

Agenda Item No.:	5
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SUMMARY

The purpose of this agenda item is to provide a brief overview of the 2023 Legislative session. The following summary is not all-inclusive of legislative matters affecting Oregonians or state agencies but is intended to be a succinct view of bills the agency tracked through the session and are most impactful to Oregon Department of Forestry processes. This is an informational item.

BACKGROUND AND ANALYSIS

The agency prepared for legislative bill review, analysis, and testimony preparation by hiring a new legislative coordinator and designating bill managers for each division and program. Internal training and coordination session was held in early January. Our agency utilizes the BillTracker software program, provided by the Department of Administrative Services for all state agencies to track bills and conduct bill analysis.

The agency reviewed and prioritized the 2,970 bills throughout the Session and closely tracked 757 bills. Engaging in weekly meetings with natural resource agencies and all executive branch agencies for information gathering and coordination on bills that affected multiple agencies were essential for staying connected during the fast pace of the session.

This Legislative Session (Session) was historic because the most extended legislator walkout in Oregon's history threatened to derail the entire Session. Within the two final weeks, a deal was reached between the Democrats and Republicans to resume passing bills and budgets at incredible speed, making up for the six weeks of Legislative inaction.

The Oregon Department of Forestry (ODF) had a relatively successful session. The agency's budget bill passed with an increase to Current Service Levels. The Harvest Tax was increased to reflect new spending commitments from the Private Forest Accord and passed without issue. The agency's key policy bill, Senate Bill (SB) 80 passed. This was a broad wildfire bill intended to fix ODF's wildfire mapping efforts and add key wildfire prevention measures like prescribed fire. However, the landowner offset for Forest Protection Assessments was not renewed in this Legislative Session, which was intended to soften the rate increases to landowners as a result of increased wildfire services from 2021's SB 762.

Attachment one summarizes the agency's priority bills that were passed or pending at the end of the Session and their status. In addition, the Legislative Policy and Research office (LPRO) updated its website to allow a bill search by topics of interest, those with public hearings,

and the outcome of the bill. The Session summaries can be found at the following link, <https://www.oregonlegislature.gov/lpro/Pages/summary-of-legislation.aspx>. The key themes from the 2023 Legislative Session were tracked by the agency and included in this report.

Wildfire: SB 80 is a bill representing comprehensive adjustments to SB 762 from the 2021 Legislative Session. This bill changes the five statewide wildfire risk classes outlined in SB 762 to three statewide wildfire hazard classes for the Wildfire Hazard Map. Notice for hazard zone assignment is given only to property owners whose property is assigned to an extreme or high hazard zone within the wildland-urban interface. The statewide map is to be completed and released expeditiously. To broaden community input, county commissioners and their staff will meet with the Oregon Department of Forestry (ODF) in eight in-person meetings throughout the state. The bill allocates \$350,000 to ODF and \$846,173 to the Higher Education Coordinating Commission (HECC) for their respective hazard mapping efforts.

Additionally, SB 80 creates provisions for financial assistance and in support of defensible space projects, allowing nonprofits and faith-based organizations to establish emergency clean air and wildfire spaces. Previously only governmental organizations had this ability. The Department of Consumer and Business Services (DCBS) will establish the Wildfire Home Preparedness Program and \$3 million is allocated to the Office of the State Fire Marshal (OSFM) for the Community Risk Reduction Fund.

SB 80 establishes a Landscape Resiliency Fund for wildfire prevention efforts, which will fund proactive landscape fuels reduction treatments and active forest management. Lastly, the bill creates the Prescribed Fire Liability Pilot Program and allocates \$5 million into a Liability Fund. Establishing this liability program is necessary to address the most fundamental obstacle to conducting proactive prescribed fire treatments, such as the fiscal responsibility associated with prescribed burns that may escape control lines. This program sunsets in 2028, and \$242,037 is allotted to ODF for the Prescribed Fire Liability Pilot Program.

Insurance: Senate Bill 82 is intended to mitigate the cost and cancellation of homeowners insurance related to wildfire and to specifically mandate that ODF's Wildfire Hazard Map cannot be used as a basis to cancel or decline the renewal of homeowner insurance coverage. The bill also requires that an insurer that cancels, decides not to renew, or increases a premium for a homeowner insurance policy for a reason that is related to wildfire risk send a notice that includes the property-specific characteristics related to wildfire risk which resulted in the insurer's decision. This includes any wildfire risk mitigation actions the insured can take to meaningfully reduce wildfire risk to improve the insurability of the property. Additionally, the bill requires the insurer to allow the insured at least 24 months to repair, rebuild, or replace damaged or lost property if the damage or loss was directly related to a fire that was the subject of an order under the Emergency Conflagration Act.

