



SUSTAINABLE WILDFIRE FUNDING

Background

Oregon has long benefitted from a highly functioning wildfire suppression system. A cornerstone of our success has been a strong partnership between landowners and the Oregon Department of Forestry (ODF). In recent years, however, the catastrophic impacts of wildfire have increasingly impacted public health and safety, community wellbeing, and the economy across Oregon.

At the same time landowners within ODF protection districts paying for wildfire protection have seen dramatic increases in base fire protection per-acre rates (over 40% from last biennium in some areas of the state) that have pushed the system to a breaking point.

To address these issues and provide a firm foundation for continued success going forward, Oregon's funding system needs to be stable, sustainable, and equitable. Right now, it struggles to be any of those things.

Over the interim, Senator Steiner convened a diverse workgroup of landowners to develop a more effective funding system. The proposed system creates more transparency, while providing for stable and equitable financing of wildfire suppression, which is a public service that benefits all Oregonians. This workgroup will continue into the 2025 session to steward the transition of wildfire funding.

Financing

ODF-protected landowners: The proposal indexes existing landowner assessments (Minimum Lot Assessment, Improved Lot Surcharge and Harvest Tax) according to CPI going forward and applies the inflation rate back to 2007 (most recent adjustment date).

All landowners: To reflect the all-Oregon nature of the problems created by wildfire, the proposal assesses all property accounts a flat \$10 fee, which produces \$20M annually in revenues to contribute to Oregon's increasing wildfire protection costs across the state.

Benefits

Establishing a statewide fee recognizes that **all Oregonians** benefit from a robust wildfire protection system. Realigning Oregon's wildfire protection funding system results in a **more sustainable per acre assessment rate**, making the system more affordable for all landowners. Affordability enables **continued long-term participation in Oregon's wildfire protection system and maintenance of ownership**, reducing pressure to sell for alternative uses such as permanent development. Stabilizing Oregon's wildfire protection system funding allows ODF to **maintain their ability to respond to wildfire**. This, in turn, **reduces the frequency of catastrophic impacts of wildfire** on public health and safety, community wellbeing, and the economy overall.

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Current Model FY 24	Current Costs	Current Model Costs by Source	Proposed Statewide District (SD)* Model	Proposed Model Costs by Source
Emergency Suppression Costs	10-yr Avg. Net Cost \$36 M	\$26M GF \$10M OFLPF	Emergency Suppression Costs	\$16M GF \$20M SD*
Severity	\$10M	\$7M GF \$3M OFLPF	Severity	\$10M GF
Admin Prorate	\$14 M	\$11M GF \$3M Public Landowner Assessment	All Admin Prorate Salem and Area Costs	\$23M GF
Base Level Protection FY 24	\$76 M	\$27M GF \$49M Landowner Assessments Includes Salem and Area Costs	Move OFLPF revenues to base, modernize & Index. 50/50 Tribal Fee land.	\$14M GF \$53M Assessments Base budget now \$67M
Total	\$136 M	\$71M GF \$65M Landowner Assessments	Total	\$20M SD \$63M GF \$53M Assessments
Average Base Rate Across 12 Protection Districts		Private: Timber/Grazing \$2.39 / \$1.09 Public: Timber/Grazing \$4.93 / \$2.44	Average Base Rate Across 12 Protection Districts	Private: Timber/Grazing \$1.50 / \$.61 Public: Timber/Grazing \$3.15 / \$1.40

Notes:

- Revenue Sources: General Fund (GF), Oregon Forestland Protection Fund (OFLPF), Statewide District (SD)
- **Red** denotes primary changes from current to proposed. Maintains east side rate relief.
- **Current Model:** OFLPF Revenues distributed to emergency fire and severity. Base Level Protection includes Salem and Area budgets.
- **Proposal:** Establish "Statewide District" (SD) (\$10/account fee across 2 million accounts) to produce \$20M revenue annually. All emergency suppression costs and severity transition to GF and SD. All Admin Prorate, Salem and Area costs transition to GF. OFLPF revenues are indexed according to CPI going forward and applies the inflation rate back to 2007 and directed to base level protection (Harvest Tax, All Minimum lot, Surcharge). Continue east side rate relief. Tribal fee lands transition to 50/50 match with GF; same as private landowners.
- The Emergency Fire Cost Committee will need to carry forward in some capacity to provide continued stewardship of wildfire finances.

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Property ownership within 9 ODF forest protection districts and 3 forest protective associations (Includes private rate avg: \$1.50/acre. Does not include – Forest Products Harvest Tax, property tax, income tax, local structural fire protection district assessments)

- 1/10th to approximately 18-acre lot, without improvement - \$37.55 / **current structure is \$18.75**
 - Minimum lot surcharge - \$27.55 / indexed from current charge of \$18.75
 - Statewide property account - \$10
- 1/10th to approximately 18-acre lot, with improvement – \$107.35 / **current structure is \$66.25**
 - Minimum lot surcharge - \$27.55 / indexed from current charge of \$18.75
 - Statewide property account - \$10
 - Improved lot surcharge - \$69.80 / indexed from current charge of \$47.50
- 100-acre lot, without improvement - \$160 / **current structure is \$239 (uses average statewide rate)**
 - Private rate avg - \$150
 - Statewide property account - \$10
- 100-acre lot, with improvement - \$229.80 / **Current \$286.50**
 - Private rate avg - \$150
 - Statewide property account - \$10
 - Improved lot surcharge - \$69.80 / indexed from current charge of \$47.50
- 1000-acre lot, without improvement - \$1,510 / **current \$2,390**
 - Private rate avg - \$1,500
 - Statewide property account - \$10
- 1000-acre lot, with improvement - \$1,579.80 / **current \$2,437.50**
 - Private rate avg - \$1,500
 - Statewide property account - \$10
 - Improved lot surcharge - \$69.80 / indexed from current charge of \$47.50

Properties outside 9 ODF forest protection districts and 3 forest protective associations: \$10

