Chapter 321

2003 EDITION

Timber and Forestland Taxation

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FOREST PRODUCTS HARVEST TAX

321.005 Definitions for ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460. As used in ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460, unless the context requires otherwise:

(1) "Board" means the State Board of Forestry.

(2) "Protected forestlands" means those lands which are protected from the starting or spread of fire thereon or therefrom by:

(a) The State Forester, with the approval of the board;

(b) The United States of America through contract with the State Forester;

(c) Any forest protective agency under contract with the State Forester or the board pursuant to ORS 477.406; or

(d) Any forest protective agency, described in paragraph (c) of this subsection, under an agreement with the United States of America wherein such agency agrees to protect specific federal forestlands and, in return, the United States of America agrees to protect specific lands of such agency.

(3) "Department" means the Department of Revenue.

(4) "Committee" means the Emergency Fire Cost Committee.

(5) "Forestland" means any land producing forest products.

(6) "Forest products" means products from harvested timber, but does not include products from short rotation fiber grown under agricultural conditions as described in ORS 321.267 (3) or 321.824 (3), western juniper or products from harvested western juniper.

(7) "Harvest" means the point at which timber that has been cut, severed, or removed for purposes of sale or use is first measured in the ordinary course of business as determined by reference to common practice in the timber industry.

(8) "Merchantable stand of timber" means any stand on forestlands containing living or dead timber which is being or can be harvested.

(9) "Taxpayer" means the owner of timber at time of harvest.

(10) "Taxes" means the taxes provided for in ORS 321.015.

(11) "Owner of timber" means any individual or combination of individuals, partnership, firm, corporation or association of whatever nature holding title to harvested timber by virtue of:

(a) An instrument of conveyance;

(b) The harvesting of the timber; or

(c) The harvesting of the timber and payment therefor.

(12) "Timber" means all logs which can be measured in board feet and other forest products as determined by department rule. [1953 c.375 §1; 1957 c.309 §3; 1961 c.726 §412; 1965 c.253 §139; 1967 c.429 §38; 1981 c.321 §9; 1983 c.539 §1; 1985 c.759 §5; 1993 c.653 §1; 1995 c.132 §1; 1999 c.631 §2; 2003 c.454 §125; 2003 c.621 §100a]

Note: The amendments to 321.005 by section 100a, chapter 621, Oregon Laws 2003, apply to forest products harvest tax reporting periods beginning on or after January 1, 2004. See section 100b, chapter 621, Oregon Laws 2003.

321.010 [Repealed by 1953 c.375 §38]

321.011 Policy. The prevention and suppression of forest fires on forestlands for the preservation of forest resources and the continuous growth of timber on lands suitable therefor are declared to be the public policy of the State of Oregon. The Legislative Assembly recognizes that the forested areas situated within eastern Oregon predominate in Ponderosa pine trees and associated species, and that the forested areas situated within western Oregon predominate in Douglas fir and associated species; that because of this difference in species, different forest fire protection problems exist in eastern and western Oregon, and different logging conditions and circumstances in each necessitate varied forest practices in the disposal of forest slashings and debris; and that, therefore, in order to give recognition to such differences and their effect on the accomplishment of the public policy stated in this section, certain classifications of forestlands within the State of Oregon are established by ORS 321.005 to 321.185 and 321.560 to 321.600. [1957 c.309 §2]

321.012 Public to share cost of suppressing fires caused by public. The Legislative Assembly finds that it is in the interest of the State of Oregon that the public as a whole share responsibility for protecting the forests of this state, by making funds available from time to time for suppression of fires caused by the public. [1967 c.429 §60]

321.015 Levy of privilege tax upon harvest of timber for forest research, fire suppression and administering Oregon Forest Practices Act; exclusion. (1) For the calendar years beginning January 1, 2004, and January 1, 2005, there is levied a privilege tax of 67 cents per thousand feet, board measure, upon taxpayers for the privilege of harvesting of all merchantable forest products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the Forest Research and Experiment Account for use for the forest resource research, experimentation and studies

described in ORS 526.215 and for the Forest Research Laboratory established under ORS 526.225.

(2) Except as provided in ORS 477.760, in addition to the tax levied by subsection (1) of this section, there hereby is levied a forest products harvest tax upon taxpayers of 50 cents per thousand feet, board measure, for the privilege of harvesting all merchantable forest products harvested on forestlands for the payment of benefits related to fire suppression as provided in ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.

(3) For the calendar years beginning January 1, 2004, and January 1, 2005, in addition to the taxes levied under subsections (1) and (2) of this section, there hereby is levied a privilege tax upon taxpayers for the privilege of harvesting all merchantable forest products harvested on forestlands in the amount of 79 cents per thousand feet, board measure, for the purpose of administering the Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures approved by the Legislative Assembly for this purpose, including salary adjustments approved by the Legislative Assembly for fiscal years 2004 and 2005.

(4) Subject to subsection (5) of this section, the taxes shall be measured by and be applicable to each per thousand feet, board measure, on the total quantity of forest products harvested in this state measured by use of any log scale which is or may be in general use in the logging industry and which is designed to measure total volume of merchantable forest products in board feet. However, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to adopt another log scale in general use in the industry which in the department's opinion will accurately reflect merchantable harvest in board feet.

(5) The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer during each calendar year shall be excluded from the total quantity of harvested forest products that constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600. [1953 c.375 §2; 1957 c.309 §14; 1981 c.321 §10; 1985 c.759 §6; 1989 c.769 §1; 1991 c.459 §273; 1991 c.639 §1; 1993 c.653 §2; 1995 c.507 §1; 1997 c.519 §1; 1999 c.968 §§1,1a; 1999 c.1061 §1; 2001 c.872 §1; 2003 c.769 §1]

Note: Section 5, chapter 769, Oregon Laws 2003, provides:

Sec. 5. The amendments to ORS 321.015, 321.017, 321.145 and 321.152 by sections 1 to 4 of this 2003 Act apply to forest products harvest tax reporting periods beginning on or after January 1, 2004, and to forest products harvest tax revenue distributions occurring on or after January 1, 2004. [2003 c.769 §5]

321.016 [1991 c.919 §28; repealed by 1993 c.657 §6]

321.017 Levy of additional privilege tax; distribution to Oregon Forest Resources Institute Fund. (1) In addition to the taxes levied under ORS 321.015 (1) to (3), there hereby is levied a privilege tax upon taxpayers on the harvesting of all merchantable forest products harvested on forestlands in the amount provided in subsection (2) of this section.

(2) The rate of tax levied in subsection (1) of this section shall be established annually at the beginning of each calendar year by the board of directors of the institute, at a rate not to exceed 75 cents per thousand feet, board measure, on all merchantable forest products harvested on forestlands. The maximum tax rate prescribed by this subsection may be increased by the board of directors in an amount equal to the previous year's increase in the Consumer Price Index (Portland area -- all items) as published by the Bureau of Labor Statistics of the United States Department of Labor for the Portland, Oregon, area.

(3) The tax shall be measured by and be applicable to each per thousand feet, board measure, and such shall be subject to and determined by the procedures and provisions of ORS 321.015 (4) and (5).

(4) The tax levied by subsection (1) of this section shall be due and payable to the Department of Revenue in the manner and procedure, including penalties and interest, as set forth for the collection of the privilege tax in ORS 321.005 to 321.185.

(5) The revenue from the tax levied by subsection (1) of this section shall be remitted to the State Treasurer who shall deposit it in a suspense account established under ORS 321.145 (1). After payment of refunds, which shall be paid in the same manner as other forest products harvest tax refunds are paid in ORS 321.145 (2), the balance of the additional tax imposed under subsection (1) of this section shall be deposited in the Oregon Forest Resources Institute Fund. [1991 c.949 §22; 1993 c.653 §4; 1999 c.968 §§2,2a; 2001 c.872 §2; 2003 c.769 §2]

Note: See note under 321.015.

321.020 [Repealed by 1953 c.375 §38]

321.025 [1953 c.375 §3; 1959 c.537 §1; 1961 c.242 §1; 1967 c.429 §11; 1977 c.182 §1; 1981 c.321 §1; repealed by 1985 c.759 §40]

321.027 [1977 c.172 §2; 1979 c.375 §1; 1981 c.348 §1; 1983 c.682 §1; repealed by 1985 c.746 §3 and 1985 c.759 §40]

321.028 [1977 c.172 §3; 1979 c.375 §2; 1981 c.348 §2; 1983 c.682 §2; 1985 c.759 §7; 1987 c.551 §3; 1989 c.766 §3; 1991 c.881 §3; 1993 c.657 §4; repealed by 1995 c.507 §6]

321.030 [Repealed by 1953 c.375 §38]

321.035 Determination of moneys available in Oregon Forest Land Protection Fund. (1) For purposes of determining the moneys available in the Oregon Forest Land Protection Fund described in ORS 477.750 as of February 16, such shall be the balance shown on such date less the total of:

(a) The unexpended balance as of February 16 of the amount budgeted to be expended from the account for the fiscal year in which the determination is made; and

(b) The amount budgeted to be expended from the account for the following fiscal year.

(2) The insurance principle is recognized in providing funds for emergency forest fire control. [1953 c.375 §4; 1961 c.297 §4; 1963 c.88 §1; 1967 c.429 §7; 1985 c.759 §8]

321.037 [1967 c.429 §9; repealed by 1985 c.759 §40]

321.040 [Repealed by 1953 c.375 §38]

321.042 [1967 c.429 §10; repealed by 1969 c.524 §15]

321.045 Payment of tax; returns; estimated tax; payment. (1) The taxes levied under ORS 321.015 shall be due and payable annually, on or before the last day of January, for the preceding year. The tax shall be delinquent if not paid by the due date which shall be determined without regard to any extension of time for filing the return.

(2) Subject to the provisions relating to estimated tax payments provided in subsections (4) and (5) of this section, on or before the last day of January, each taxpayer shall make out a return on the form prescribed by the Department of Revenue showing the amount of the tax for which the taxpayer is liable for the preceding year and the other information the department considers necessary to correctly determine the tax due and shall mail or deliver the return, together with a remittance for the amount of the tax, to the office of the department. The return shall be signed and verified by the taxpayer or a duly authorized agent of the taxpayer. Whenever in its judgment good cause exists, the department may allow upon written application made on or before the due date further time not exceeding 30 days for filing a return.

(3) All payments received under ORS 321.005 to 321.185 and 321.560 to 321.600 shall be credited, first, to penalty and interest accrued, and then to tax due.

(4) Commencing January 1, 1994, each taxpayer expecting to incur a liability pursuant to this section in excess of $1,500 for any calendar year shall, on forms prescribed by the Department of Revenue, make and file with the department on or before the last day of the month following the end of each calendar quarter an estimate of the taxpayer's tax liability for the year. At least one-quarter of the estimated tax shall be remitted to the department with each estimated tax report and the balance shall be remitted to the department on or before the due date of the tax return required by subsection (2) of this section, without regard for any extension of the due date thereof.

(5) If the amount remitted with an estimated tax report filed on or before the due date thereof is at least 25 percent of the tax of the taxpayer as due for the calendar year preceding the year for which the report is made or at least 20 percent of the taxpayer's tax liability as due for the year for which the report is made, or 100 percent of the tax liability on the actual merchantable forest products harvested for the calendar quarter preceding the due date of the estimated tax report, no penalty or interest shall be charged. Otherwise a penalty in the form of interest at the rate established under ORS 305.220 for each month or fraction thereof shall be assessed for the period of delinquency calculated on the difference between the payment made and the payment which would have been due had the taxpayer estimated the liability for the quarter in an amount equal to the liability as due for such quarter. The provisions of ORS chapters 305 and 314 relating to penalties and interest shall not apply to the estimated tax payments described in this section. [1953 c.375 §§5,6; 1965 c.331 §1; 1981 c.363 §1; 1982 s.s.1 c.16 §12; 1989 c.588 §1; 1991 c.459 §274; 1993 c.653 §5]

321.050 [Repealed by 1953 c.375 §38]

321.055 [1953 c.375 §7; 1975 c.593 §19; 1977 c.870 §45; 1981 c.706 §8; 1982 s.s.1 c.16 §13; 1985 c.759 §10; renumbered 321.560]

321.060 [Repealed by 1953 c.375 §38]

321.065 [1953 c.375 §8; repealed by 1977 c.870 §24 (321.126 enacted in lieu of 321.065)]

321.070 [Repealed by 1953 c.375 §38]

321.075 [1953 c.375 §9; 1981 c.706 §9; 1983 c.696 §14; 1985 c.759 §11; 1985 c.761 §17; renumbered 321.570]

321.080 [Repealed by 1953 c.375 §38]

321.085 [1953 c.375 §10; repealed by 1961 c.573 §2 (305.140 enacted in lieu of 314.435, 315.635 and 321.085)]

321.090 [Repealed by 1953 c.375 §38]

321.092 [1981 c.706 §2; 1985 c.759 §12; renumbered 321.580]

321.095 [1953 c.375 §11; 1983 c.740 §92; 1985 c.759 §13; renumbered 321.590]

321.100 [Repealed by 1953 c.375 §38]

321.105 [1953 c.375 §12; 1985 c.759 §14; renumbered 321.600]

321.110 [Repealed by 1953 c.375 §38]

321.115 [1953 c.375 §13; 1961 c.533 §55; repealed by 1977 c.870 §24 (321.126 enacted in lieu of 321.115)]

321.120 [Repealed by 1953 c.375 §38]

321.125 [1953 c.375 §14; repealed by 1977 c.870 §24 (321.126 enacted in lieu of 321.125)]

321.126 [1977 c.870 §25 (enacted in lieu of 321.065, 321.115 and 321.125); repealed by 1981 c.706 §16]

321.130 [Repealed by 1953 c.375 §38]

321.135 [1953 c.375 §15; 1985 c.759 §15; renumbered 321.609]

321.140 [Repealed by 1953 c.375 §38]

321.145 Tax revenue credited to suspense account; refunds. (1) The revenue from the taxes levied by ORS 321.005 to 321.185 and 321.560 to 321.600 shall be remitted to the State Treasurer who shall deposit it in a suspense account established under the provisions of ORS 293.445.