Forests: House Bill 2161 modifies the Forest Conservation Tax Credit initially established under the Private Forest Accord. The Forest Conservation Tax Credit is available to small forestland owners who elect to manage at the standard practice rather than the small forestland owner minimum option. The bill enables small forestland owners meeting specific criteria to receive 125% of the tax credit value. To be eligible, the small forestland owner must be "significantly disproportionately impacted" as defined in the ODF administrative rule and have a federally

adjusted gross income of not more than 125% of the Oregon median household income, as averaged over the three previous tax years.

Senate Bill 872 requires ODF to endeavor to increase partnerships with federal agencies by expanding activities under the Good Neighbor Authority Agreement for the purpose of protecting lands and communities within the wildland-urban interface from fire on federal lands. This bill is seen as a resolution to continue ODF's investments with Federal partners to reduce fire originating on Federal lands.

Tribal: House Bill 2737 Authorizes state agencies to sell, lease, or donate state real property or interest in real property to eligible Indian tribes, and permits agencies to convey mineral and geothermal resource rights to Indian tribes when real property or interest in real property is transferred.

House Bill 3173 creates a 15-member Task Force on Tribal Consultation to identify and clarify the requirements of state agencies to engage in tribal consultation. The task force is to report to the Legislative Assembly by September 15, 2024. The results of this Task Force could fundamentally change ODF's operations in Tribal engagement and will be monitored closely.

Energy and Environment: House Bill 3409 was an omnibus Climate Resiliency Package. This bill contains several climate resiliency initiatives, only those involving ODF are covered here.

- Under the Community Green Infrastructure Grant Program, ODF must acquire and maintain a statewide tree canopy assessment tool and assist public bodies, tribal governments, watershed councils, and community-based organizations with planning for, responding to and recovering from damage leading to loss of tree canopy. ODF is also charged with providing technical assistance to the Department of Land Conservation and Development.
- Annually funds from the Natural and Working Lands Fund will be distributed to other accounts including a newly established Forestry Natural Climate Solutions Fund. ODF is to use funds in this account to establish and implement programs that provide incentives and technical support for the adoption of practices that support natural climate solutions.
- The State Department of Energy and the Oregon Climate Action Commission will coordinate with ODF and other state agencies to establish and maintain a net biological carbon sequestration and storage baseline, activity-based metrics and community impact metrics for natural and working lands to support the establishment of biological carbon sequestration goals for Oregon's natural and working lands by January 1, 2025.
- Additionally, the College of Forestry at OSU will be conducting research to establish fuel pathways for low carbon fuels derived from woody biomass residues from forestry operations in collaboration with ODF and the Department of Environmental Quality.
- The bill also gave the State Forester the authority to establish a forestry renewable woody biomass conversion program.

Board of Forestry: A few bills passed related to the Board's operations including, Senate Bill 11 which mandates all public meetings conducted by state board or commissions within the executive department via telephone or electronic means are to be recorded and promptly published online,

accessible at no charge to the public. House Bill 3028 applies to State of Oregon employees who are appointed to serve on state boards or commissions under [ORS 292.495](#), outlining 21-day notice to the employer by the employee, allowable leave use, unlawful employment practices, and protections for the employee including addressing alleged employer violations.

Statewide Enterprise Bills: House Bill 3550 requires state agencies purchasing light-duty vehicles after January 1, 2025, to acquire only zero-emission vehicles, except in cases where such a vehicle is not feasible for the use intended for the vehicle. This bill builds from 2021's House Bill 2027 which implemented new zero-emission vehicle standards for light-duty vehicles while retaining an exclusion for fire vehicles. House Bill 3550 specifically removed the fire vehicle exception from the previous law. Going forward ODF will have to document and prove the need for an exception from the zero-emission mandate though DAS will work to make this necessary process manageable.

Harvest Tax: Approximately seven harvest tax bills were in motion this session. Ultimately, House Bill (HB) 2087 was chosen as the vehicle for the Harvest Tax. Three of these bills, notably HB 3019, aimed to alter the allotment of revenue that the Oregon Forest Resource Institute received from the Harvest Tax. None of the OFRI bills passed.

HB 2087 extends three components of the harvest tax for two years that would otherwise expire at the end of the 2023 calendar year. These components fund a portion of the activities of the OSU Forest Research Laboratory, a portion of the administration of the Forest Practices Act by the Oregon Department of Forestry, and professional forestry education at OSU. The bill adjusts the rate pertaining to the administration of the Forest Practices Act, changing the rate of per thousand board feet from \$2.0702 to \$2.5346 cents. The changed rate is required to support up to 40 percent of the budgeted expenditures for the administration of the Act.

