



STATE OF OREGON
Office of the Governor
KATE BROWN

Private Forest Accord SB 1501, SB 1502, and HB 4055

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Senate Bill 1602, from the First Special Session of 2020, commissioned a multi-year negotiation between environmental advocates and forest industry representatives facilitated by representatives of Governor Brown's office. Those negotiations have led to three bills, for consideration during the 2022 legislative session, that update the Forest Practices Act, create a small woodland owners tax credit and, through Rep. Nathanson's HB 4055, update the forest harvest tax. The updates to the Forest Practices Act are anticipated to gain approval of a Habitat Conservation Plan by the federal wildlife services and a subsequent Incidental Take Permit under the Endangered Species Act, thereby providing greater ongoing certainty for Oregon's forest laws.

Private Forest Accord Policy – SB 1501

This bill (SB 1501) updates multiple aspects of the Forest Practices Act, which governs logging activity on private forestlands.

Key Sections

- Stream buffers: Updated stream buffers are 10% to 100% larger based on stream type and geography. Includes new protections for non-fish bearing streams.
- Forest roads: New standards for road design, inventory, maintenance, management, and culvert design. Funding for culvert replacement for qualifying small forestland owners.
- Unstable slopes: Retains trees in key areas to reduce landslide risk, and help protect streams and aquatic habitat from sediment.
- Aquatic resource habitat protected: Expanded riparian buffers provide additional habitat for a variety of riparian-dependent species, including salmon, steelhead, bull trout, and the amphibians that were the focus of the negotiations. Includes additional reporting requirements for managing beaver activity.
- Compliance monitoring: Expands monitoring programs to evaluate whether the new rules are implemented as intended.

- Mitigation costs: Requires state and private investment in mitigating otherwise unavoidable impacts of compliant logging practices, including a new committee under the Oregon Department of Fish & Wildlife to manage these investments.
- Adaptive Management Program: Creates a new stakeholder committee that will work with an Independent Research and Science Team to advise the Board of Forestry on recommendations for ongoing rule changes to ensure the goals of the Habitat Conservation Plan are met.
- Implementation costs: Includes general fund appropriation for agencies to conduct rulemaking, update maps and databases, and monitor new forest practices.
- Expedited rule-making: Allows for efficient implementation of the Private Forest Accord.

Small Forestland Owners Tax Credit (SB 1502)

- Small forestland owners own many productive riparian forests bordering important salmon, steelhead, and bull trout streams. Their participation in the Private Forest Accord is critical, but the economic and management factors they confront are different from larger forest companies.
- To accommodate the participation of small forestland owners in the Accord, SB 1502 creates a tax credit to compensate small forestland owners (those with less than 5,000 acres and less than 2 million board-feet produced annually, calculated on a rolling average over the last three years) who will have reduced harvest under this policy in exchange for a 50-year deed restriction on harvest of trees in the retention area. This is a personal or corporate excise tax credit.
- The value of this credit is the value of timber left on the landscape above the minimum option, minus the logging cost. If a small forestland owner participates in the tax credit program, the benefits of retaining those trees are protected by a 50-year restriction on harvesting. This habitat protection is the benefit to the state and public resources garnered from the tax credit.
- This tax credit is important to support the protection of public values while respecting the importance of small forestland owners and a diversity of the size of ownerships across Oregon.

Harvest Tax (HB 4055)

Led by Rep. Nathanson, HB 4055 continues the current structure of the harvest tax and sets the stage for more robust discussion in the future. The bill:

- Establishes rates for the remainder of the biennium commensurate with the structure from the 2019-21 rate.
- Directs the Legislative Revenue Office to prepare a report on the process and structure of the tax, for review in 2023.
- Creates a new component of the tax, to align with the Accord, for the Mitigation Fund, with rates calculated per the agreement. The Mitigation Fund is created to enable investment in habitat improvements for aquatic species. Mitigation funds are often part of Habitat Conservation Plans and complement land management prescriptions with additional funding to improve habitat conditions. Funding is provided through both the state General Fund and through this change to the harvest tax.

The Private Forest Accord has been presented to all tribal chairs of Oregon's federally recognized Tribes, and consultation will continue as requested.

PFA signed by:

Forest Industry Coalition:

Campbell Global
Greenwood Resources
Hampton Lumber
Lone Rock Resources
Manulife Timberland & Agriculture (formerly
Hancock)
Oregon Small Woodlands Association
Port Blakely
Rayonier
Roseburg Forest Products
Seneca Sawmill Co
Starker Forests
Weyerhaeuser

Environmental / Fish Coalition:

Audubon Society
Beyond Toxics
Cascadia Wildlands
Klamath Siskiyou Wildlands Center
Northwest Guides and Anglers
Oregon League of Conservation Voters
Oregon Stream Protection Coalition
Oregon Wild
Pacific Coast Fed of Fishermen's Associations
Rogue Riverkeepers
Trout Unlimited
Umpqua Watersheds
Wild Salmon Center