Revenues

Revenue forecast narrative

The Oregon Department of Forestry's (ODF) programs are funded through a network of public and private sources, such as timber sale revenues on state lands, harvest taxes paid by all timber harvesters in Oregon, and fire protection assessments paid by forest landowners. Other revenue sources are seed cooperative assessments paid by cooperators, camping fees on state forest lands, a portion of all-terrain vehicle license fees, federal funds for fire protection services on federal lands, and General Fund support for parts of the Fire, Forest Resources, Centralized Services, and State Forests Divisions for land purchase. In addition, the department receives federal grants, primarily in the Fire and Forest Resources programs. A brief list of each division's primary revenue sources and matching rates is detailed below.

Fire Protection: Forest fire protection in Oregon is a shared responsibility between the private landowner and the public. The matching rate in statute (ORS 477.230) is 50 percent General Fund to 50 percent landowner assessments for private lands. Public landowners do not receive the General Fund match and pay the full cost of fire protection on their lands. Federal landowning agencies provide their own protection or contract with ODF. Each forest protection district in the state develops a fiscal-year budget which is approved by the Oregon Board of Forestry and assesses landowners the budgeted rate on a per-acre basis. Thus, landowners in different districts may pay different rates based upon the level of protection needed.

The Cooperative Fire sub-program receives funding from outside users of the department's personnel and equipment. This program is entirely self-supporting and receives payments from other state agencies (e.g., ODEM, ODOT), federal agencies and the private sector for work performed. The Cooperative Fire sub-program is expected to receive an estimated $9 million in the 2027-29 biennium.

The Public Share Fire Fund sub-program receives General Fund to annually "match" private landowner assessments, to recognize that public activity through human-caused fire starts does cause a financial burden on the fire protection system, and also to recognize that the public shares in the benefits of a wildland fire protection system (e.g. clean air and water, fish and wildlife habitat, scenic values, etc.). This fund does not apply to federal, state, county or other public lands.

Federal funds come from a variety of agencies and grant programs. Based on experience from the last three years, the department is estimated to receive $60 million in revenues in this category in 2027-29.

The Smoke Management sub-program receives revenues from burning fees, other state agencies and the federal government.

Forest Resources: This program receives funds from several sources, including General Funds which are utilized much like other executive branch agencies. Additionally, per statute, the General Fund is responsible for contributing 60% of the costs to administer the Forest Practices Act. Federal Funds are received from several federal agencies but predominately from the United States Department of Agriculture's (USDA) U.S. Forest Service (USFS) and Natural Resource Conservation Service (NRCS) and the Bureau of Land Management (BLM). Depending on the specific federal funding stream, matching funds up to 50% can be required, however they can also be waived. Some Federal Funds are received as part of a competitive process while the division serves as Oregon's dedicated pass-through entity for specific federal funding streams. Other Funds revenue sources include Oregon Forest Products Harvest Tax, Oral Nicotine Products Tax, interest from Oregon's Rainy Day Fund, cooperative projects, private donations, and other receipts and fees. HB 3940 (2025) established two new revenue sources for the Landscape Resiliency Fund with deposits beginning in the 2025-2027 biennium. They include one-third of the revenues from the Oral Nicotine Products Tax and 6.7% of the monthly interest earned on the Oregon Rainy Day Fund.

Federal Forests Restoration: The Federal Forest Restoration program is supported by three revenue components; State General Fund, Federal Funds, and Other Funds. Most of the Federal Funds come from the Forest Service through the Good Neighbor Authority agreement. The Good Neighbor Authority (GNA) was authorized in the 2014 Farm Bill. It allows federal and state agencies to work in partnership to implement watershed and forest management activities on federal lands. The Oregon Legislature House Bill 4118 in 2018 established a state priority to pursue GNA projects that increase timber harvest volume, create jobs, reduce wildfire risks, improve wildlife habitat and watershed health, and stimulate local economies.

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State Forests: The State Forests Division has two revenue components. For the 2027-29 biennium, Board of Forestry lands account for 97 percent of revenues, and Common School Lands account for 3%. Revenues from Board of Forestry lands are shared with county governments, rural schools, and taxing districts where state forests are located. Receipts from Common School Lands are transferred to the Common School Fund. The Department of State Lands acquires forest management services through a negotiated contract with ODF. The Common School Fund pays all operating and management expenses.

Timber sale receipts account for 97% of State Forests revenue. On the Board of Forestry lands, the department retains 36.25% of timber sale revenues for management expenses. The majority (63.75%) is disbursed to counties and local taxing districts.

On Common School Lands, the revenue goes to the Common School Fund, and the department is reimbursed for management costs. In the 2027-29 biennium, the department projects sales of timber to generate about $4.5 million from the Common School lands.

