveness:** This concept, combined with a Policy Option Package in the ODF 2007-09 budget request, will change sections of ORS 477 to remix current landowner and General Fund funding for the Fire Protection Division's fire prevention and suppression activities. The concept may be combined with the emergency fire cost concept described above.

The concept addresses funding of fire agency administration, landowner in-kind resources, increased funding for areas of the state experiencing long-term increases in fire severity, the catastrophic fire insurance deductible (Oregon Forest Land Protection Fund and General Fund), and the Legislative Special Purpose Appropriation – state General Funds set aside by the Legislature for specific fire protection needs.

Oregon's wildfire protection system has historically provided an effective and efficient method of addressing the state's needs. The system relies heavily on landowner involvement and participation. Funding for the system is a complicated mix of landowner funds and state General Funds allocated by the Legislature. The system has evolved somewhat over time, but the basic premise for funding remains a partnership between the state's forest landowners and the general public.

Fire "climate" conditions, fire causes, and the ability of these lands to produce revenues have been factored into cost allocation methods over the years. Preliminary analysis shows that fire danger indicators have risen over the past 20 years. These conditions are reflected in larger, more frequent, and more expensive fires.

The work that led to this legislative concept also produced a catch phrase – "Just One" – to reflect the concept that preventing a single large fire saves the system, on average, about \$5 million.

## **FOREST PRACTICES**

### **Log brands; Forest Practices notification numbers on logs accepted at mills:**

We are working to determine whether to suggest changes in the enforcement provisions of the log brand statutes. We are also discussing with the Department of Revenue the possible need for legislative changes to re-establish that a Forest Practices Act notification number is required as a condition of accepting a load of logs. In the past, this link has been useful in preventing forest operations that have occurred without the required notification to ODF.

## **ADMINISTRATION**

**Forest Products Harvest Tax Rate:** Legislation is introduced each session to set harvest tax rates for Forest Practices Act implementation and for support of the Oregon State University Forest Research Lab. This legislation continues the historical approach of sharing funding responsibility for these programs through a combination of harvest tax and general fund dollars.