(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay refunds of the taxes levied under ORS 321.015 (1) to (3) hereby is appropriated continuously to the Department of Revenue from the suspense account referred to in subsection (1) of this section, and shall be used by the department for the payment of all refunds of taxes levied under ORS 321.015 (1) to (3) that have been audited and approved by the department. Any penalties, interest and taxes then due from the taxpayer shall be applied in that order in computing any refund, and only the balance due the taxpayer, if any, shall be refunded. The department shall on its records charge each refund against the revenue from the tax with respect to which the refund is made. [1953 c.375 §16; 1957 c.309 §4; 1957 c.528 §6; 1961 c.270 §1; 1985 c.759 §16; 1999 c.968 §3; 2003 c.769 §3]

Note: See note under 321.015.

321.150 [Repealed by 1953 c.375 §38]

321.152 Distribution of tax revenue to Forest Research and Experiment Account, State Forestry Department Account and Oregon Forest Land Protection Fund. (1) Subject to ORS 321.145 (2), moneys remaining in the Department of Revenue's suspense account referred to in ORS 321.145 on February 10, May 10, August 10 and November 10 of each year shall be transferred to the various appropriation accounts described in subsections (2), (3) and (4) of this section.

(2) That part of the moneys derived from taxes levied by ORS 321.015 (1) shall be transferred to the Forest Research and Experiment Account described in ORS 321.185.

(3) That part of the moneys derived from taxes levied by ORS 321.015 (3) shall be transferred to the State Forestry Department Account referred to in ORS 526.060. Notwithstanding ORS 291.238, the moneys transferred to the State Forestry Department Account under this section are appropriated continuously for and shall be used by the State Forester, under the supervision and direction of the State Board of Forestry, for the purposes of administering the Oregon Forest Practices Act and the forest practices monitoring program.

(4) That part of the moneys derived from taxes levied by ORS 321.015 (2) shall be transferred to the Oregon Forest Land Protection Fund described in ORS 477.750. [1985 c.759 §3; 1995 c.507 §2; 1999 c.968 §4; 2003 c.769 §4]

Note: See note under 321.015.

Note: 321.152 was added to and made a part of ORS chapter 321 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

321.155 [1953 c.375 §17; repealed by 1957 c.309 §15]

321.160 [Repealed by 1953 c.375 §38]

321.165 [1953 c.375 §19; 1957 c.309 §5; 1961 c.297 §5; 1965 c.253 §140; 1967 c.429 §12; 1981 c.321 §11; repealed by 1985 c.759 §40]

321.170 [Repealed by 1953 c.375 §38]

321.175 [1953 c.375 §20; 1965 c.253 §141; repealed by 1967 c.429 §61]

321.180 [Repealed by 1953 c.375 §38]

321.185 Forest Research and Experiment Account; appropriation. (1) There hereby is established in the State Treasury in the General Fund an account to be known as the Forest Research and Experiment Account, which account hereby is appropriated continuously to the State Board of Higher Education for the purposes of ORS 526.215 and 526.225.

(2) The Forest Research and Experiment Account shall consist of allocations from harvest taxes as provided in ORS 321.015 (1). [1953 c.375 §21; 1957 c.309 §6; 1961 c.297 §6; 1985 c.759 §17; 2003 c.46 §46]

321.190 [Repealed by 1953 c.375 §38]

321.195 [1953 c.375 §22; repealed by 1957 c.309 §15]

321.200 [Repealed by 1953 c.375 §38]

FORESTLAND VALUATION

321.201 Definition of "forestland" for ORS 321.201 to 321.222. As used in ORS 321.201 to 321.222, "forestland" means either forestland, as defined in ORS 321.257, that is located in western Oregon or forestland, as defined in ORS 321.805, that is located in eastern Oregon. [2001 c.860 §13]

321.204 Legislative findings and declarations. The Legislative Assembly finds that an accurate system of annually determining forestland values in this state is vital to achieving a fair and equitable system of taxing the forest resources of this state. The Legislative Assembly declares that an annual determination of forestland values is the process that best achieves an accurate assessment of forestland in this state. [2001 c.860 §14]

321.205 [1953 c.375 §23; repealed by 1961 c.297 §12]

321.207 Valuation models; rules. (1) The Department of Revenue by rule shall develop valuation models to be used to value forestland in western Oregon and eastern Oregon.

(2) The valuation models may consider forestland sales, stumpage values, immediate harvest values, log prices or other commercially reasonable factors or data that promote real market value analysis of forestland. [2001 c.860 §15]

Note: Section 29, chapter 860, Oregon Laws 2001, provides:

Sec. 29. Notwithstanding ORS 321.307 (3) and 321.485 (3), moneys are appropriated continuously from the Western Oregon Timber Tax Account and the Eastern Oregon Timber Tax Account for use in reimbursing the General Fund for amounts appropriated to the Department of Revenue for the purpose of developing forestland valuation models described in section 15 of this 2001 Act [321.207]. [2001 c.860 §29]

Note: Section 29, chapter 860, Oregon Laws 2001, is repealed December 31, 2006. See section 26, chapter 621, Oregon Laws 2003.

321.210 Proposed specially assessed values; notice; comments; hearing. (1) Pursuant to the valuation models adopted by the Department of Revenue under ORS 321.207 and for the purpose of certifying specially assessed values of forestland under ORS 321.354 and 321.833, for each tax year the Department of Revenue shall give notice of proposed specially assessed values of forestland. The values shall be proposed by the department on or before April 1 of the assessment year.

(2) The specially assessed values proposed under this section and certified under ORS 321.216 for forestland in western Oregon shall be for land classes FA, FB, FC, FD, FE, FF, FG and FX. Specially assessed values also shall be proposed under this section and certified under ORS 321.216 for forestland in eastern Oregon.

(3) The department shall give notice of the proposed specially assessed values to:

(a) County assessors and associations, trade organizations and other persons that the department, in its discretion, finds represent forestland owners; and

(b) Any other person that has made a written request to the department to be given notice of proposed specially assessed values.

(4) The notice required under subsection (3) of this section must contain:

(a) The proposed specially assessed values;

(b) A description of the valuation model employed in determining the proposed specially assessed values;

(c) A summary of the market data used to determine the proposed specially assessed values; and

(d) The date, time and location of the public hearing described in subsection (6) of this section.

(5) Following the giving of notice required under this section, members of the public may submit written comments on the proposed specially assessed values to the department. Written comments received by the department on or before May 1 of the assessment year for which the specially assessed values are proposed shall be considered by the department prior to the department certifying specially assessed values to the county assessors under ORS 321.216.

(6) Prior to adopting specially assessed values of forestland for a tax year, the department shall conduct a public hearing on the proposed specially assessed values. Any person interested in providing testimony on the proposed specially assessed values shall be given the opportunity to do so at the hearing. [2001 c.860 §16]

321.213 Forestland value advisory committee. (1) At any time, the Department of Revenue may convene a forestland value advisory committee to assist the department in developing a valuation model under ORS 321.207 or in determining specially assessed values of forestland. If the department convenes a committee, it shall be composed of members appointed by the Director of the Department of Revenue. In appointing members, the director shall strive to include representation of counties, the State Forestry Department and large and small forestland owners from western Oregon and eastern Oregon.

(2) The Department of Revenue shall provide staff and administrative support to facilitate the work of a committee convened by the department. [2001 c.860 §17]

321.215 [1953 c.375 §18; 1957 c.309 §7; 1961 c.297 §7; repealed by 1985 c.759 §40]

321.216 Certified specially assessed values. (1) On or before June 1 of each assessment year, the Department of Revenue shall adopt specially assessed values of forestland, as of the assessment date for that year. The department shall certify the specially assessed values of forestland in eastern Oregon to the county assessors of eastern Oregon and the specially assessed values of forestland in western Oregon to the county assessors of western Oregon.

(2) The certified specially assessed values constitute:

(a) The department's determination of the real market value, as of the assessment date

for the tax year, of highest and best use forestland in the land class for which the certification is being made; and

(b) The specially assessed values, as of the assessment date for the tax year, of designated forestland that is assessed under ORS 321.354 and 321.833 in the land class for which the certification is being made.

(3) Upon receipt of the certified values, the county assessors shall develop tables for each assessment year that reflect, for each class and area, the values determined under this section and that express the values as values per acre. [2001 c.860 §18]

321.219 Appeal of certified specially assessed values; notice; effect of decision modifying values. (1) At any time following certification of the specially assessed values under ORS 321.216 and before July 1 of the tax year, five or more taxpayers owning in the aggregate not less than five percent of the total forestland in a single land market area may appeal any or all of the specially assessed values so certified.

(2) Appeals under this section shall be made to the Oregon Tax Court by filing a joint petition with the tax court in the manner provided for appeals from orders of the county boards of property tax appeals. The petition shall designate one of the taxpayers as the representative of all of the taxpayers, and all proceedings before the tax court and any appeal from its determination shall be conducted procedurally as though the designated representative was the only petitioner.

(3) Notice of the appeal shall be made in each county having specially assessed values affected by the appeal in the manner of personal service, certified mail on each taxpayer affected, or publication made once a week for two consecutive weeks in a newspaper of general circulation in the county. The notice shall designate the specially assessed values appealed and include a statement of the provisions of subsections (4) and (5) of this section.

(4) Unless an appeal is resolved prior to September 15 of the tax year and results in a change in a specially assessed value that was certified under ORS 321.216, then notwithstanding the appeal of a certified specially assessed value, the certified specially assessed values shall be entered on the assessment and tax roll for the year and the property taxes for the tax year shall be imposed on those values.

(5) If a decision by the tax court, or by the Oregon Supreme Court following an appeal of a tax court decision:

(a) Results in a decrease in a specially assessed value certified under ORS 321.216, any refund of tax arising as a result of the decision shall be made by reducing the tax imposed on forestland affected by the decision in the first tax year following the decision.

(b) Results in an increase in a specially assessed value certified under ORS 321.216, any additional taxes becoming due shall be payable without interest if paid prior to the 16th day of the month following the month in which the final order of the court is issued. If the additional taxes are not paid within this period, the additional taxes shall thereafter be considered delinquent and shall bear interest at the rate provided in ORS 311.505. [2001 c.860 §19]

321.222 Jurisdiction of board of property tax appeals. Any appeal of forestland value that does not involve an appeal of a specially assessed value certified under ORS 321.216 shall be made to the board of property tax appeals in the manner prescribed in ORS 309.100. [2001 c.860 §20]

321.225 [1953 c.375 §33; repealed by 1985 c.759 §40]

321.255 [Formerly 528.010; 1973 c.348 §1; repealed by 1977 c.892 §51]

SPECIAL ASSESSMENT OF WESTERN OREGON FORESTLAND

321.257 Definitions for ORS 321.257 to 321.390. As used in ORS 321.257 to 321.390, unless the context requires otherwise:

(1) "Department" means the Department of Revenue.

(2) "Forestland" means land in western Oregon that is being held or used for the predominant purpose of growing and harvesting trees of a marketable species and has been designated as forestland or land in western Oregon, the highest and best use of which is the growing and harvesting of such trees. Trees of a marketable species may vary in different areas in western Oregon and may change as the utilization of forest trees changes. The size, age, location, quality and condition of trees do not necessarily determine marketable species. Forestland often contains isolated openings which because of rock outcrops, river wash, swamps, chemical conditions of the soil, brush and other like conditions prevent adequate stocking of such openings for the production of trees of a marketable species. If the openings in their natural state are necessary to hold the surrounding forestland in forest use through sound management practices, the openings are deemed forestland. Forestland does not include buildings, structures, machinery, equipment or fixtures erected upon, under or above the soil. Forestland includes roads described in ORS 308.236.

(3) "Land class" or "land classes" means one of the eight classifications of forestland,

used for assessment purposes by the department, based upon State Tax Commission Valuation Division Supplements published in 1967, and identified in ORS 321.210.

(4) "State Forester" means the State Forester or the authorized representative of the State Forester.

(5) "Sustained yield management" means the growing and harvesting of timber crops on a continuous basis on land that is primarily dedicated to timber production.

