

# Senate Bill 828

Sponsored by Senator DEMBROW

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Makes certain findings concerning effects of poor forest management.

Provides that Governor appoints members of Oregon Forest Resources Institute. Makes certain changes to requirements for members.

Makes certain changes to objectives established for institute.

Establishes that institute may not expend funds on advertising related to forest practices or outreach that does not include conservation perspective. Requires institute to keep records of certain interactions of institute staff.

## A BILL FOR AN ACT

1  
2 Relating to forest health; creating new provisions; and amending ORS 321.684, 526.600, 526.605,  
3 526.610, 526.615, 526.620, 526.640, 526.645 and 526.650.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 526.605 is amended to read:

6 526.605. The State of Oregon recognizes that the forest products industry is one of the largest  
7 industries in the state. It provides monetary returns to labor, forestland owners, mill owners and  
8 operators, public timber purchasers, timber harvesters, investors and others. It is a source of local  
9 and state taxes. It is a major supporter of many secondary businesses that supply goods and services  
10 in our communities. **However, poor forest management can present hazards to public re-**  
11 **sources such as water, fish and wildlife and pose risks to public safety from landslides and**  
12 **wildfire.** The welfare of the state is [*therefore largely dependent on the health and vigor of*] **thus**  
13 **clearly affected by** the forest products industry. The Oregon Forest Resources Institute's objectives  
14 support this important industry and the wise stewardship of natural resources for the benefit of  
15 Oregonians.

16 **SECTION 2.** ORS 526.610 is amended to read:

17 526.610. There is created the Oregon Forest Resources Institute. The institute shall be governed  
18 by a board of directors appointed by the [*State Forester*] **Governor**. In making the appointments, the  
19 [*State Forester*] **Governor** shall take into consideration any nominations or recommendations made  
20 to the [*State Forester*] **Governor** by producers, [*or organizations that represent producers*] **educators**  
21 **and organizations that advocate for forest conservation.** The board shall consist of [*11*] **12** vot-  
22 ing members plus two nonvoting members appointed as follows:

23 (1) Three voting members to represent [*small*] producers of **more than** 20 million board feet  
24 [*or less*] per year.

25 [(2) *Three voting members to represent medium producers of more than 20 million board feet but*  
26 *less than 100 million board feet per year.*]

27 [(3) *Three voting members to represent large producers of 100 million board feet or more per*  
28 *year.*]

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 [(4)] (2) One voting member who is an owner of between 100 and 2,000 acres of forestland and  
 2 who has no direct financial interest in any forest products processing activity.

3 (3) **Four voting members who are educators at the K-12 and post-secondary levels.**

4 (4) **Four voting members to represent the public interest.**

5 [(5) *After consideration of the recommendations of the other appointed members in subsections (1)*  
 6 *to (4) of this section, one voting member who is an hourly wage employee of a producer or a person*  
 7 *who represents such employees. The member appointed under this subsection need not comply with the*  
 8 *requirements of ORS 526.615 (3) to (6).]*

9 [(6)(a)] (5)(a) Two nonvoting members:

10 (A) The Dean of the College of Forestry at Oregon State University.

11 (B) [*An individual jointly appointed by the President of the Senate and the Speaker of the House*  
 12 *of Representatives to represent the public. The public representative may not be a member of or sig-*  
 13 *nificantly affiliated with any organization of or business in the timber industry or any organization*  
 14 *or business known to support or promote environmental or conservation issues. A person appointed*  
 15 *under this subparagraph serves at the pleasure of the President of the Senate and the Speaker of the*  
 16 *House of Representatives.] **One nonvoting member who serves on the State Workforce Talent**  
 17 **and Development Board.***

18 (b) Members referred to in this subsection are not subject to ORS 526.615 to 526.625.

19 **SECTION 3. All members of the board of directors of the Oregon Forest Resources In-**  
 20 **stitute who are serving on the board on the effective date of this 2021 Act may continue to**  
 21 **serve on the board until the end of their terms. On or after the effective date of this 2021**  
 22 **Act, the Governor may not make an appointment that is inconsistent with ORS 526.610, as**  
 23 **amended by section 2 of this 2021 Act.**

24 **SECTION 4. Section 3 of this 2021 Act is repealed on January 2, 2025.**

25 **SECTION 5.** ORS 526.615 is amended to read:

26 526.615. (1) [*Except as provided in ORS 526.610 (5),*] Each voting member of the board of direc-  
 27 tors of the Oregon Forest Resources Institute shall [*have the following qualifications*]:

28 [(1)] (a) Be a citizen of the United States.

29 [(2)] (b) Be a bona fide resident of this state.

30 (2) **A voting member described in ORS 526.610 (1) or (2) shall:**

31 [(3)] (a) Be a producer in this state, an employee of such a producer or own between 100 and  
 32 2,000 acres of forestland in this state on which harvest taxes are paid, but have no direct financial  
 33 interest in any forest products processing activity.

34 [(4)] (b) Have been actively engaged in producing forest products for a period of at least five  
 35 years.

36 [(5)] (c) Derive a substantial proportion of income from the production of forest products.