Agency Budget: The details of our agency budget bills will be outlined in attachment 2, while legislative actions can be found in Senate Bill 5020 for the 2023-25 biennial budget, Senate Bill 5006 for 2023-25 Capital Construction Projects, Senate Bill 5005 for 2023-25 Bond Authorizations, Senate Bills 5506 and 5045 for 2023-25 E-Board Budget Reconciliation, and Senate Bill 1049 for 2023-25 Program Change adjustments.

HB 5020 is the base budget bill for the Oregon Department of Forestry. The bill increases the total funds budget from the 2023 Current Service Level of \$543,624,280 and 1,039.21 FTE to a new level of \$557,170,181 and 1,053.27 FTE. Some key provisions include:

Forest Resource Division: Private Forests Accord Development – Package 106

- A one-time \$6.67 million General Fund appropriation is provided for the Small Forestland owner Investment in Stream Habitat Program (SFISH).
- A one-time \$4 million General Fund appropriation is provided for activities of the Adaptive Management Program Committee (AMPC).
- On-going support for prior budgetary decisions related to the Private Forest Accord is included in a \$1.3 million General Fund appropriation. This adjustment to the current service level is for program and position-associated service and supplies costs.

Continuation of Funding for Fire Severity Resources – Package 110

- Establishes a Special Purpose Appropriation of \$14 Million in the Emergency Board Fund to provide critical supplemental firefighting mobile resources—primarily contract air tankers and helicopters—positioned where and when fire danger is the highest.

Sudden Oak Death – Package 804

- This package provides a one-time General Fund appropriation of \$1.7 Million to the Department of Forestry for the Sudden Oak Death containment and eradication program.

Forest Resources Analyst Adjustments Highlights – Package 090

- One-time funding for landscape resiliency projects to reduce wildfire risk for the 2023–25 biennium at \$10 million General Fund.
- One-time funding for the Small Forestland Grant Program to support small forestland owners in reducing wildfire risk is continued at \$2.5 million General Fund.
- A one-time General Fund appropriation of \$6 million is established to support work related to the Private Forest Accord that was authorized and funded in the prior biennium but was not able to be completed.

ATTACHMENTS

- (1) 2023 Legislative Session – ODF End of Session Priority Bill Status Report
- (2) 2023-2025 Legislative Adopted Budget - ODF End of Session Summary



Custom Report

Report Date: August 21, 2023

Bill Number	Last Action	Status
HB 2087	08/15/23 - Chapter 491, (2023 Laws): Effective date September 24, 2023. Relating to forest products harvest taxation; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority. Extends biennial privilege taxes on merchantable forest products harvested on forestlands.	Passed
HB 2112	05/16/23 - Chapter 35, (2023 Laws): Effective date January 1, 2024. Relating to public records. Updates definitions and terminology used in public records law pertaining to records retention.	Passed
HB 2161	07/26/23 - Chapter 300, (2023 Laws): Effective date January 1, 2024. Relating to forestry. Makes certain changes to calculation of small forestland owner tax credit.	Passed
HB 2531	08/04/23 - Chapter 410, (2023 Laws): Effective date September 24, 2023. Relating to fluorescent lamps; and prescribing an effective date. Prohibits sale or distribution in this state of new screw- or bayonet-base type compact fluorescent lamps on or after January 1, 2024.	Passed
HB 2737	08/04/23 - Chapter 415, (2023 Laws): Effective date January 1, 2024. Relating to transfers of state property. Allows agencies to sell, lease or donate agency's real property or interests in real property to eligible Indian tribes notwithstanding ordinary transfer procedures.	Passed
HB 3058	05/23/23 - Chapter 86, (2023 Laws): Effective date May 16, 2023. Relating to airport infrastructure resilience; and declaring an emergency. Directs Oregon Department of Aviation to conduct study developing plan for strategic investment for airports in this state and to report to appropriate interim committee of Legislative Assembly no later than January 1, 2024.	Passed
HB 3059	08/04/23 - Chapter 427, (2023 Laws): Effective date July 27, 2023. Relating to emergency management; and declaring an emergency. Establishes Oregon Disaster Response Assistance Matching Fund.	Passed
HB 3173	08/15/23 - Chapter 531, (2023 Laws): Effective date September 24, 2023. Relating to tribal consultation; and prescribing an effective date. Establishes Task Force on Tribal Consultation and specifies task force membership.	Passed
HB 3179	07/26/23 - Chapter 336, (2023 Laws): Effective date January 1, 2024. Relating to the permitting of renewable energy facilities. Modifies definition of "renewable energy facility" for purposes of county permitting process for solar photovoltaic power generation facility.	Passed
HB 3409	08/04/23 - Chapter 442, (2023 Laws): Effective date July 27, 2023. Relating to climate; and declaring an emergency. Requires State Department of Energy to report on rate of heat pump technology adoption and to collaborate with designated state agencies to reduce barriers to home energy efficiency and resilience.	Passed
HB 3550	08/15/23 - Chapter 553, (2023 Laws): Effective date January 1, 2024. Relating to energy use standards for state agencies. Requires state agency that purchases or leases light-duty vehicle on and after January 1, 2025, to purchase only zero-emission vehicle unless state agency finds that zero-emission vehicle is not feasible for specific use state agency has for light-duty vehicle.	Passed