(6) "Taxing district" or "district" means each county, city, school district and other corporation vested with the power to levy property taxes in western Oregon.

(7) "Timber" means all logs which can be measured in board feet and other forest products as determined by department rule.

(8) "Western Oregon" means that portion of the state lying west of a line beginning at the intersection of the northern boundary of the State of Oregon and the western boundary of Wasco County, thence southerly along the western boundaries of the counties of Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the State of Oregon. [1977 c.892 §1; 1983 c.539 §2; 1985 c.759 §18; 1989 c.1083 §1; 1993 c.653 §6; 1993 c.801 §1; 1999 c.1078 §12; 2003 c.621 §1]

Note: Section 9, chapter 621, Oregon Laws 2003, provides:

Sec. 9. The amendments to ORS 321.257, 321.259, 321.262, 321.267, 321.272, 321.307, 321.347 and 321.348 by sections 1 to 3, 4a, 5, 6a, 7a and 8 of this 2003 Act apply to property tax years beginning on or after July 1, 2004. [2003 c.621 §9; 2003 c.621 §9a]

321.259 Legislative findings. The Legislative Assembly finds that:

(1) Multiple taxation through a yearly ad valorem levy on both trees and forestland managed in sustained yield timber operations discourages conservation, private ownership and investment of capital.

(2) The interests of the state, its citizens and future citizens are best served by sustained yield practices and taxing policies that encourage production of forest resources for commerce, recreation and watersheds, stabilize employment levels, prevent large population shifts and encourage millage of timber products within Oregon.

(3) Timber on private lands managed on a sustained yield basis should be treated as a crop and not taxed as real property.

(4) Forestland should be taxed based on the value of the forestland in timber production. [1993 c.801 §3; 2003 c.621 §2]

Note: See note under 321.257.

321.260 [Formerly 528.020; repealed by 1977 c.892 §51]

321.262 Purposes. The purposes of ORS 321.257 to 321.390 are:

(1) To impose with respect to forestlands in western Oregon a special assessment program whereby the value of forestland is determined as prescribed in ORS 321.201 to 321.222.

(2) To establish a special assessment program as a means of:

(a) Recognizing the long-term nature of the forest crop and fostering the public policy of Oregon to encourage the growing and harvesting of timber.

(b) Protecting the public welfare by assuring that the citizens of the state and future generations shall have the benefits to be derived from the continuous production of forest products from private forestlands.

(c) Promoting the state's policy of encouraging forestry and the restocking of forestlands to provide present and future benefits by enhancing the water supply, preventing erosion, providing habitat for wildlife, providing scenic and recreational opportunities and providing for needed products. [1977 c.892 §2; 1993 c.801 §4; 2003 c.621 §3]

Note: See note under 321.257.

321.265 [Formerly 528.025; repealed by 1977 c.892 §51]

321.267 Lands not eligible for special assessment. The following forestland may not be assessed under ORS 321.257 to 321.390:

(1) Forestland assessed by the Department of Revenue pursuant to ORS 308.505 to 308.665, 308.805 to 308.820 and 308.990.

(2) Except as provided in ORS 321.347, land that is prepared using intensive cultivation and tilling and on which all unwanted plant growth is controlled continuously for the exclusive purpose of growing Christmas trees.

(3) Land used for the purpose of growing hardwood timber, including but not limited to hybrid cottonwood, if:

(a) The land is prepared using intensive cultivation methods and is cleared of competing vegetation for at least three years after tree planting;

(b) The timber is of a species marketable as fiber for inclusion in the furnish for manufacturing paper products;

(c) The timber is harvested on a rotation cycle within 12 years after planting; and

(d) The land and timber are subject to intensive agricultural practices such as fertilization, insect and disease control, cultivation and irrigation.

(4) Small tract forestland qualified under ORS 321.700 to 321.754 and timber harvested

from small tract forestland qualified under ORS 321.700 to 321.754. [1977 c.892 §3; 1989 c.887 §5; 1991 c.459 §278; 1991 c.714 §10; 1993 c.801 §5; 1997 c.154 §51; 1999 c.19 §1; 1999 c.1078 §17; 2001 c.46 §1; 2001 c.114 §44; 2003 c.454 §§108,110; 2003 c.621 §4a]

Note: Section 111, chapter 454, Oregon Laws 2003, provides:

Sec. 111. The amendments to ORS 321.267 by section 110 of this 2003 Act apply to privilege tax reporting periods beginning on or after January 1, 2004, and to property tax years beginning on or after July 1, 2004. [2003 c.454 §111]

Note: See note under 321.257.

321.270 [Formerly 528.030; 1973 c.348 §2; repealed by 1977 c.892 §51]

321.272 Exemption of timber from property taxation. All timber in western Oregon shall be exempt from ad valorem property taxation. [1977 c.892 §4; 1993 c.801 §6; 1999 c.1078 §19; 2003 c.621 §5]

Note: See note under 321.257.

321.273 [1993 c.801 §8; 1999 c.1078 §§21,23; repealed by 2003 c.621 §22b]

321.274 [1989 c.887 §7b; 1991 c.459 §279; 1993 c.801 §38; 2003 c.454 §114; repealed by 2003 c.621 §§22b,22c]

321.275 [Formerly 528.040; repealed by 1973 c.348 §12]

321.277 [1977 c.892 §5; repealed by 1993 c.801 §43]

321.279 [1977 c.892 §50a; repealed by 1983 c.740 §92a]

321.280 [Formerly 528.050; 1973 c.348 §3; repealed by 1977 c.892 §51]

321.282 [1977 c.892 §6; 1979 c.454 §1; 1983 c.563 §1; 1985 c.759 §19; 1989 c.1083 §2; 1991 c.459 §280; 1993 c.653 §§8,8a; 1999 c.1078 §25; 2003 c.454 §62a; repealed by 2003 c.621 §§22b,22c]

321.284 [1989 c.1083 §4; 1991 c.459 §281; 1993 c.653 §9; 1995 c.650 §92; 1999 c.1078 §26a; repealed by 2003 c.621 §22]

321.285 [Formerly 528.060; 1973 c.348 §4; repealed by 1977 c.892 §51]

321.287 [1977 c.892 §7; 1979 c.454 §2; 1993 c.653 §§10,10a; repealed by 2003 c.621 §22b]

321.290 [Formerly 528.070; repealed by 1973 c.348 §5 (321.291 enacted in lieu of 321.290)]

321.291 [1973 c.348 §6 (enacted in lieu of 321.290); repealed by 1977 c.892 §51]

321.292 [1977 c.892 §7a; repealed by 1985 c.759 §40]

321.295 [Formerly 528.080; 1963 c.109 §1; 1967 c.59 §1; 1973 c.348 §7; repealed by 1977 c.892 §51]

321.297 [1977 c.892 §8; 1979 c.438 §1; 1981 c.623 §7; repealed by 1985 c.759 §40]

321.299 [1985 c.759 §21b; 1989 c.966 §23; 1991 c.459 §282; 1993 c.801 §11; repealed by 1999 c.1078 §86]

321.300 [Formerly 528.090; 1967 c.105 §7; repealed by 1977 c.892 §51]

321.302 [1977 c.892 §9; 1981 s.s. c.3 §144; 1983 c.763 §25; 1985 c.759 §21; repealed by 1991 c.459 §321]

321.305 [Formerly 528.095; repealed by 1977 c.892 §51]

321.307 Western Oregon Timber Tax Account; distribution to State School Fund, Community College Support Fund and counties; rules. (1) The revenue from the taxes imposed by ORS 321.273 (2001 Edition) shall be remitted by the Department of Revenue to the State Treasurer who shall deposit it in a suspense account, separate and distinct from the General Fund, established under the provisions of ORS 293.445 that shall be known as the Western Oregon Timber Tax Account. Interest earned on cash balances invested by the State Treasurer shall be credited to this account. Moneys are appropriated continuously from the Western Oregon Timber Tax Account for use in reimbursing the General Fund for expenses incurred in the collection of taxes imposed by ORS 321.273 (2001 Edition) and other expenses associated with forest taxation, and for costs incurred by the State Forestry Department in carrying out ORS 315.104 and 321.367.

(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay refunds of the taxes imposed by ORS 321.273 (2001 Edition) is appropriated continuously to the department and shall be used by the department for the payment of all refunds of taxes imposed by ORS 321.273 (2001 Edition) which have been audited and approved by the department. This appropriation shall be from the Western Oregon Timber Tax Account. Any penalties, interest and taxes due from the taxpayer on account of taxes imposed by ORS 321.273 (2001 Edition) shall be applied in that order in computing any refund, and only the balance due the taxpayer, if any, shall be refunded.

(3) Moneys remaining in the Western Oregon Timber Tax Account following the appropriations described in subsections (1) and (2) of this section shall be distributed as follows:

(a) Sixty-five percent of moneys that are derived from the harvest of timber on land subject to assessment under ORS 321.353 (6) to (10) (2001 Edition) shall be distributed as follows:

(A) Ninety-three percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the State School Fund for the purposes for which State School Fund moneys may be spent.

(B) Seven percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the Community College Support Fund established under ORS 341.620.

(b) Thirty-five percent of moneys that are derived from the harvest of timber on land subject to assessment under ORS 321.353 (6) to (10) (2001 Edition) shall be distributed to county general funds of western Oregon counties.

(c) The balance of the account shall be distributed as follows:

(A) Ninety-three percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the State School Fund for the purposes for which State School Fund moneys may be spent.

(B) Seven percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the Community College Support Fund established under ORS 341.620.

(4)(a) Moneys that are to be distributed to western Oregon counties under subsection (3)(b) of this section shall be distributed to each western Oregon county in the proportion that the assessed value of forestland in the county for the preceding fiscal year bears to the total assessed value of forestland for the preceding fiscal year.

(b) The Department of Revenue may adopt rules to further implement the distribution calculation described in this subsection.

(5) All moneys distributed to counties pursuant to subsection (4) of this section are continuously appropriated to the counties to which the moneys are distributed. On or before August 15 of each fiscal year, the department shall determine the amount distributable to counties from the Western Oregon Timber Tax Account as of May 1 of the preceding fiscal year, and shall remit to the counties the amounts so determined. The department shall certify to the county assessor the amount remitted to the county under this subsection.

(6) The amount of Western Oregon Timber Tax Account moneys to be transferred for a fiscal year under subsection (3)(a) and (c) of this section shall be determined as of May 1 of the fiscal year and transferred on or before May 15 of the fiscal year in which the distribution is being made.

(7) A working balance may be retained in the Western Oregon Timber Tax Account for the payment of administrative expenses described in subsection (1) of this section. [1977 c.892 §10; 1979 c.438 §7; 1981 c.623 §9; 1985 c.759 §22; 1989 c.966 §24; 1989 c.1083 §16; 1991 c.854 §6; 1993 c.653 §1a; 1993 c.801 §12; 1995 c.143 §1; 1997 c.586 §1; 1999 c.968 §6; 1999 c.1078 §29; 2001 c.816 §1; 2001 c.860 §11a; 2003 c.454 §63; 2003 c.621 §6a]

Note: See note under 321.257.

Note: 321.307 is repealed December 31, 2006. See section 26, chapter 621, Oregon Laws 2003.

Note: Section 27, chapter 621, Oregon Laws 2003, provides:

Sec. 27. Any moneys remaining in the Western Oregon Timber Tax Account on December 31, 2006, are transferred to the General Fund and may be used for any purpose for which General Fund moneys may be used. [2003 c.621 §27]

321.308 [1989 c.1083 §14; repealed by 1993 c.801 §43]

321.309 [1989 c.1083 §13; 1991 c.162 §10; 1991 c.780 §33; repealed by 1993 c.801 §43]

321.310 [Formerly 528.100; repealed by 1977 c.892 §51]

321.311 [1989 c.1083 §15; 1991 c.459 §285; repealed by 1999 c.1078 §85]

321.312 Privilege tax on harvest of timber to be offset against operating taxes. Each year, when extending the operating taxes, as defined in ORS 310.055, of the county upon the assessment roll, the county assessor shall reduce the operating tax rate submitted by the county so as to offset the amount of revenue distributed to the county pursuant to ORS 321.307 (3)(b) against the operating taxes of the county for the current fiscal year. [1977 c.892 §11; 1979 c.438 §2; 1985 c.759 §23; 1991 c.459 §286; 1993 c.801 §13; 1999 c.1078 §30; 2001 c.509 §4]

Note: 321.312 is repealed December 31, 2006. See section 26, chapter 621, Oregon Laws 2003.