37 [(6)] (d) Have demonstrated, through membership in producers' organizations or organizations  
 38 representing landowners who meet the requirements of ORS 526.610 [(4)] (2), a profound interest in  
 39 the development of Oregon's forest products industry.

40 **SECTION 6.** ORS 526.620 is amended to read:

41 526.620. Each voting member of the board of directors of the Oregon Forest Resources Institute  
 42 shall be appointed for a term ending three years from the date of the expiration of the term for  
 43 which the member's predecessor was appointed. If there is a vacancy on the board of a voting  
 44 member, other than a vacancy caused by expiration of a term, the [*State Forester*] **Governor** shall  
 45 fill the vacancy for the remainder of the unexpired term with a person who [*represents the same*

1 *class*] is described in the same subsection of ORS 526.610 as the member whose term was va-  
 2 cated.

3 **SECTION 7.** ORS 526.640 is amended to read:

4 526.640. The Oregon Forest Resources Institute shall *[enhance and provide support for Oregon's*  
 5 *forest products industry]* **assist owners of forestland, provide funding for visits to forests by**  
 6 **students, support awareness and training of youth regarding employment in the forest sec-**  
 7 **tor, partner with licensed educators to develop balanced, science-based curricula about for-**  
 8 **ests and promote Oregon forest products to markets outside this state.** In achieving these  
 9 objectives the institute may:

10 *[(1) Increase public understanding of the practice of forestry and the use and benefits of forest*  
 11 *products.]*

12 *[(2)] (1)* Support *[education and]* cooperative efforts *[among private forest landowners and within*  
 13 *the forest products industry]* to:

14 (a) Practice good stewardship of the land, and protect water and other public resources to the  
 15 maximum extent practicable;

16 (b) *[Encourage the conversion of underproductive rural lands to forest uses, and provide informa-*  
 17 *tion to private landowners on the means to facilitate such conversions]* **Partner with and provide**  
 18 **funding to workforce development organizations, such as career and technical student or-**  
 19 **ganizations and the Oregon Youth Corps, to advance training opportunities related to em-**  
 20 **ployment in the forest sector;**

21 (c) Encourage, facilitate and assist private forest landowners to meet or exceed state and federal  
 22 regulations governing forest operations;

23 (d) Evaluate and communicate to private forest landowners the stewardship responsibility ex-  
 24 pectations of the public; *[and]*

25 (e) In cooperation with the State Forestry Department, Oregon State University and other ap-  
 26 propriate government or private entities, serve as a clearinghouse for the dissemination of informa-  
 27 tion to private forest landowners, through conferences, workshops and other means, about *[modern*  
 28 *land management practices.]* **topics described in this subsection; and**

29 **(f) Produce educational materials for educators at the K-12 level concerning the impor-**  
 30 **tance of responsible forest management practices, the conservation impacts of poor forest**  
 31 **management practices and the economic development and workforce aspects of forest man-**  
 32 **agement.**

33 *[(3)] (2)* Conduct research and help facilitate continued improvement in wood utilization, *[and*  
 34 *in]* secondary wood products manufacturing **and the recruitment and training of a skilled forest**  
 35 **sector workforce.**

36 *[(4)] (3)* Publish and sell publications and other materials relating to any program or function  
 37 authorized by ORS 526.600 to 526.675. The institute may contract for the publication of the materials  
 38 described in this subsection, including the research, design and writing of the materials. The con-  
 39 tract may include, among other matters, provisions for advance payment or reimbursement for ser-  
 40 vices performed under the contract. The price of such publications shall include the cost of  
 41 publishing and distributing the materials. All moneys received by the institute from the sale of  
 42 publications shall be deposited in the Oregon Forest Resources Institute Fund.

43 **SECTION 8.** ORS 526.645 is amended to read:

44 526.645. In addition to the functions listed in ORS 526.640, the Oregon Forest Resources Insti-  
 45 tute may:

1 (1) Conduct research **on forest sector workforce development and markets for Oregon**  
 2 **forest products** and disseminate reliable information based upon such research.

3 (2) Sue and be sued as an institute without individual liability for acts of the board of directors  
 4 within the scope of the powers conferred upon it by law.

5 (3) Enter into contracts which the board of directors considers necessary to carry out the duties,  
 6 functions and powers imposed upon the institute by law.

7 (4) Borrow money in amounts not to exceed 50 percent of the board of directors' estimate of the  
 8 institute's revenue from the current year's harvest.

9 (5) Appoint subordinate officers and employees of the institute and prescribe their duties and fix  
 10 their compensation.

11 (6) Adopt, rescind, modify or amend all proper orders, regulations, rules and resolutions for the  
 12 exercise of its duties, functions and powers.

13 **SECTION 9.** ORS 526.650 is amended to read:

14 526.650. (1) Notwithstanding ORS 526.645 (2), *[no funds shall be expended by the Oregon Forest*  
 15 *Resources Institute]* **the Oregon Forest Resources Institute may not expend funds:**

16 (a) For the purpose of supporting or opposing litigation or other legal action *[which]* **that** is  
 17 unrelated to the administration of the institute.

