

Summary of 2009 forest-related legislation

Board of Forestry legislative concepts

HB 2214 – Setting Forest Products Harvest Tax rate for Forest Practices Act administration. Passed.

The bill was amended to maintain the rate for administration of the Forest Practices Act at the 2007-2009 level, \$1.14 per thousand board feet, for calendar years 2010 and 2011. Using the typical match rate of 40 percent harvest tax and 60 percent General Fund, the rate would have dropped to 77 cents per thousand board feet, reflecting a reduced General Fund contribution. An additional 37 cents per thousand board feet was added to this amount, specifically dedicated to field support of the Act.

HB 2215 – Extending sunset date on \$15 million yearly landowner obligation for emergency fire costs and share of insurance premium. Did not proceed, per negotiations on ODF budget. Accordingly, landowner responsibility reverts to \$10 million yearly, with General Fund exposure within the state's insurance deductible rising by \$5 million, to a level of \$15 million. (*See also, "Bills that did not pass"*).

HB 2216 – Updating Board of Forestry land acquisition authority. Passed.

Features of the bill as passed include:

- Authorization of bond sales for Gilchrist acquisition (separate legislation allocated \$15 million in Lottery bonds).
- General updating of authorities, positioning the Board for future opportunities.
- Authorization for Board to accept title to land with encumbrances, such as conservation easements.
- Removal of \$750,000 bond ceiling established in 1949.
- Authorization for Board to hold and manage land in cooperation with other entities, such as community forest authorities.

SB 189 – Updating, refining forestland classification process. Passed.

Features of the bill include:

- Allowing two or more adjoining counties in a fire protection district to form a single classification committee.
- Broadening committee membership to include a representative, appointed by the State Fire Marshal, of the structural fire service.

- Expands definition of forestland and grazing land to include presence of structures.

Other issues related to forests

State Forest management. Various bills were introduced, including proposals to:

- Redefine greatest permanent value to emphasize timber production (HB 3072).
- Authorize the Board to set aside conservation areas (HB 3249)

State Forest management was the subject of meetings involving the House leadership and members of natural resources policy committees. The Board voted to oppose HB 3072. None of the bills advanced to the full chambers.

Forestry and land use

Measure 49 claims on forestland (SB 691). Focuses on Measure 49 claims resulting from administration of future Forest Practices Act provisions and rules, as well as other future forestry-related laws and rules. Clarifies that the unit of property to be considered in the claim is the smallest legal parcel of land that could be sold separately – rather than an entire forest holding. Claims can only be filed by owners who purchased the land before the regulation in question was adopted, but waivers from the regulation’s requirements can be transferred to subsequent owners.

Ecosystem services (SB 513). Acknowledges the role of sustainable forestry, agriculture and ranching in maintaining and restoring community vitality, while also helping to preserve natural landscapes and ecosystems. Encourages state agencies to use adaptive management and ecosystem services markets. Directs the Oregon Sustainability Board to convene a working group to study and propose policy goals to guide the development of ecosystems services markets, and to report to the Legislature by Jan. 1, 2011.

Transfer of development rights (SB 763). Recognizes that population growth, wildfire risk and other pressures require new methods to facilitate continued management of resource lands. Allows certain state agencies, cities, counties and other jurisdictions to establish transferable development credit systems that move development rights from resource lands to “receiving areas.” (*See also HB 2228*).

Recreation communities, Metolius, Skyline Forest (HB 2228). Establishes a transfer of development rights pilot program in the Department of Land Conservation and Development, in collaboration with other agencies including the Department of Forestry, allowing for up to three projects.

Provides an opportunity for transfer of development rights from the Metolius area to form one or two small recreation communities elsewhere. Also authorizes limited development in the Skyline Forest (development of up to 1,200 acres near Sisters with up to 282 residences or other units, and associated facilities). The extent of these development

rights depends on transfer of the Skyline Forest and a 34,000-acre tract in southern Deschutes and northern Klamath counties to a land trust or state or federal agency.

Biomass incentives / Business Energy Tax Credit

Contribution of older biomass plants to renewable energy goals (HB 2940).

VETOED. Allows energy output from biomass plants built before 1995 to count toward the requirement that 25 percent of power sold by large utilities be from renewable sources by 2025. Affects nine forest products biomass plants that, due to the previous 1995 cutoff, were ineligible for tax credits available to newer plants. In his veto message, the Governor said the bill devalues the renewable energy requirement at the expense of new renewable energy projects, and called instead for an increase in the required renewable energy megawattage.

Other biomass tax credit changes (HB 2078). Allows \$10-per-green-ton credit for biomass collectors to apply to entities that both collect biomass and use it to produce energy. Authorizes Oregon Department of Energy to certify biomass tax credits and establish rules involving their sale and transferability.

Reductions to Business Energy Tax Credits (HB 2472). VETOED. Reduces growth of program to save costs to the state, generally reducing eligibility for projects producing more than 10 megawatts. Expands credits for some electric vehicles. In his veto message, the Governor said the bill goes too far in limiting the program, jeopardizing the renewable energy sector. He also directed the Department of Energy to tighten administrative rules, and said more information is necessary to fully understand the state's return on its BETC investment.

Climate change

Major bills considered involved greenhouse gas emissions reporting, cap-and-trade, emissions performance standards for power plants, a low-carbon fuel standard, and other transportation- or land use-related measures. The greenhouse gas reporting bill (SB 38) and power plant standards (SB 101) passed. A low-carbon fuel standard also passed (HB 2186), but the Environmental Quality Commission's authority to regulate in this area sunsets in 2015. The bill also forms a task force to study land use and transportation scenarios that would accommodate growth while reducing vehicle emissions. The cap-and-trade proposal (SB 80) was redrafted as a "study bill" and died in committee.

Other

Federal Forestlands Advisory Committee (HJR 35). Expresses support for committee's recommendations and for formation of a multi-stakeholder implementation group.

Field burning (SB 528). Bans field burning on Willamette Valley floor.

Environmental education (HB 2544, “No Oregon Child Left Inside Act”).

Acknowledges importance of environmental education and outdoor learning opportunities. Establishes task force, including Department of Forestry designee, to develop an environmental literacy program, addressing curriculum, teacher training and other issues.

Taxation of logging equipment (HB 3112). Applies the property tax exemption for environmentally sensitive logging equipment to equipment manufactured after 1992, rather than to equipment that is not more than eight years old at the time the exemption is sought. Extends sunset of exemption from 2012 to 2018.

Invasive species funding (HB 2020). Allocates \$350,000 in All Terrain Vehicle funds for emergency responses to new infestations of damaging invasive species, administered by the Oregon Invasive Species Council, which includes ODF.

Pesticide use reporting (HB 2999). Continues Pesticide Use Reporting System through 2016 and requires reporting by smaller geographic areas, although the program is not funded for 2009-2011.

Bills that did not pass

Log truck rates (SB 382). Would have established role for State Forester in supervising or mediating rate negotiations between independent log truck owner-operators and forest landowners.

Emergency fire cost funding (HB 3281). Would have split the current \$25 million insurance deductible for large fires 50-50 between landowners and the state General Fund, from the first dollar – in place of the requirement that landowners meet their obligation first.

Urban forestry and related activities (HB 2861). Would have made ODF technical assistance to local government, civic groups and other organizations interested in planting trees – currently mandatory – optional. Would have required ODF to charge for urban and community forestry services, workshops and conferences.

Smokey Bear license plates (HB 2901). Would have created a special Smokey Bear license plate to promote wildfire prevention.