321.315 [Formerly 528.110; 1967 c.105 §8; repealed by 1977 c.892 §51]

321.317 [1977 c.892 §12; 1979 c.438 §3; 1981 c.677 §1; 1981 c.804 §90; 1983 s.s. c.5 §23; 1985 c.613 §15; 1985 c.759 §24; 1991 c.459 §287; 1991 c.780 §19; 1993 c.801 §14; repealed by 1999 c.1078 §85]

321.320 [Formerly 528.115; repealed by 1977 c.892 §51]

321.322 [1977 c.892 §13; 1979 c.454 §3; 1981 c.706 §10; 1989 c.588 §3; 1991 c.459 §288; 1993 c.653 §11; 1993 c.801 §15; repealed by 2003 c.621 §22b]

321.325 [Formerly 528.120; repealed by 1977 c.892 §51]

321.327 [1977 c.892 §14; 1981 c.706 §11; 1982 s.s.1 c.16 §14; repealed by 1985 c.759 §40]

321.330 [Formerly 528.140; repealed by 1969 c.595 §17]

321.332 [1977 c.892 §18; repealed by 1985 c.759 §40]

321.335 [Formerly 528.150; repealed by 1977 c.892 §51]

321.337 [1977 c.892 §19; repealed by 1985 c.759 §40]

321.340 [Formerly 528.160; 1973 c.348 §8; repealed by 1977 c.892 §51]

321.342 [1977 c.892 §22; repealed by 1985 c.759 §40]

321.344 [1981 c.706 §4; 1983 c.740 §93; repealed by 1985 c.759 §40]

321.345 [Formerly 528.170; 1973 c.348 §9; repealed by 1977 c.892 §51]

321.346 [1981 c.706 §5; 1983 c.696 §15; 1983 c.740 §94; repealed by 1985 c.759 §40]

321.347 Land designations; classifications; certain election by landowners. For the purposes of ORS 321.257 to 321.390:

(1) All land in western Oregon valued as forestland for ad valorem property tax purposes on January 1, 1977, shall retain that classification for the purposes of ORS 321.257 to 321.390 unless it is specifically excluded from the provisions thereof or unless it is removed from that classification as provided in ORS 321.359 or is no longer land the highest and best use of which is forestland.

(2) Land designated as forestland pursuant to ORS 321.605 to 321.680 (1975 Replace-

ment Part) shall retain the original date of such designation.

(3) Lands classified as reforestation lands as of July 1, 1977, pursuant to ORS 321.255 to 321.360 (1975 Replacement Part) shall be considered to have been designated as forestland from the date of original classification as reforestation lands. Any lands so classified prior to February 1, 1972, shall be presumed to have been designated not earlier than February 1, 1972.

(4) Pursuant to the election of the owner, as provided in section 45, chapter 892, Oregon Laws 1977, land which, as of January 1, 1977, was designated under the provisions of ORS 321.705 to 321.765 (2001 Edition) shall be considered to have been designated as forestland for the purposes of ORS 321.257 to 321.390 from the date of the original designation under those provisions. Any lands so designated prior to January 1, 1972, shall be presumed to have been designated not earlier than January 1, 1972, for the purposes of additional taxes imposed by ORS 308A.700 to 308A.733. [1977 c.892 §23; 1979 c.553 §10; 1981 c.419 §7; 1991 c.459 §289; 1999 c.19 §5; 1999 c.314 §§68,68a; 2003 c.454 §115; 2003 c.621 §7a]

Note: See note under 321.257.

321.348 Assignment of forestland to land classes; change in class. (1) For each tax year, forestland shall be assigned by the Department of Revenue to land classes as defined in ORS 321.257.

(2) Land classes assigned under subsection (1) of this section may be changed thereafter by the department upon the initiative of the department, or upon the request of an owner, if further investigation reveals that the basis for the land class determination was inaccurate. Any such redetermination of land class shall be certified immediately to the county assessor. [1993 c.801 §17; 2003 c.621 §8]

Note: See note under 321.257.

321.349 Valuation of certain forestland at farm use value. (1) Subject to subsection (2) of this section, land that is changed from farm use special assessment under ORS 308A.050 to 308A.128 to special assessment as forestland under ORS 321.257 to 321.390, at the election of the owner made under rules adopted by the Department of Revenue, shall not be valued under ORS 308.205, 308.232 and 321.257 to 321.390 for the tax year of the change and years thereafter in which such special forestland assessment is in effect for the land, but shall be valued under ORS 308A.050 to 308A.128, if:

(a) The land has been assessed under ORS 308A.050 to 308A.128 for at least the 10 consecutive years immediately prior to the year for which the change is first effective;

(b) The planting of the timber takes place after October 15, 1983, and qualifies for the current tax year for special assessment as forestland under ORS 321.257 to 321.390;

(c) The timber on the land is of an average age of less than 40 years; and

(d) The land is held by an owner having a total ownership of forestland in western Oregon not in excess of 2,000 acres, as determined under subsection (3) of this section.

(2) If timber on land valued under subsection (1) of this section reaches, for any tax year, an average age of 40 years or more, this section shall cease to apply. However, without application and without any additional tax, interest or penalty, the land shall for that tax year and for each year thereafter for which the land is qualified, be valued under ORS 308.205, 308.232 and 321.257 to 321.390.

(3) In computing a forestland owner's acreage for purposes of subsection (1) of this section, all of the owner's forestland, as defined in ORS 321.257, in western Oregon shall be included. As used in this subsection, "total ownership" includes (a) forestland owned by the owner individually; and (b) forestland owned by any corporate or other group owner in which the owner holds a share of ownership of 10 percent or more. No owner may have forestland valued under subsection (1) of this section if the owner, or any individual having a share in the owner, has a spouse, brother, sister, ancestor or lineal descendant who is an owner, or who holds a share in an owner having forestland valued under subsection (1) of this section. However, the county assessor may grant exceptions to this requirement if the owner satisfactorily demonstrates that the combination of ownership with the indicated relatives arose from bona fide business reasons other than a desire to circumvent the 2,000 acre limitation imposed under subsection (1) of this section. [1983 c.657 §8; 1991 c.459 §290; 1993 c.801 §38a; 1999 c.19 §6; 1999 c.314 §66; 1999 c.1078 §79]

321.350 [Formerly 528.180; 1973 c.348 §10; repealed by 1977 c.892 §51]

321.351 [1993 c.801 §21a; 1999 c.21 §51; repealed by 2003 c.621 §22]

321.352 [1977 c.892 §24; 1979 c.437 §1; 1981 c.428 §1; 1981 c.804 §91; 1985 c.613 §16; 1991 c.459 §291; 1993 c.270 §65; 1993 c.653 §12; 1993 c.801 §18; 1995 c.650 §93; 1999 c.21 §52; repealed by 2003 c.621 §22b]

321.353 [1993 c.801 §§17a,20; 1995 c.79 §174; 1997 c.541 §391; 1999 c.19 §7; 1999 c.21 §53; 1999 c.1078 §14; 2001 c.816 §3; 2001 c.860 §1; 2003 c.454 §65; repealed by 2003 c.621 §§22b,22c]

321.354 Common ownership minimum acreage requirements; specially assessed value and maximum assessed value of forestland of large landowners. (1)(a) The Department of Revenue shall identify the forestland that is held in common ownership

of 5,000 acres or more as of the assessment date for each tax year.

(b) Forestland that the department has identified under paragraph (a) of this subsection that, for the previous tax year, was subject to small tract forestland assessment shall be disqualified from small tract forestland assessment and shall be subject to special assessment as provided in this section as of the first tax year the forestland is held in common ownership of 5,000 acres or more.

(c) For purposes of this subsection, "forestland" includes land that meets the definition of forestland under ORS 321.805.

(2) Forestland assessed under this section shall have a specially assessed value per acre equal to the value certified to the county assessor for the tax year under ORS 321.216 for the applicable land class of the forestland.

(3) For each land class described in ORS 321.210, the forestland maximum assessed value per acre shall equal 103 percent of the forestland assessed value per acre for the preceding tax year or 100 percent of the forestland maximum assessed value per acre for the preceding tax year, whichever is greater.

(4)(a) The assessor shall compute the assessed value of forestland by multiplying the acreage of the forestland in each land class by the lesser of:

(A) The specially assessed value per acre; or

(B) The maximum assessed value per acre.

(b) If the forestland being assessed consists of different land classes, the assessed value of the forestland shall be the sum of the assessed values computed for each land class under paragraph (a) of this subsection.

(5) Notwithstanding subsection (4) of this section, the forestland shall be assessed as provided in ORS 308.232 if the real market value of the forestland is less than the value established under subsection (4) of this section.

(6) For purposes of this section:

(a) The department shall certify to the county assessor of a county in which forestland identified in subsection (1) of this section is located a list of the property tax accounts containing forestland so identified.

(b) Forestland shall be considered to be in common ownership if the forestland is owned by the person directly or is owned by a corporation, partnership, association or other entity in which the person owns a majority interest.

(c) Additional taxes may not be imposed as a result of a disqualification under subsection (1) of this section.

(d) The notification requirements and other procedures that the county assessor must follow in disqualifying forestland do not apply to a disqualification occurring under subsection (1) of this section.

(e) The department shall notify the county assessor of forestland identified under subsection (1)(a) of this section that is located in that county. [1999 c.1078 §§2,7; 2001 c.860 §2; 2003 c.454 §67]

Note: Section 68, chapter 454, Oregon Laws 2003, provides:

Sec. 68. The amendments to ORS 321.354 by section 67 of this 2003 Act apply to tax years beginning on or after July 1, 2004. [2003 c.454 §68]

321.355 [Formerly 528.190; 1973 c.348 §11; repealed by 1977 c.892 §51]

321.356 Assessment of forestland owned by small landowners after 2003-2004 tax year. (1) For the tax year beginning July 1, 2004, forestland subject to special assessment under ORS 321.353 (2001 Edition) for the previous tax year shall be disqualified from such special assessment. For the tax year beginning July 1, 2004, and for each tax year thereafter, the forestland described in this section shall be assessed as provided in ORS 321.354.

(2) Additional taxes may not be imposed as a result of a disqualification under this section.

(3) The notification requirements and other procedures that the county assessor must follow in disqualifying forestland do not apply to a disqualification under this section. [1999 c.1078 §9; 2001 c.816 §4; 2001 c.860 §5; 2003 c.454 §71; 2003 c.621 §16]

Note: See note under 321.366.

Note: 321.356 is repealed January 2, 2006. See section 24, chapter 621, Oregon Laws 2003, as amended by section 24a, chapter 621, Oregon Laws 2003.

321.357 [1977 c.892 §24a; 1981 c.804 §92; 1991 c.459 §292; 1993 c.801 §21; 1995 c.79 §175; repealed by 1999 c.19 §12]

321.358 Application for designation as forestland; special filing date for change in highest and best use; contents; approval. (1) An owner of land desiring that it be designated as forestland shall make application to the county assessor on or before April 1 of the assessment year for which special assessment as forestland is first desired, and the owner may also do so within 30 days of receipt of notice of its assessment as omitted property.

(2) Notwithstanding subsection (1) of this section, an owner of land may apply to the county assessor by December 15 to have the land designated as forestland for the assessment year if:

(a) For the prior assessment year the land had been forestland by reason of the

land being highest and best use forestland; and

(b) For the current assessment year the land is being assessed at a value reflecting a use other than highest and best use forestland.

(3) The application shall be made upon forms prepared by the Department of Revenue and supplied by the county assessor, and shall include the following:

(a) A description of all land the applicant desires to be designated as forestland.

(b) Date of acquisition.

(c) Whether the land is being held or used for the predominant purpose of growing and harvesting trees of marketable species.

(d) Whether there is a forest management plan for it.

(e) If so, whether the plan is being implemented, and the nature and extent of implementation.

(f) Whether the land is used for grazing.

(g) Whether the land has been platted under ORS chapter 92.

(h) Whether the land is timberland subject to ORS chapter 477, and if it is not, the reasons therefor.

(i) Whether the land, or any of it, is subject to a lease or option which permits it to be used for any purpose other than the growing and harvesting of trees.

(j) A summary of past experience and activity of the applicant in growing and harvesting trees.

(k) A summary of current and continuing activity of the applicant in growing and harvesting trees.

(L) A statement that the applicant is aware of the potential tax liability involved when the land ceases to be designated as forestland.

(m) An affirmation that the statements contained in the application are true.

(4) The county assessor shall approve an application for forestland designation if the assessor finds that the land is properly classifiable as forestland. The county assessor shall not find land properly classifiable as forestland if:

(a) The application states the land is not being held or used for the predominant purpose of growing and harvesting trees of marketable species; or

(b) Subject to the provisions of ORS 321.257, the land does not substantially meet minimum stocking or acreage requirements under rules adopted by the department. Otherwise, the determination whether the land is properly classifiable as forestland shall be made with due regard to all relevant evidence and without any one or more items of evidence necessarily being determinative.

(5) The application shall be deemed to have been approved unless, within three months of the date such application was delivered to the assessor or prior to August 15, whichever is later, the assessor shall notify the applicant in writing of the extent to which the application is denied. [Formerly 321.618; 1981 c.804 §93; 1983 c.462 §5; 1983 c.657 §2; 1989 c.1083 §9; 1991 c.459 §293; 1997 c.541 §§392,392a; 1999 c.314 §92; 1999 c.1078 §74; 2003 c.621 §17]

Note: See note under 321.366.

321.359 Removal of designation; appeal from reassessment or denial; requalification. (1)(a) When land has once been designated as forestland either as a result of an application being filed therefor or through the application of ORS 321.347 (3) or (4), it shall be valued as such until the assessor removes the forestland designation under paragraph (b) of this subsection.