Custom Report

Report Date: August 21, 2023

Bill Number	Last Action	Status
HB 5005	08/21/23 - Chapter 596, (2023 Laws): Effective date August 4, 2023. Relating to state financial administration; and declaring an emergency. Establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium.	Passed
HB 5006	08/21/23 - Chapter 597, (2023 Laws): Effective date August 4, 2023. Relating to state financial administration; and declaring an emergency. Limits for six-year period beginning July 1, 2023, payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by various state agencies for capital construction.	Passed
HB 5020	08/04/23 - Chapter 453, (2023 Laws): Effective date July 27, 2023. Relating to the financial administration of the State Forestry Department; and declaring an emergency. Appropriates moneys from General Fund to State Forestry Department for certain biennial expenses.	Passed
HB 5045	05/08/23 - Chapter 21, (2023 Laws): Effective date April 6, 2023. Relating to state financial administration; and declaring an emergency. Modifies certain appropriations from General Fund to specified state agencies and Emergency Board for biennium ending June 30, 2023.	Passed
SB 80	08/04/23 - Governor signed. Relating to wildfire; and declaring an emergency. Makes certain changes related to statewide wildfire hazard map.	Passed
SB 692	06/14/23 - Effective date, January 1, 2024. Relating to investigations of workplace discrimination at state agencies. Directs state agencies to use information system maintained by Oregon Department of Administrative Services to track internal investigations conducted by state agency regarding allegations of workplace discrimination and harassment concerning employees of state agency.	Passed
SB 864	05/16/23 - Effective date, January 1, 2024. Relating to voluntarily fighting fire. Provides that person who voluntarily fights wildfire on private forestland is not civilly liable for injury to person or property resulting from good faith performance of firefighting efforts.	Passed
SB 872	06/15/23 - Effective date, January 1, 2024. Relating to the prevention of wildfire in federal forests. Instructs State Forestry Department to endeavor to partner with federal agencies to undertake certain activities in federal forests related to fire prevention and request that federal agencies fund portions of activities.	Passed
SB 5506	08/04/23 - Governor signed with line-item veto. Relating to state financial administration; and declaring an emergency. Appropriates moneys from General Fund to Emergency Board for allocations during biennium.	Passed
SB 5543	05/06/23 - Effective date, April 6, 2023. Relating to state financial administration; and declaring an emergency. Modifies purposes and amounts authorized for issuance of general obligation bonds in 2021-2023 biennium.	Passed

Oregon Department of Forestry

2023-25 Legislatively Adopted Budget



	2021-23 Legislatively Adopted Budget	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Agency Request Budget	2023-25 Legislatively Adopted Budget
General Fund	\$167,377,154	\$230,245,653	\$161,851,833	\$226,663,537	\$167,803,283
Lottery Fund	\$2,564,210	\$2,564,210	\$2,557,080	\$2,557,080	\$2,557,080
Other Funds	\$310,849,227	\$397,503,110	\$335,376,852	\$372,310,300	\$361,175,877
Federal Funds	\$41,395,153	\$41,779,100	\$43,838,515	\$48,599,636	\$45,278,229
Total Funds	\$522,185,744	\$672,092,073	\$543,624,280	\$650,130,553	\$576,814,469
Positions	1,335	1,393	1,371	1,434	1,393
Full-Time Equivalent	1,006.07	1,027.03	1,039.21	1,096.77	1,056.02

Leg Adopted Budget Highlights – Policy Option Packages (HB 5020)

Forest Resources: Private Forests Accord support – Package 106

This policy option package adds support for the Private Forests Accord, including a \$6.67M GF investment in Stream Habitat Program (SFISH), \$4M one-time GF funding for Adaptive Management Program Committee (AMPC), and \$1.65M for on-going support.