Centralized Services: Agency Administration, Business Services, and Executive Administration are supported by General Fund, Other Funds and Federal Funds, with the Other Funds portion received from the department's operating divisions. The division also receives minor sales income through fees charged for services and the administrative support portion of the department's federal grants.

Equipment Pool: This is a proprietary fund and is self-supporting by revenues generated through assessments/rates and outside billings to partners and/or customers. Assessments/rates are developed and modified annually through the department's fiscal budgeting process.

Facilities Maintenance and Management: The facilities fund is a Special Revenue Fund, the primary revenue sources for which are: 1) program revenues for utilities, maintenance and facility operational expenses, 2) proceeds from the sale of administrative property, and 3) interest income.

Debt Service: The funding for repayment of each debt series is comprised of a mix of General Fund, Lottery Fund and Other Funds. The current proportion of Capital Construction repayment is 84% General Fund, 13% Lottery Fund, and 3% Other Funds. The General Fund component is larger than in the past due to the intended purchase of the Elliott State Forest using 100% General Fund for debt payments.

Capital Improvement: Funding for Capital Improvement includes Other Funds from department operating programs.

Capital Construction: Funding for Capital Construction includes Other Funds from department operating programs.

Detail of Fee, License, or Assessment Revenue

DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE PROPOSED FOR INCREASE

Purpose or Type of Fee, License or Assessment	Who Pays	2025-27 Estimated Revenue	2027-29 Agency Request	2027-29 Governor's Budget	2027-29 Legislatively Adopted	Explanation
Forest Products Harvest Tax – Forest Practices	Timber Harvesters[2]	$17,276,657				Renewal of the FPHT (ORS 321.015) which sunsets each biennium.
Rate per MBF[2]:		$2.6544[3]	TBD	TBD	TBD[3]	Forest Products Harvest Tax
Forest Products Harvest Tax – Protection from Fire Program (Oregon Forest Land Protection Fund – Emergency Fire Cost Committee)	Timber Harvesters[2]	$4,133,875				Renewal of the FPHT (ORS 321.015) which sunsets each biennium. Forest Products Harvest Tax
Rate per MBF[1]:		$0.6250	TBD	TBD	TBD	ORS 321.015 (2011)

[1] The Forest Products Harvest Tax (FPHT) generates revenue for two entities external to the agency. They are Oregon State University (2025-27 rate = $0.2100) the Oregon Forest Resources Institute (2025-27 rate = $0.9000). Internally, the two programs that receive revenue from the FPHT are the Forest Practices program (2025-27 rate = $2.6544) and the OFLPF Emergency Fire (2025-27 rate = $0.6250). The total 2025-27 FPHT, including Oregon Department of Forestry Programs and external entities, is $4.3894

[2] The FPHT is assessed every calendar year on each thousand board feet (MBF) of harvested timber occurring on both public and private lands. The first twenty-five MBF of harvest is exempt from taxation.

[3] The Forest Products Harvest Tax is assessed on a calendar year basis. As a result of timing issues the department receives revenue in the first three months of each biennium which have been assessed at the prior biennial rate, while the remaining five months revenue are received at the new biennial rate. For the 2023-25 biennium the first three months rate is $2.0702, and the remaining five month's rate is $2.5346.