(b) The county assessor shall remove the forestland designation upon:

(A) Notification by the taxpayer to the assessor to remove the designation;

(B) Sale or transfer to an ownership making it exempt from ad valorem property taxation;

(C) Discovery by the assessor that the land is no longer forestland; or

(D) The act of recording a subdivision plat under ORS chapter 92.

(2) A taxpayer whose application filed under ORS 321.358 has been denied in whole or in part, or a taxpayer whose forestland has had the designation thereof removed in whole or in part, may appeal to the tax court within the time and in the manner provided in ORS 305.404 to 305.560.

(3) If, under subsection (1)(b)(D) of this section, the county assessor removes the forestland designation upon the act of recording a subdivision plat, the land, or a part of the land, may be requalified for forestland designation upon:

(a) Payment of all additional tax and applicable interest that remains due and owing on the land;

(b) Submission by the owner of an application for designation as forestland;

(c) Meeting all of the qualifications for designation as forestland; and

(d) Meeting the requirements, if any, of applicable local government zoning ordinances with regard to minimum lot or parcel acreage for forest use. [Formerly 321.619; 1983 c.462 §6; 1983 c.563 §2; 1985 c.759 §24a; 1987 c.158 §52; 1991 c.459 §294; 1995 c.650 §94; 1999 c.314 §51; 2003 c.621 §18]

Note: See note under 321.366.

321.360 [1963 c.606 §10; 1969 c.595 §15; 1973 c.305 §13; repealed by 1977 c.892 §51]

321.361 [1983 c.462 §8; repealed by 1991 c.459 §321]

321.362 Notation of forestland on tax roll for potential additional tax liability. The tax roll shall show the notation "Forest Land-Potential Additional Tax Liability" for each parcel of land designated as forestland by the assessor upon application of the owner or by the application of ORS 321.347 (3) or (4). That notation shall not be made with respect to parcels of undesignated forestland. [1977 c.892 §28]

321.363 [1991 c.459 §295a; repealed by 1991 c.459 §295a(2)]

321.364 [1993 c.5 §4; 1997 c.541 §396; 1999 c.314 §84; repealed by 1999 c.314 §94]

321.365 [1999 c.1078 §10; 2001 c.860 §11b; repealed by 2003 c.621 §22b]

321.366 Date on which removal of forestland designation is effective; notice of removal. (1) Notwithstanding ORS 308.210, 311.405 or 311.410, but subject to subsection (2) of this section, the removal under ORS 321.359 (1)(b)(C) of land from designation as forestland because the land is no longer forestland shall occur as of the January 1 assessment date for the tax year in which the county assessor discovers that the land is no longer forestland.

(2) Subsection (1) of this section applies only if notice of the removal is mailed by the county assessor prior to August 15 of the tax year for which the removal of the land is asserted. [2003 c.621 §15]

Note: Section 21, chapter 621, Oregon Laws 2003, provides:

Sec. 21. Section 15 of this 2003 Act [321.366] and the amendments to ORS 321.356, 321.358, 321.359, 321.367 and 321.390 by sections 16 to 19 and 20a of this 2003 Act apply to property tax years beginning on or after July 1, 2004. [2003 c.621 §21; 2003 c.621 §21a]

321.367 Forestland management; effect of failure to manage forestland in accordance with management plan; rules. (1) The State Forester shall identify all of the forestlands that fail to meet the minimum stocking required under ORS 527.610 to 527.770 and 527.992 and that are therefore underproductive as described under ORS 526.455.

(2) At any time the State Forester has reason to believe that forestland is not being managed as forestland, the State Forester shall review the owner's management plan, if any, and inspect the property. Subject to subsection (5) of this section, the State Forester shall advise the owner as prescribed in subsection (3) of this section if the State Forester determines the land is not being managed in accordance with a plan that provides for:

(a) Regeneration of all suitable nonstocked land;

(b) Maintenance of a free-to-grow condition;

(c) Protection from fire, insects, disease, animal damage, undesirable vegetative competition; and

(d) Final harvest.

(3)(a) The State Forester shall advise the owner that the land is not being managed in accordance with a plan that meets the criteria set forth in subsection (2) of this section and that a plan for the land that does meet the criteria must be developed and activated within one year after the date of the advisement.

(b) At the request of the owner, the State Forester shall assign a forester or provide a listing of foresters to assist the owner in developing and implementing an appropriate management plan for the land.

(c) As soon as practicable after the time indicated in the advisement has expired, the State Forester shall view the land to determine if the land is being managed in accordance with a plan that meets the criteria set forth in subsection (2) of this section. If, upon inspection, the State Forester finds that the land is not being so managed, the State Forester shall notify the owner and the county assessor.

(4) The county assessor, upon receipt of the notice from the State Forester, shall cease to treat that land as forestland under ORS 321.257 to 321.390 and shall value the land as prescribed under ORS 308.146 and 308.232.

(5) If at the time that the State Forester views the land under subsection (3)(c) of this section, it is determined that a change in ownership has occurred, the State Forester shall notify the new owner as required under subsection (3) of this section in the manner of the original notification.

(6) When the owner of land disqualified from forestland assessment provides satisfactory information to the State Forester of subsequent action taken to correct the deficiency resulting in the disqualification of land, or provides an acceptable management plan to correct such deficiency, the State Forester shall so indicate to the county assessor. The assessor shall then assess the land under ORS 321.257 to 321.390, if the land is otherwise qualified for such assessment.

(7) The State Forester shall adopt rules necessary to carry out the purposes of this section. [1977 c.892 §28a; 1979 c.454 §5; 1983 c.669 §1; 1987 c.158 §53; 1991 c.854 §7; 1993 c.801 §38b; 2003 c.621 §19]

Note: See note under 321.366.

321.372 [1977 c.892 §29; 1979 c.350 §15; 1983 c.462 §16; 1985 c.759 §25; 1991 c.459 §296; repealed by 1999 c.314 §94]

321.375 [1981 c.428 §3; 1985 c.759 §26; 1991 c.459 §297; 1993 c.270 §72; repealed by 2003 c.621 §22]

321.377 [1977 c.892 §53; repealed by 1985 c.759 §40]

321.379 [1989 c.1083 §5; 1993 c.653 §14; 1995 c.350 §3; 1999 c.1078 §27; repealed by 2003 c.621 §22]

321.381 [1989 c.1083 §6; 1999 c.1078 §72; repealed by 2003 c.621 §22]

321.390 Land used to grow certain hardwood to be assessed as farm use land; application required for unzoned land. (1) Land described in ORS 321.267 (3) (relating to hardwood timberland, including hybrid cottonwood timberland) shall be assessed as farm use land under ORS 308A.050 to 308A.128.

(2)(a) If land is or becomes land described under ORS 321.267 (3) and the land is not located within an exclusive farm use zone, the owner shall make application for special valuation as farm use land in the manner provided under ORS 308A.077, as follows:

(A) If the change in use takes place on or after July 1, the owner shall file the application on or before April 1 of the following year.

(B) If the change in use takes place prior to July 1, the owner shall file the application on or before August 1 of the same year.

(b) If an application is filed as provided under this subsection, the owner shall have seven years beginning with the first year of classification to meet the income requirements of ORS 308A.071 and need not meet the two-year farm use requirements of ORS 308A.068. [1989 c.887 §8; 1991 c.459 §298; 1999 c.314 §52; 2003 c.454 §126; 2003 c.621 §20a]

Note: See note under 321.366.

PHASEOUT OF EASTERN OREGON PRIVILEGE TAX

321.405 [1961 c.627 §1; 1971 c.654 §7; 1983 c.539 §3; 1985 c.759 §27; 1993 c.653 §15; 1993 c.801 §22; 1999 c.631 §3; repealed by 2003 c.621 §35b]

321.408 [1993 c.801 §25; 2003 c.621 §29; renumbered 321.808 in 2003]

321.410 [1961 c.627 §2; 1993 c.801 §23; 2003 c.621 §30; renumbered 321.817 in 2003]

321.415 [1961 c.627 §5; 1963 c.60 §1; 1977 c.892 §39; 1983 c.657 §3; 1991 c.714 §1; 1993 c.801 §26; 1995 c.79 §176; 1997 c.154 §52; 1999 c.1078 §49; 2001 c.46 §2; 2001 c.114 §45; 2003 c.454 §112; 2003 c.621 §31; renumbered 321.824 in 2003]

321.420 [1961 c.627 §3; 1963 c.225 §1; 1971 c.654 §8; 1993 c.801 §27; 1999 c.19 §8; 1999 c.1078 §51; 2003 c.621 §32; renumbered 321.829 in 2003]

321.421 [1993 c.801 §29; 1999 c.1078 §53; repealed by 2003 c.621 §35b]

321.425 [1961 c.627 §4; 1977 c.892 §39a; repealed by 1993 c.801 §43]

321.426 [1991 c.714 §3; 1993 c.801 §39; repealed by 2003 c.621 §35b]

321.430 [1961 c.627 §4a; 1983 c.563 §3; 1985 c.761 §19; 1993 c.98 §15; 1993 c.653 §17; 1993 c.801 §30; 1995 c.350 §4; repealed by 2003 c.621 §35b]

321.432 [1987 c.551 §5; 1991 c.459 §302; 1993 c.801 §31; 2003 c.454 §71a; repealed by 2003 c.621 §§35b,35c]

321.434 [1995 c.350 §2; repealed by 2003 c.621 §35]

321.435 [1961 c.627 §6; 1963 c.86 §1; 1979 c.454 §6; 1981 c.706 §12; 1989 c.588 §2; 1991 c.459 §303; 1993 c.653 §18; repealed by 2003 c.621 §35b]

321.440 [1961 c.627 §7; 1975 c.593 §20; 1977 c.870 §49; 1981 c.706 §13; 1982 s.s.1 c.16 §15; 1983 c.563 §4; repealed by 1985 c.759 §40]

321.445 [1961 c.627 §8; 1981 c.706 §14; repealed by 1985 c.759 §40]

321.450 [1961 c.627 §9; 1981 c.706 §15; 1983 c.696 §16; 1983 c.740 §96; repealed by 1985 c.759 §40]

321.455 [1961 c.627 §10; repealed by 1981 c.706 §16]

321.460 [1961 c.627 §11; 1977 c.892 §40; repealed by 1985 c.759 §40]

321.465 [1961 c.627 §12; 1983 c.740 §97; repealed by 1985 c.759 §40]

321.470 [1961 c.627 §13; 1965 c.6 §13; 1967 c.115 §1; repealed by 1977 c.870 §59]

321.475 [1961 c.627 §14; repealed by 2003 c.621 §35b]

321.480 [1961 c.627 §15; repealed by 1985 c.759 §40]

321.485 Eastern Oregon Timber Tax Account; deposit of tax revenues; refunds; distribution to State School Fund, Community College Support Fund and counties. (1) The revenue from the taxes imposed by ORS 321.405 to 321.487 (2001 Edition) shall be remitted by the Department of Revenue to the State Treasurer, who shall deposit it in a suspense account, separate and distinct from the General Fund, established under the provisions of ORS 293.445 that shall be known as the Eastern Oregon Timber Tax Account. Interest earned on cash balances invested by the State Treasurer shall be credited to this account. Moneys are appropriated continuously from the Eastern Oregon Timber Tax Account for use in reimbursing the General Fund for expenses incurred in the collection of taxes imposed by ORS 321.405 to 321.487 (2001 Edition) and other expenses associated with administering forest taxes and for costs incurred by the State Forestry Department in carrying out the provisions of ORS 526.425 by providing assistance to nonindustrial private forest landowners in eastern Oregon.

(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay refunds of the taxes imposed under ORS 321.405 to 321.487 (2001 Edition) is appropriated continuously to the department from the suspense account referred to in subsection (1) of this section, and shall be used by the department for the payment of all refunds of taxes imposed under ORS 321.405 to 321.487 which have been audited and approved by the department. Any penalties, interest and taxes then due from the taxpayer shall be applied in that order in

computing any refund, and only the balance due the taxpayer, if any, shall be refunded.

(3) Moneys remaining in the Eastern Oregon Timber Tax Account following the appropriations described in subsections (1) and (2) of this section shall be distributed as follows:

(a) Sixty-five percent of moneys that are derived from the harvest of timber on land subject to assessment under ORS 321.811 (8) to (11) (2001 Edition) shall be distributed as follows:

(A) Ninety-three percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the State School Fund for the purposes for which State School Fund moneys may be spent.

(B) Seven percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the Community College Support Fund established under ORS 341.620.

(b) Thirty-five percent of moneys that are derived from the harvest of timber on land subject to assessment under ORS 321.811 (8) to (11) (2001 Edition) shall be distributed to county general funds of eastern Oregon counties.

(c) The balance of the account shall be distributed as follows:

(A) Ninety-three percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the State School Fund for the purposes for which State School Fund moneys may be spent.

(B) Seven percent of the amount distributed under this paragraph shall be transferred to and is continuously appropriated to the Community College Support Fund established under ORS 341.620.