Fiscal Impact: \$12,190,940 General Fund, \$140,000 Other Funds

Forest Resources: Federal Forests Restoration Program Infrastructure – Package 108

This policy option package expands the Federal Forests Restoration workforce, including a small fund shift. This program moved from being a stand-alone program to joining the Forest Resources program.

Fiscal Impact: (\$548,382) General Fund, \$6,507,094 Other Funds, and \$1,561,200 Federal Funds, 17.09 FTE, 18 Position Counts

Leg Adopted Budget Highlights – LFO Packages (HB 5020)

Forest Resources: Analyst Adjustments – Package 090

This analyst package adjusts one-time funding for landscape resiliency projects to reduce wildfire risk, removing \$20M of 21-23 funding but adding back \$10M. It also removes \$5M of Small Woodland Grant funding from 21-23 funding, while adding \$2.5M for Small Forestland Grants. Lastly it adds \$6M supporting the Private Forests Accord.

Fiscal Impact: (\$6,500,000) General Fund

Leg Adopted Budget Highlights – LFO Packages (HB 5020)

Agency Administration, Fire Protection, State Forests, Forest Resources and Planning Branch: Agencywide Position Actions – Package 803

This analyst package makes agency-wide adjustments for reclassifications, reorganizations including creating a separate Planning Branch, and funding allocations. The net result across all Divisions and fund types is a reduction in overall expenditures of \$619,956 and the elimination of 3 positions.

Fiscal Impact: (\$1,141,827) General Fund and \$609,708 Other Funds, (\$87,837) Federal Funds, (2.99) FTE, (3) Position Counts

Forest Resources: Sudden Oak Death – Package 804

This analyst package provides one-time GF funding for Sudden Oak Death containment and eradication efforts.

Fiscal Impact: \$1,700,000 General Fund

Leg Adopted Budget Highlights – Additional Budget Bills

Capital Construction & Debt Service: Deferred Maintenance – SB 5006

This package provides \$2M in General Obligation bonds for the building of an airplane hanger in Salem , \$1.5M to replace a fire cache building in Klamath Falls, and extends the previously authorized funds for the Toledo office construction.

Fiscal Impact: \$3,500,000 Other Funds

Fire Protection and Planning Branch: Wildfire Hazard Mapping and Prescribed Fire Liability Pilot Program – SB 80

This package revises existing statutes regarding statewide wildfire hazard mapping in the Forest Resources program, and establishes a Prescribed Fire Liability Pilot program in the Planning Branch. NOTE: The wildfire hazard mapping was intended to be included in the Fire Program, but the budget bill placed it in the Forest Resources program.

Fiscal Impact: \$592,037 General Fund , 1.00 FTE, and 1 Position Count

Forest Resources: Community Infrastructure Grant Program – HB 3409

This package provides position-related funding for the creation of a Community Infrastructure Grant program, adding 2 positions to be Phased In starting in January of 2024. It authorized the transfer of funding to the Motor Pool program for two vehicles for these positions.

Fiscal Impact: \$516,248 General Fund, \$90,000 Other Funds, 1.75 FTE, 2 Position Counts

Agencywide: DAS End of Session Adjustments – SB 5506

Leg Adopted Budget Highlights – Additional Budget Bills

This package is the end of session Department of Administrative Services (DAS) State Government Service Charges (SGSC) adjustment to DAS charges to the agency.

Fiscal Impact: (\$485,406) General Fund, \$1,570,134 Other Funds, and (\$33,649) Federal Funds

Debt Service: Toledo Phase 2, Klamath Fire Cache, Salem Hanger and Aircraft Debt Service & Cost of Issuance – SB 5506

This package provides increase of Other Funds expenditure limitation for the Department's Agency Administration Division, to pay issuance costs for bonds that will be issued during the 2023-25 biennium. General Fund for the Debt Service program was increased and Other Funds expenditure limitation is increased for debt service related to these projects.

Fiscal Impact: \$1,497,551 General Fund and \$1,446,315 Other Funds

Fire Protection: Removal of Fire Insurance funding – SB 5506

Because the Department will not longer be purchasing Catastrophic Fire Insurance, funding for this expense is being removed from the program's budget.

Fiscal Impact: (\$1,869,713) General Fund

Capital Construction: Aircraft Purchase – SB 5506

This package authority to issue Q Bonds to purchase a fire fighting aircraft.

Fiscal Impact: \$12,000,000 Other Funds