18 *[(2)]* (b) *[No funds shall be expended by the institute]* For the purpose of influencing, or attempt-  
 19 ing to influence, *[any]* legislation or *[any]* a rulemaking or other administrative activity of *[any]* a  
 20 state board, commission or agency.

21 (c) **On generalized advertising for public education related to forest practices, including**  
 22 **the adequacy or effectiveness of any particular forest practice.**

23 (d) **On educational materials, trainings, tours or other outreach that does not include a**  
 24 **conservation perspective.**

25 (2) **The institute shall:**

26 (a) **Maintain records of interactions between institute staff and elected officials, members**  
 27 **of boards and commissions and senior agency employees.**

28 (b) **By January 15 of each year, present a report summarizing the records to the Govern-**  
 29 **nor.**

30 (c) **Make the report available to the public on a website maintained by the institute.**

31 **SECTION 10.** ORS 321.684 is amended to read:

32 321.684. (1) The Department of Revenue may:

33 (a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or au-  
 34 thorized representative, a copy of the taxpayer's forest products harvest tax report or return re-  
 35 quired by ORS 321.045 or 321.741 that is filed with the department for any year, or a copy of any  
 36 report filed by the taxpayer in connection with the return.

37 (b) Publish a list of taxpayers who are entitled to unclaimed tax refunds.

38 (c) Publish statistics classified so as to prevent the identification of taxable value or any par-  
 39 ticulars contained in any report or return.

40 (d) Disclose a taxpayer's name, address and Social Security number or employer identification  
 41 number to the extent necessary in connection with the processing and mailing of forms for any re-  
 42 port or return required in the administration of ORS 321.045 and 321.741.

43 (e) Disclose to the *[State Forester]* **Governor**, upon request of the *[forester]* **Governor**, for the  
 44 purpose of soliciting nominations and recommendations referred to in ORS 526.610, the names of  
 45 producers meeting producer class qualifications established under ORS 526.610 who filed forest

1 products harvest tax returns.

2 (f) Disclose appraisal data collected to make determinations of specially assessed value of  
 3 forestland under ORS 321.201 to 321.222 to any member of a forestland value advisory committee the  
 4 department has convened under ORS 321.213.

5 (2) The department also may disclose and give access to information described in ORS 321.682  
 6 to:

7 (a) The Commissioner of Internal Revenue or authorized representative, for tax purposes only.

8 (b) The United States Forest Service, Bureau of Land Management and the State Forestry De-  
 9 partment pursuant to their regulatory programs and for investigative purposes related to timber  
 10 theft.

11 (c) The Attorney General, assistants and employees in the Department of Justice or other legal  
 12 representative of the State of Oregon, to the extent the department considers disclosure or access  
 13 necessary for the performance of the duties of advising or representing the department pursuant to  
 14 ORS 321.045 and 321.741.

15 (d) Employees of the State of Oregon, other than the Department of Revenue or Department of  
 16 Justice, to the extent the department considers disclosure or access necessary for such employees  
 17 to perform their duties under contracts or agreements between the department and any other de-  
 18 partment, agency or subdivision of the State of Oregon in the department's administration of the tax  
 19 laws.

20 (e) The Legislative Revenue Officer or the authorized representative of the Legislative Revenue  
 21 Officer upon compliance with ORS 173.850. The officer or representative may not remove from the  
 22 premises of the department any materials that would reveal the identity of any taxpayer or any  
 23 other person or the volume of harvest and value reported on individual returns and reports.

24 (f) Any agency of the State of Oregon, or any person, or any officer or employee of the agency  
 25 or person to whom disclosure or access is given by state law and not otherwise referred to in this  
 26 section, including but not limited to the Secretary of State as Auditor of Public Accounts under  
 27 section 2, Article VI of the Constitution of the State of Oregon.

28 (3) Each officer or employee of the department and each person described or referred to in  
 29 subsection (2)(b) to (f) of this section to whom disclosure or access to the tax information is given  
 30 under subsection (2) of this section or any other provision of state law, prior to beginning employ-  
 31 ment or the performance of duties involving such disclosure or access, shall be advised in writing  
 32 of the provisions of ORS 321.682 and 321.686 relating to penalties for the violation of ORS 321.682,  
 33 and shall, as a condition of employment or performance of duties, execute a certificate for the de-  
 34 partment, in a form prescribed by the department, stating in substance that the person has read  
 35 these provisions of law, that the person has had them explained and that the person is aware of the  
 36 penalties for the violation of ORS 321.682.

37 **SECTION 11.** ORS 526.600 is amended to read:

38 526.600. As used in ORS 526.600 to 526.675, unless the context requires otherwise:

39 (1) "Institute" means the Oregon Forest Resources Institute.

40 (2) "Producer" means a producer of forest products and includes any person, partnership, asso-  
 41 ciation, corporation, cooperative or other business entity involved in the growing, harvesting or  
 42 producing of timber or timber products. "Producer" does not include landowners who meet the re-  
 43 quirement of ORS 526.610 [(4)] (2).

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