(4)(a) Moneys that are to be distributed to eastern Oregon counties under subsection (3)(b) of this section shall be distributed to each eastern Oregon county in the proportion that the assessed value of forestland in the county in the preceding fiscal year bears to the total assessed value of forestland for the preceding fiscal year.

(b) The Department of Revenue may adopt rules to further implement the distribution calculation described in this subsection.

(5) All moneys distributed to counties pursuant to subsection (4) of this section are continuously appropriated to the counties to which the moneys are distributed. On or before August 15 of each fiscal year, the department shall determine the amount distributable to counties from the Eastern Oregon Timber Tax Account as of May 1 of the preceding fiscal year, and shall remit to the counties the amounts so determined. The department shall certify to the county assessor the amount remitted to the county under this subsection.

(6) The amount of Eastern Oregon Timber Tax Account moneys to be transferred for a fiscal year under subsection (3)(a) and (c) of this section shall be determined as of May 1 of the fiscal year and transferred on or before May 15 of the fiscal year in which the distribution is being made.

(7) A working balance may be retained in the Eastern Oregon Timber Tax Account for the payment of administrative expenses described in subsection (1) of this section. [1961 c.627 §16 (1), (2), (3) and (5); 1963 c.86 §2; 1971 c.408 §2; 1981 c.623 §8; 1985 c.759 §28; 1989 c.966 §25; 1993 c.801 §40; 1997 c.586 §2; 1999 c.19 §10; 1999 c.1078 §55; 2003 c.454 §72; 2003 c.621 §34]

Note: 321.485 is repealed December 31, 2006. See section 37, chapter 621, Oregon Laws 2003.

Note: Section 38, chapter 621, Oregon Laws 2003, provides:

Sec. 38. Any moneys remaining in the Eastern Oregon Timber Tax Account on December 31, 2006, are transferred to the General Fund and may be used for any purpose for which General Fund moneys may be used. [2003 c.621 §38]

321.487 Privilege tax distribution to offset operating taxes. Each year, when extending the operating taxes, as defined in ORS 310.055, of the county upon the assessment roll, the county assessor shall reduce the operating tax rate submitted by the county so as to offset the amount of revenue distributed to the county pursuant to ORS 321.485 (3)(b) against the operating taxes of the county for the current fiscal year. [1999 c.1078 §57; 2001 c.114 §46; 2001 c.509 §5]

Note: 321.487 is repealed December 31, 2006. See section 37, chapter 621, Oregon Laws 2003.

321.490 [1961 c.627 §16(4); 1963 c.86 §3; 1979 c.438 §6; repealed by 1985 c.759 §40]

321.495 [1961 c.627 §17; repealed by 1971 c.408 §4]

321.500 [1961 c.627 §18; repealed by 1971 c.408 §4]

321.505 [1961 c.627 §19; 1963 c.86 §4; repealed by 1971 c.408 §4]

321.510 [1961 c.627 §20; 1965 c.326 §1; repealed by 1971 c.408 §4]

321.515 [1961 c.627 §21; 1971 c.408 §3; 1991 c.459 §304; 1993 c.801 §32; repealed by 1999 c.1078 §86]

321.520 [1961 c.627 §22; repealed by 1999 c.1078 §85]

321.525 [1961 c.627 §23; 1963 c.86 §5; repealed by 1971 c.408 §4]

321.530 [1961 c.627 §24; 1967 c.335 §37; repealed by 1971 c.408 §4]

GENERALLY

321.550 Notice of intent to harvest; rules; effect of failure to file notice. (1) No person shall harvest or cause to be harvested any timber from land in Oregon without first having notified the State Forester in writing with a copy to the Department of Revenue on forms prepared by the State Forester and the department of intent to harvest pursuant to ORS 321.005 to 321.185, 321.560 to 321.600 and 321.700 to 321.754.

(2) The notification shall specify where and when the harvest will take place and the nature of the harvest and shall include maps and other data as required by the State Forester and the department. The department shall establish by rule procedures to assure the receipt of the tax returns sent out or a report of nonharvest from the person. The department shall conduct field and office audits to ascertain the correctness of any timber tax return.

(3)(a) If a person fails to file a written notice as required in subsection (1) of this section with respect to any harvest over 5,000 board feet, the department shall notify the person. If, after the person has been notified, the person fails to file a written notice as required in subsection (1) of this section with respect to any subsequent harvest over 5,000 board feet, there shall be added to the amount of the timber tax required to be shown on the return as a result of the subsequent harvest a delinquency penalty of $250 for each violation occurring within a calendar year. The department shall collect the penalty in the same manner as taxes are collected.

(b) No penalty shall be imposed under this subsection if a penalty for failure to file the notice with the State Forester has been imposed under ORS 527.992.

(c) The delinquency penalty shall first be added to the small tract forestland timber severance tax imposed under ORS 321.700 to 321.754, if applicable to the harvest. If the small tract forestland timber severance tax is not applicable, the delinquency penalty shall be added to the forest products harvest tax imposed under ORS 321.005 to 321.185. [1985 c.759 §2; 1989 c.588 §4; 1991 c.459 §305; 1993 c.801 §41; 2003 c.454 §54; 2003 c.621 §39a]

Note: Section 62, chapter 454, Oregon Laws 2003, provides:

Sec. 62. The amendments to ORS 321.550, 321.560, 321.570, 321.580, 321.600, 321.609, 321.682 and 321.684 by sections 54 to 61 of this 2003 Act apply to timber harvest, privilege and severance tax reporting periods beginning on or after January 1, 2004, and to property tax years beginning on or after July 1, 2004. [2003 c.454 §62]

Note: Section 47, chapter 621, Oregon Laws 2003, provides:

Sec. 47. The amendments to ORS 321.550, 321.560, 321.570, 321.580, 321.600, 321.609, 321.682 and 321.684 by sections 39a, 40a, 41a, 42a, 43a, 44a, 45a and 46 of this 2003 Act apply to forest products harvest tax and small tract forestland timber severance tax reporting periods beginning on or after January 1, 2004. [2003 c.621 §47; 2003 c.621 §47a]

321.560 Audit of returns; interest and penalties upon failure to file return or pay tax. (1) The provisions of ORS chapters 305 and 314 as to the audit and examination of reports and returns, determination of deficiencies, liens, assessments, claims for refund, conferences and appeals to the Oregon Tax Court, and the procedures relating thereto, apply to the determination of taxes, penalties and interest imposed under ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754, except where the context requires otherwise.

(2) If a taxpayer fails to file a return required by ORS 321.045 or 321.700 to 321.754, or fails to pay a tax at the time the tax becomes due, there shall be added to the amount of tax required to be shown on the return a delinquency penalty of five percent of the amount of such tax.

(3) If the failure to file a return continues for a period in excess of three months after the due date, there shall be added to the amount of tax required to be shown on the return a failure to file penalty of 20 percent of the amount of such tax. This penalty is in addition to the delinquency penalty imposed by subsection (2) of this section.

(4) If all or any part of the delinquency or deficiency for which a determination is made is due to fraud or an intent to evade the provisions of ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754, or the rules adopted thereunder, a penalty of 100 percent of such delinquency or deficiency shall be added, plus interest at the rate established under ORS 305.220 for each month, or any fraction thereof, computed on the full amount of the delinquency or deficiency plus penalty, from the time the return was due.

(5) For purposes of this section, the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax that is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax that may be lawfully claimed upon the return.

(6) A delinquent tax or a deficiency shall bear interest at the rate established under ORS 305.220 for each month, or any fraction thereof, from the time the return was due. [Formerly 321.055; 1991 c.459 §306; 1995 c.53 §4; 1995 c.350 §5; 1995 c.650 §95; 2003 c.454 §55; 2003 c.621 §40a]

Note: See notes under 321.550.

321.570 Warrant for collection of delinquent taxes. (1) If any tax imposed by ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754, or any portion of the tax, is not paid within 30 days after the date that the written notice and demand for payment required under ORS 305.895 is mailed, the Department of Revenue may issue a warrant, directed to the sheriff of any county of the state, commanding the sheriff to levy upon and sell the real and personal property of the taxpayer owning the same, found within that county, for the payment of the amount of the tax, with the added penalties, interest and cost of executing the warrant, and to return the warrant to the department and to pay to it the money collected from the sale, within 60 days after receipt of the warrant. A copy of the warrant shall be mailed or delivered to the taxpayer by the department at the taxpayer's last-known address.

(2) The sheriff shall, within five days after the receipt of the warrant, record a copy with the county clerk, and the clerk shall immediately enter in the County Clerk Lien Record the name of the taxpayer mentioned in the warrant, and the amount of the tax or portion of the tax and penalties for which the warrant is issued and the date when the copy is recorded. The amount of the warrant so recorded shall become a lien upon the title to and interest in real property of the taxpayer against which it is issued, in the same manner as a judgment that creates a judgment lien under ORS chapter 18. The sheriff immediately shall proceed upon the warrant in all respects, with like effect, and in the same manner prescribed by law in respect to executions issued against property upon judgments of a court of record, and shall be entitled to the same fees for services in executing the warrant, to be added to and collected as a part of the warrant liability.

(3) In the discretion of the department a warrant of like terms, force and effect may be issued and directed to any agent authorized to collect this tax. In the execution of the warrant, such agent has the powers conferred by law upon sheriffs, but is entitled to no fee or compensation in excess of actual expenses paid in the performance of such duty.

(4) If a warrant is returned not satisfied in full, the department shall have the same remedies to enforce the claim for taxes against the taxpayer as if the state had a recorded judgment against the taxpayer for the amount of the tax. [Formerly 321.075; 1989 c.625 §78; 2003 c.454 §56; 2003 c.576 §203; 2003 c.621 §41a]

Note: See notes under 321.550.

321.580 Effect of failure or refusal to make return. If any taxpayer neglects or refuses to make a return required to be made by ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754, the Department of Revenue is authorized to determine the tax due, based upon any information in its possession or that may come into its possession. The department shall give the taxpayer written notice of the tax and delinquency charges and the tax and delinquency charges shall be a lien from the time of severance. If the tax and delinquency charges are not paid within 30 days from the mailing of the notice, the department shall proceed to collect the tax in the manner provided in ORS 321.570. [Formerly 321.092; 2003 c.454 §57; 2003 c.621 §42a]

Note: See notes under 321.550.

321.590 [Formerly 321.095; repealed by 1993 c.801 §43]

321.600 Tax as debt; collection; limitation. All taxes, interest and penalties due and unpaid under ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754 constitute a debt due the State of Oregon and may be collected, together with interest, penalty and costs, by appropriate judicial proceeding, which remedy is in addition to all other existing remedies. However, no proceeding for the collection of taxes under ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754 shall be instituted after the expiration of six years from the date the taxes were due. [Formerly 321.105; 2003 c.454 §58; 2003 c.621 §43a]

Note: See notes under 321.550.

321.605 [1961 c.659 §2; 1963 c.60 §2; 1967 c.543 §1; 1975 c.745 §1; repealed by 1977 c.892 §51]

321.609 Enforcement of certain statutes by department; rules. (1) ORS 321.005 to 321.185, 321.560 to 321.600 and 321.700 to 321.754 shall be enforced and the taxes imposed by ORS 321.005 to 321.185, 321.560 to 321.600 and 321.700 to 321.754 shall be collected by the Department of Revenue, which shall have the power to prescribe forms and to adopt rules for the ascertainment, assessment and collection of the taxes imposed by ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754.

(2) For the purpose of determining the taxes imposed by ORS 321.005 to 321.185, 321.560 to 321.600 or 321.700 to 321.754, the department may:

(a) Require any person to furnish any information deemed necessary.

(b) Examine the books, records and files of such person.

(c) Subpoena and examine witnesses and administer oaths.

(d) Enter upon and inspect the land of any owner of the land from which any timber has been harvested. [Formerly 321.135; 1999 c.21 §55; 2003 c.454 §59; 2003 c.621 §44a]

Note: See notes under 321.550.