Detail of Revenue 107BF07

Source	Fund	ORBITS Revenue Acct	2023-2025 Actuals	2025-27 Legislatively Adopted	2025-27 Estimated	2027-29 Agency Request	2027-29 Governor's	2027-29 Legislatively Adopted
Forest Protection Taxes	3400	0170	$74,690,984	$113,466,340	$113,466,340	$83,563,000		
Business Licenses & Fees	3400	0205	$4,100	$2,036,303	$2,036,303	$993,015		
Non-business Licenses & Fees	3400	0210	$1,050,538	$0	$0	$2,250		
Park User Fees	3400	0255	$297,657	$326,200	$326,200	$326,200		
Federal as Other Funds	3400	0355	$375,285	$0	$0	$0		
Charges for Services	3400	0410	$203,924,985	$28,590,729	$102,462,048	$117,295,337		
Admin & Service Charges	3400	0415	$3,148,688	$251,505	$251,505	$3,316,405		
Fines & Forfeitures	3400	0505	$28,147	$2,180,000	$2,180,000	$0		
Rents & Royalties	3010	0510	$495	$0	$0	$0		
Rents & Royalties	3400	0510	$21,029,955	$18,884,050	$19,085,417	$22,443,859		
GF Obligation Bonds	3010	0555	$2,955,666	$5,234,219	$5,234,219	$7,047,394		
GF Obligation Bonds	3020	0555	$2,000,000	$0	$0	$0		
GF Obligation Bonds	3400	0555	$12,000,000	$0	$0	$0		
Dedicated Fund Oblig Bonds	3020	0560	$3,484,000	$28,205,053	$28,205,053	$2,000,000		
Dedicated Fund Oblig Bonds	3400	0560	$0	$12,000,000	$12,000,000	$12,000,000		
Refunding Bonds	3200	0575	$2,451,186	$0	$0	$0		
Refunding Bonds	3230	0575	$1,422,548	$0	$0	$0		
Interest Income	4430	0605	$52,546	$0	$0	$0		
Interest Income	3010	0605	$688	$0	$0	$85,243		
Interest Income	3400	0605	$2,324,290	$33,420	$33,420	$1,853,064		
Interest Income	3430	0605	$283,256	$0	$0	$0		
Sales Income	3400	0705	$11,396,384	$1,200,840	$1,200,840	$3,369,422		
State Forests Land Sales	3400	0730	$218,611,773	$225,035,289	$225,035,289	$218,505,000		
Common School Lands Sales	3400	0735	$5,490,609	$2,702,004	$2,702,004	$4,607,041		
Donations	3400	0905	$37,941	$961,990	$961,990	$41,735		
Grants (Non-Fed)	3400	0910	$59,336	$0	$0	$47,500		
Loan Repayments	3400	0925	$99,240	$0	$0	$0		
Other Revenues	3010	0975	$78,732	$0	$0	$5,597,618		
Other Revenues	3020	0975	$0	$0	$6,000,000	$0		
Other Revenues	3400	0975	$1,997,117	$68,064,352	$70,536,628	$25,054,274		
Other Revenues	3430	0975		$64,229	$15,771	$0		
Federal Funds	6400	0995	$84,313,428	$85,110,060	$96,827,003	$104,164,671		
Transfers In – Intrafund	3010	1010		$5,417,407	$5,417,407	$5,490,697		
Transfers In – Intrafund	3400	1010	$66,481,735	$44,592,299	$44,671,113	$18,891,300		
Transfers In – Intrafund	3430	1010	$653,259	$5,196,031	$5,196,031	$5,996,040		
Transfer In from General Fund	3400	1060	$159,664,375	$56,596,836	$56,596,836	$122,000,000		

Revenues

Source	Fund	ORBITS Revenue Acct	2023-2025 Actuals	2025-27 Legislatively Adopted	2025-27 Estimated	2027-29 Agency Request	2027-29 Governor's	2027-29 Legislatively Adopted
Transfer from Admin Svcs (DAS)	4430	1107	$2,513,301	$1,986,913	$1,986,913	$1,985,560		
Transfer from Admin Svcs (DAS)	3230	1107	$1,230,591	$0	$0	$0		
Transfer from Admin Svcs (DAS)	3400	1107	$36,969	$0	$0	$0		
Transfer from Admin Svcs (DAS)	3430	1107	$180	$0	$0	$0		
Transfer from Justice, Dept of	3400	1137	$0	$0	$0	$0		
Transfer from State Lands Dept	3010	1141	$0	$0	$0	$0		
Transfer from State Lands Dept	3400	1141	$4,426,386	$5,424,732	$5,424,732	$5,595,243		
Transfer From Revenue Dept	3400	1150	$19,012,688	$31,459,340	$31,459,340	$30,536,704		
Transfer From Military Dept	3400	1248	$0	$0	$0	$0		
Transfer From Military Dept	6400	1248	$0	$0	$0	$0		
Transfer from Police, Dept of State	3400	1257	$0	$0	$0	$0		
Tsfr from Emergency Mgmt, Dept	3400	1258	$13,281,665	$0	$0	$0		
Tsfr from State Fire Marshal	3400	1260	$551,590	$0	$0	$0		
Tsfr from Agriculture Dept	3400	1603	$40,500	$0	$0	$0		
Tsfr from Forestry, Dept of	3400	1629	$0	$0	$0	$0		
Transfer from Parks & Rec	3400	1634	$2,142,950	$2,683,497	$2,683,497	$2,695,287		
Transfer from Fish & Wildlife	3400	1635	$852,495	$0	$0	$0		
Transfer from Fish & Wildlife	6400	1635	$323,127	$0	$0	$0		
Transfer from OWEB	3400	1691	$3,250,000	$0	$0	$0		
Transfers Out – Intrafund	3400	2010	($67,125,434)	($55,205,737)	($55,284,551)	($30,378,037)		
Transfers Out – Intrafund	3430	2010	($9,560)	$0	$0	$0		
Transfer to Counties	3400	2080	($125,059,561)	($140,009,213)	($140,009,213)	($70,632,768)		
Transfer to Counties	6400	2080	$0	$0	$0	$0		
Tsfr to Administrative Svcs	4430	2107	($341,689)	$0	$0	$0		
Transfers to State Lands Dept.	3010	2141	$0	$0	$0	$0		
Transfers to State Lands Dept.	3400	2141	($4,705,986)	($2,702,004)	($2,702,004)	($4,457,041)		
Transfer to State Fire Marshal	6400	2260	($14,837,501)	$0	$0	$0		