321.610 [1961 c.659 §1; repealed by 1977 c.892 §51]

321.615 [1961 c.659 §3; repealed by 1977 c.892 §51]

321.617 [Formerly part of 321.620; repealed by 1977 c.892 §51]

321.618 [Formerly part of 321.620; 1973 c.237 §1; 1977 c.884 §21; 1977 c.892 §54b; renumbered 321.358]

321.619 [Formerly part of 321.620; 1971 c.684 §5; 1977 c.870 §50; 1977 c.892 §27; 1977 c.893 §20c; renumbered 321.359]

321.620 [1961 c.659 §4; 1965 c.191 §1; 1967 c.93 §4; 1967 c.543 §2; renumbered 321.617, 321.618, 321.619 and 321.621]

321.621 [Formerly part of 321.620; repealed by 1977 c.892 §51]

321.622 [1961 c.659 §7(1), (3); repealed by 1977 c.892 §51]

321.625 [1961 c.659 §6(1); repealed by 1977 c.892 §51]

321.630 [1961 c.659 §6(2); repealed by 1977 c.892 §51]

321.635 [1961 c.659 §7(2); repealed by 1977 c.884 §32; 1977 c.892 §51]

321.640 [1961 c.659 §8; repealed by 1977 c.892 §51]

321.645 [1961 c.659 §5(1), (2), (3), (4) and (5); repealed by 1977 c.892 §51]

321.650 [1961 c.659 §5(6); 1975 c.636 §1; repealed by 1977 c.892 §51]

321.655 [1961 c.659 §5(7), (8); 1967 c.78 §6; repealed by 1977 c.892 §51]

321.660 [1961 c.659 §5(9); 1965 c.6 §14; 1967 c.78 §7; repealed by 1977 c.892 §51]

321.665 [1961 c.659 §5(10); 1963 c.60 §3; repealed by 1977 c.892 §51]

321.670 [1961 c.659 §5(11); repealed by 1977 c.892 §51]

321.675 [1961 c.659 §5(12); repealed by 1977 c.892 §51]

321.680 [1961 c.659 §5(13); 1963 c.576 §39; repealed by 1977 c.892 §51]

321.682 Confidentiality of reports, returns and appraisal data. (1) Except as otherwise specifically provided by law, it shall be unlawful for the Department of Revenue or any officer or employee of the department to divulge or make known in any manner the amount of the tax or any particulars set forth or disclosed in any report or return required to be filed under ORS 321.045 or 321.741 or any appraisal data collected to make determinations of specially assessed value of forestland pursuant to ORS 321.201 to 321.222. It shall be unlawful for any person or entity to whom information is disclosed or given by the department pursuant to ORS 321.684 (2) or any other provision of state law to divulge or use such information for any purpose other than that specified in the provisions of law authorizing the use or disclosure. No subpoena or judicial order shall be issued compelling the department or any of its officers or employees, or any person who has acquired information pursuant to ORS 321.684 (2) or any other provision of state law, to divulge or make known the amount of tax or any particulars set forth or disclosed in any report or return except where the taxpayer's liability for timber tax is to be adjudicated by the court from which such process issues.

(2) As used in this section, "officer," "employee" or "person" includes an authorized representative of the officer, employee or person, or any former officer, employee or person, or an authorized representative of such former officer, employee or person. [1989 c.1083 §18; 2001 c.860 §26; 2003 c.454 §60; 2003 c.621 §45a]

Note: See notes under 321.550.

321.684 Authority of department to make certain disclosures. (1) The Department of Revenue may:

(a) Furnish to any taxpayer or authorized representative, upon request of the taxpayer or authorized representative, a copy of the taxpayer's forest products harvest tax report or return required by ORS 321.045, 321.322, 321.435, 321.741 or 321.950 that is filed with the department for any year, or a copy of any report filed by the taxpayer in connection with the return.

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

(c) Publish statistics classified so as to prevent the identification of taxable value or any particulars contained in any report or return.

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

(e) Disclose to the State Forester, upon request of the forester, for the purpose of soliciting nominations and recommendations referred to in ORS 526.610, the names of producers meeting producer class qualifications established under ORS 526.610 who filed forest products harvest tax returns.

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

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

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

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

(c) The Attorney General, assistants and employees in the Department of Justice or other legal representative of the State of Oregon, to the extent the department considers

disclosure or access necessary for the performance of the duties of advising or representing the department pursuant to ORS 321.045 and 321.741.

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

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

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

(3) Each officer or employee of the department and each person described or referred to in subsection (2)(b) to (f) of this section to whom disclosure or access to the tax information is given under subsection (2) of this section or any other provision of state law, prior to beginning employment or the performance of duties involving such disclosure or access, shall be advised in writing of the provisions of ORS 321.682 and 321.686 relating to penalties for the violation of ORS 321.682, and shall, as a condition of employment or performance of duties, execute a certificate for the department, in a form prescribed by the department, stating in substance that the person has read these provisions of law, that the person has had them explained and that the person is aware of the penalties for the violation of ORS 321.682. [1989 c.1083 §19; 1991 c.949 §24; 1993 c.653 §22; 1995 c.225 §1; 1999 c.1078 §81; 2001 c.860 §27; 2003 c.423 §8; 2003 c.454 §61; 2003 c.621 §46]

Note: See notes under 321.550.

Note: 321.322, 321.435 and 321.950 were repealed by sections 22b and 35b, chapter 621, Oregon Laws 2003. The text of 321.684 was not amended by enactment of the Legislative Assembly to reflect the repeal. Editorial adjustment of 321.684 for the repeal of 321.322, 321.435 and 321.950 has not been made.

321.686 Penalty for violation of ORS 321.682. Violation of ORS 321.682 is subject to a fine not exceeding $5,000 or, if an officer or employee of the state, dismissal or removal from office or employment, or both fine and dismissal or removal from office or employment. [1989 c.1083 §20]

SMALL TRACT FORESTLAND PROGRAM

321.700 Definitions for ORS 321.700 to 321.754. As used in ORS 321.700 to 321.754:

(1) "Common ownership" means direct ownership by one or more individuals or ownership by a corporation, partnership, association or other entity in which an individual owns a majority interest.

(2) "Contiguous" means having a common boundary that is greater than a single point.

(3) "Contiguous parcels":

(a) Includes parcels separated by public or county roads, state highways, nonnavigable streams or nonnavigable rivers.

(b) Does not include parcels that are separated by an interstate highway, a navigable stream or a navigable river, unless there is an underpass, a bridge or another direct access between the separated parcels.

(4) "Department" means the Department of Revenue.

(5) "Eastern Oregon" means that portion of the State of Oregon lying east of a line beginning at the intersection of the northern boundary of the state and the western boundary of Wasco County, thence southerly along the western boundaries of the counties of Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the state.

(6) "Forestland" means land that meets the definition of forestland under ORS 321.257 if the land is located in western Oregon or land that meets the definition of forestland in ORS 321.805 if located in eastern Oregon.

(7) "Harvest" means the point at which timber that has been cut, severed or removed for purposes of sale or use is first measured in the ordinary course of business as determined by reference to common practice in the timber industry.

(8) "Land class" means a forestland land class described in ORS 321.210 or eastern Oregon forestland.

(9) "Owner of timber" has the meaning given that term in ORS 321.005.

(10) "Parcel" means a quantity of land that is capable of being described in a single description by a closed traverse, as one or more subsections or sections of a township, as one or more lots, blocks or tracts in a subdivision or as one or more tax lots.

(11) "Small tract forestland" means forestland subject to assessment under ORS

321.700 to 321.754 and from which the harvesting of timber is subject to severance taxation under ORS 321.700 to 321.754.

(12) "Taxpayer" means the owner of timber at time of harvest.

(13) "Timber" includes logs that are capable of being measured in board feet and that meet or exceed minimum sawmill grade and other forest products determined by the Department of Revenue by rule.

(14) "Unit of proper measurement" means any unit of measurement commonly used in the timber industry for measuring timber and harvested timber products.

(15) "Western Oregon" means that portion of the State of Oregon lying west of a line beginning at the intersection of the northern boundary of the state and the western boundary of Wasco County, thence southerly along the western boundaries of the counties of Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the state. [2003 c.454 §1]

Note: Section 16, chapter 454, Oregon Laws 2003, provides:

Sec. 16. Sections 1 to 14 of this 2003 Act [321.700 to 321.754] apply to:

(1) Property tax years beginning on or after July 1, 2004; and

(2) Timber severance tax reporting periods beginning on or after January 1, 2004. [2003 c.454 §16]

321.703 Legislative findings and declarations. (1) The Legislative Assembly finds that:

(a) Oregon forests are dynamic ecosystems that make vital contributions to all Oregonians. Environmental benefits of forests include habitats for diverse life forms, clean and oxygenated air, clean, filtered and recycled water and stabilized productive soil. Economic benefits of forests include renewable raw material for paper and wood products used by everyone in daily living. Social benefits of forests include scenic landscapes and vistas, open space, solitude and outdoor recreation.

(b) Healthy productive forests provide a sustainable flow of goods, services, values and products.

(c) Private family and nonindustrial forestlands are important parts of the forest resource base of this state. Private family and nonindustrial forestlands make major contributions to the economy of this state and provide many other social and environmental benefits.

(d) Because of the wide array of management goals and objectives that apply to private family and nonindustrial forestlands, these forestlands provide a great range of valuable forest diversity across the landscape of this state.

(e) Many lower gradient streams, which are key components of numerous watersheds and are extremely important for some aquatic species, flow through private family and nonindustrial forestlands.

(f) The interests of this state, its citizens and future citizens are best served by sustainable forest practices and taxing policies that encourage maintaining and establishing diverse forest resources for watersheds, commerce, recreation and stabilized employment levels. These practices and policies prevent shifts in population and encourage the processing of forest products within Oregon.

(g) Timber on private land that is managed on a sustainable basis should be treated as a crop and not taxed as real property.

(h) A tax imposed at the time of harvest coincides with the cash flow of small timber operations and recognizes the hazards and uncertainties involved in growing a long-term timber crop on a sustainable basis.

(2) The Legislative Assembly declares the purposes of the small tract forestland tax option program established under ORS 321.700 to 321.754 are to:

(a) Impose property taxes on forestland values that are annually determined and adjusted as described in ORS 321.201 to 321.222 and then specially assessed; and

(b) Impose a severance tax on the harvesting of timber from small tract forestland in order to:

(A) Recognize the long-term nature of the forest crop and foster the public policy of this state to encourage the growing and harvesting of timber;

(B) Protect the public welfare by ensuring that the citizens of this state and future generations will have the benefits to be derived from the continuous production of forest products from privately held small tract forestland;

(C) Promote the public policy of this state to encourage forestry and the restocking of forestlands in order to provide present and future benefits, including but not limited to water supply enhancement, erosion prevention, wildlife habitat, scenic and recreational opportunities and needed forest products;

(D) Produce revenues for local taxing districts;

(E) Match the incidence of taxation with the realization of the economic benefits of harvest; and

(F) Encourage the establishment of new forests on denuded, nonstocked or underproducing forestland. [2003 c.454 §2]

Note: See note under 321.700.

321.705 [1961 c.714 §1; 1977 c.892 §41; 1977 c.893 §1a; 1979 c.553 §1; 1997 c.586 §3; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.706 Application for small tract forestland qualification; contents; filing deadlines; review; appeal. (1) An owner of forestland seeking to have the forestland qualified under ORS 321.700 to 321.754 shall apply to the county assessor of the county in which the forestland is located for qualification of the forestland as small tract forestland. If the forestland to be qualified is located in more than one county, the owner shall apply for qualification to the county assessor of each county in which the forestland is located.

(2) An application shall be made on a form prescribed by the Department of Revenue and supplied by the county assessor that contains:

(a) The name and address of the forestland owner;

(b) The taxpayer identification number of the forestland owner;

(c) A statement listing the county and containing a description sufficient to identify the location of all land for which small tract forestland qualification is sought;

(d) A statement describing the uses of the land for which qualification as small tract forestland is sought;

(e) A statement indicating the extent to which the land that has been the subject of the application has been platted under ORS chapter 92;

(f) The total acreage of Oregon forestland owned or held in common ownership by the owner;

(g) A statement that the applicant is aware of the potential tax liability that arises under ORS 308A.703 and 308A.707 upon disqualification of small tract forestland;

(h) An affirmation that the statements contained in the application are true; and

(i) Any other relevant information the department may prescribe.

(3) The applicant shall file the application with the county assessor on or before the later of:

(a) April 1 of the first assessment year for which the forestland is to be qualified as small tract forestland;

(b) In the case of land that is omitted property, within 30 days of the notice of assessment of the property as omitted property; or

(c) December 15 of the first assessment year for which the forestland is to be qualified as small tract forestland if:

(A) For the prior assessment year the land was highest and best use forestland; and

(B) For the current assessment year the land is being assessed at a value reflecting a use other than highest and best use forestland.

(4) The county assessor shall review an application and qualify the forestland under ORS 321.700 to 321.754 if the land meets the qualifications for small tract forestland under ORS 321.709.

(5) Land that qualifies as small tract forestland is also disqualified from any other special assessment program as of the tax year for which the land first qualifies as small tract forestland.

(6) An application shall be deemed approved unless, within three months of the date the application was made or before August 15 of the year in which the application was filed, whichever is later, the county assessor notifies the applicant in writing that the application has been wholly or partially denied.

(7) A taxpayer may appeal the decision of the county assessor to wholly or partially deny an application for small tract forestland qualification to the tax court in the time and manner prescribed under ORS 305.404 to 305.560.

(8) In the case of property that qualifies as small tract forestland, the county assessor shall send to the department a written notification of the qualification and a copy of the application. [2003 c.454 §3]

Note: See note under 321.700.

321.709 Small tract forestland qualification requirements. (1) To qualify for small tract forestland assessment under ORS 321.700 to 321.754 for each tax year:

(a) The owner of the land that is the subject of an application filed under ORS 321.706 must own or hold common ownership interest in at least 10 acres of Oregon forestland but less than 5,000 acres of Oregon forestland;

(b) The land that is the subject of the application must constitute all forestland within a single tax lot and all forestland within contiguous parcels owned or held in common ownership by the owner; and

(c) The forestland that is the subject of the application must meet minimal stocking and species requirements applicable to forestland under rules adopted by the Department of Revenue.

(2)(a) Whether land qualifies for small tract forestland assessment shall be determined as of January 1 of each assessment year.

(b) If land qualified for small tract forestland assessment under this section as of January 1 of an assessment year but is disqualified from small tract forestland assessment prior to July 1 of the same assessment year, the land shall be assessed as provided under ORS 308.146 or as otherwise provided by law.

(c) If land qualified for small tract forestland assessment under this section as of January 1 of an assessment year but ceases to meet the qualifications for small tract forestland assessment on or after July 1, the land shall continue to be assessed as small tract forestland for the current tax year.

(d) The land that is the subject of the application must not have been disqualified from small tract forestland assessment under ORS 321.700 to 321.754 for any of the five tax years preceding the year for which small tract forestland assessment is sought under this section.

(3) For each year that land qualifies for small tract forestland assessment, the county assessor shall enter the notation "potential additional tax liability" on the assessment and tax roll. [2003 c.454 §4]

Note: See note under 321.700.

321.710 [1961 c.714 §2; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.712 Circumstances under which notification is required; disqualification for failure to notify. (1) An owner of small tract forestland shall notify the county assessor:

(a) When the owner acquires, either directly or through common ownership, one or more tax lots that are contiguous to small tract forestland owned or held in common ownership by the owner;

(b) When the owner acquires, either directly or through common ownership, additional forestland that results in the owner's owning or holding in common ownership more than 5,000 acres of Oregon forestland;

(c) When the owner sells, either directly or through common ownership, small tract forestland that results in the owner's owning or holding in common ownership less than 10 acres of Oregon forestland; or

(d) When there is a change in use of any portion of small tract forestland to a use that is not a forestland use.

(2) The notification under subsection (1) of this section must be made in writing.

(3) The county assessor may disqualify small tract forestland if the assessor discovers an acquisition, sale or change in use described in subsection (1) of this section for which the owner did not give written notification as required under this section.

(4) The county assessor shall send a copy of any notification made under this section and received by the assessor to the Department of Revenue. [2003 c.454 §5]

Note: See note under 321.700.

321.715 [1961 c.714 §9; 1975 c.617 §3; 1997 c.541 §400; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.716 Disqualification; requalification under certain circumstances. (1) The county assessor shall disqualify land as small tract forestland upon:

(a) Sale or transfer of the small tract forestland;

(b) Discovery by the assessor that the land is no longer forestland;

(c) The owner's owning or holding in common ownership more than 5,000 acres of Oregon forestland;

(d) The owner's owning or holding in common ownership less than 10 acres of Oregon forestland;

(e) Written notice from the State Forestry Department that the land no longer meets the stocking and species requirements applicable to small tract forestland under rules adopted by the Department of Revenue;

(f) The land's qualifying for another special assessment listed in ORS 308A.703 (1); or

(g) The recording of a subdivision plat under ORS chapter 92 that subdivides the land.

(2) If, pursuant to subsection (1)(g) of this section, the county assessor disqualifies small tract forestland upon the recording of a subdivision plat, the land may requalify for small tract forestland assessment upon:

(a) Payment of all additional tax and interest that remains due and owing as a result of the disqualification;

(b) Submission of an application for small tract forestland assessment under ORS 321.706 and approval of the application by the county assessor; and

(c) Compliance with any applicable local government zoning ordinances governing minimum lot or parcel acreage for forest use.

(3) Upon disqualification of land under subsection (1) of this section, additional taxes shall be determined as provided in ORS 308A.700 to 308A.733. [2003 c.454 §6]

Note: See note under 321.700.

321.719 Continued qualification as small tract forestland following sale or transfer; requirements. (1) Notwithstanding ORS 321.716 (1)(a), if the sale or transfer of small tract forestland is to a person who, following the date of the sale or transfer, does not own or hold in common ownership less than 10 acres or 5,000 acres or more of forestland in Oregon, the sold or transferred forestland may remain small tract forestland, if:

(a) Within 30 days of the recorded date of the sale or transfer, the purchaser or transferee has applied for continued qualification of the small tract forestland;

(b) The purchaser or transferee is otherwise eligible to be an owner of small tract forestland under ORS 321.700 to 321.754; and

(c) Any forestland owned or held in common ownership by the purchaser or transferee that is a contiguous parcel to the purchased or transferred forestland is:

(A) Qualified as small tract forestland or is the subject of an application for qualification under ORS 321.706; or

(B) Included as part of the application for continued qualification filed under this section, and the additional information required in an application for qualification of small tract forestland under ORS 321.706 is included in the application for continued qualification filed under this section.

(2)(a) A purchaser or transferee described in subsection (1) of this section shall apply for continued qualification to the county assessor of the county in which the forestland that is the subject of the sale or transfer is located. If the forestland is located in more than one county, the purchaser or transferee shall apply for continued qualification to the county assessor of each county in which the forestland is located.

(b) The application shall be on a form prescribed by the Department of Revenue and supplied by the county assessor that contains:

(A) The name and address of the seller or transferor of the small tract forestland;

(B) The name, address and taxpayer identification number of the purchaser or transferee of the small tract forestland;

(C) A statement listing the county and containing a description sufficient to identify the location of the small tract forestland being purchased or transferred;

(D) A statement listing the county and containing a description sufficient to identify the location of all parcels of land owned or held in common ownership by the purchaser or transferee that are contiguous to the small tract forestland that is being purchased or transferred;

(E) The total acreage of Oregon forestland owned or held in common ownership by the purchaser or transferee;

(F) A statement that the applicant is aware of the potential tax liability that arises under ORS 308A.703 and 308A.707;

(G) An affirmation that the statements contained in the application are true; and

(H) Any other relevant information the department may prescribe.

(3) The assessor shall review the application and grant the continued qualification of the land as small tract forestland following the sale or transfer if the purchaser or transferee satisfies the requirements of subsection (1) of this section.

(4)(a) If the purchase or transfer occurred prior to July 1 of the assessment year, the assessor shall process the application for continued qualification for the tax year beginning that July 1.

(b) If the purchase or transfer occurred on or after July 1 of the assessment year, the assessor shall process the application for continued qualification for the tax year beginning the next succeeding July 1.

(c) An application for continued qualification shall be deemed approved unless, within three months of the date the application was made or before August 15 of the year in which the application was filed, whichever is later, the county assessor notifies the purchaser or transferee in writing that the application has been wholly or partially denied.

(5) A purchaser or transferee may appeal the decision of the county assessor to wholly or partially deny an application for continued qualification to the tax court in the time and manner prescribed under ORS 305.404 to 305.560.

(6) In the case of an application for continued qualification that is approved by the county assessor, the assessor shall send a written notification of the approval and a copy of the application to the department.

(7) For purposes of computing additional taxes under ORS 308A.707, upon a subsequent disqualification of small tract forestland that is granted continued qualification under this section, the small tract forestland is considered to have been subject to small tract forestland assessment without interruption from the period before the sale or transfer to the date of subsequent disqualification from small tract forestland assessment. [2003 c.621 §109]

Note: Section 110, chapter 621, Oregon Laws 2003, provides:

Sec. 110. Section 109 of this 2003 Act [321.719] applies to property tax years beginning on or after July 1, 2004. [2003 c.621 §110]

Note: See note under 321.700.

321.720 [1961 c.714 §3; 1969 c.326 §5; 1975 c.617 §1; 1977 c.892 §42; 1977 c.893 §3; 1979 c.787 §1; 1985 c.157 §2; 1991 c.459 §307; 1997 c.541 §397; 1997 c.586 §4; 2001 c.816 §5; 2001 c.860 §6; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.721 [1975 c.617 §2; repealed by 1991 c.459 §321]

321.722 Valuation. (1) Small tract forestland shall have a specially assessed value per acre:

(a) Equal to 20 percent of the specially assessed value per acre determined under ORS 321.354, if located in western Oregon; or

(b) Equal to 20 percent of the specially assessed value per acre determined under ORS 321.833, if located in eastern Oregon.

(2) For each land class, the maximum assessed value per acre of small tract forestland shall equal 103 percent of the small tract forestland assessed value per acre for the preceding tax year or 100 percent of the small tract forestland maximum assessed value per acre for the preceding tax year, whichever is greater.

(3) The county assessor shall compute the assessed value of small tract forestland by multiplying the acreage of the small tract forestland in each land class by the lesser of:

(a) The specially assessed value per acre; or

(b) The maximum assessed value per acre.

(4) If the small tract forestland being assessed consists of different land classes, the assessed value of the small tract forestland shall be the sum of the assessed values computed for each land class under subsection (3) of this section. [2003 c.454 §7]

Note: Section 8, chapter 454, Oregon Laws 2003, provides:

Sec. 8. Notwithstanding section 7 (3) of this 2003 Act [321.722 (3)], for the tax year beginning on July 1, 2004, the assessed value per acre of small tract forestland subject to special assessment under section 7 of this 2003 Act may not exceed the lesser of the specially assessed value per acre determined under section 7 (1) of this 2003 Act for the tax year beginning on July 1, 2004, or the value per acre applicable to the land class of the forestland that is set out as follows:

Land Class	Value Per Acre
FA	$92
FB	$73
FC	$61
FD	$52
FE	$34
FF	$25
FG	$10
FX	$ 1
Eastern Oregon	$10

[2003 c.454 §8]

Note: See note under 321.700.

321.725 [1961 c.714 §4; 1969 c.326 §1; 1971 c.684 §1; 1975 c.617 §6; 1977 c.893 §6; 1979 c.553 §2; 1983 c.745 §1; 1997 c.586 §5; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.726 Severance tax upon harvest from small tract forestland. (1) A severance tax is imposed at the time of the harvest of timber from small tract forestland.

(2) The tax is imposed on the owner of timber at the time of harvest, and remains a liability of the owner of timber until paid.

(3) The tax is imposed at the rate of:

(a) $3.89 per thousand feet, board measure, of timber harvested in western Oregon; or

(b) $3.03 per thousand feet, board measure, of timber harvested in eastern Oregon.

(4) The tax shall be imposed on the net volume of timber harvested, determined by unit of proper measurement for the kind of timber, species, quality class, grade or product harvested.

(5) For calendar years beginning on or after January 1, 2005, the tax rates imposed under subsection (3) of this section shall be indexed as follows:

(a) For the rate that applies to the harvest of timber from small tract forestland in western Oregon, the tax rate applicable to the harvest of timber from small tract forestland in western Oregon for the previous calendar year shall be multiplied by the ratio of the average assessed value per acre of small tract forestland in western Oregon for the property tax year in which the current calendar year begins over the average assessed value per acre of small tract forestland in western Oregon for the previous property tax year. For purposes of this paragraph, the average assessed value per acre of small tract forestland in western Oregon is determined by adding the assessed values per acre of small tract forestland for each land class in western Oregon and dividing that number by the number of land classes in western Oregon.

(b) For the rate that applies to the harvest of timber from small tract forestland in eastern Oregon, the tax rate applicable to the harvest of timber from small tract forestland in eastern Oregon for the previous calendar year shall be multiplied by the ratio of the assessed value per acre of small tract forestland in eastern Oregon for the property tax year in which the current calendar year begins over the assessed value per acre of small tract forestland in eastern Oregon for the previous property tax year.

(6) The tax imposed under this section does not apply to an owner of forestland totaling 5,000 acres or more that, on or after July 1 of an assessment year, acquires ownership of small tract forestland and harvests timber from the acquired small tract forestland. [2003 c.454 §9]

Note: See note under 321.700.

321.727 [1977 c.893 §8; 1997 c.586 §6; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.730 [1961 c.714 §§6,14; 1967 c.619 §1; 1969 c.326 §2; 1971 c.684 §2; 1977 c.893 §9; 1979 c.553 §3; 1985 c.157 §3; 1991 c.459 §308; 1991 c.854 §1; 1997 c.541 §402; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.731 [1991 c.854 §2; repealed by 2001 c.114 §47]

321.732 [1977 c.893 §12; 1979 c.553 §4; 1991 c.854 §3; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.733 Severance tax returns. (1) The Department of Revenue shall mail a severance tax return form to an owner of timber harvested from lands assessed as small tract forestland, as shown on a State Forestry Department Notification of Operations permit issued during a calendar year.

(2) Any owner of timber receiving a severance tax return mailed by the Department of Revenue shall complete the return and submit the return to the department within the time prescribed in ORS 321.741, even if the owner of timber has not incurred severance tax liability during the calendar year. [2003 c.454 §11]

Note: See note under 321.700.

321.735 [1961 c.714 §5; 1963 c.582 §1; 1965 c.371 §1; 1967 c.619 §2; 1969 c.326 §3; repealed by 1979 c.553 §11]

321.737 [1979 c.553 §4b; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.740 [1961 c.714 §7; 1967 c.34 §3; repealed by 1991 c.854 §5]

321.741 Due dates for severance tax return and payment. (1) The severance tax imposed under ORS 321.726 is due and payable annually on or before the last day of January of each year with respect to all timber harvested during the previous calendar year.

(2) At the time at which the severance tax is paid and on or before the last day of January of each year, each taxpayer who has harvested any timber during the previous calendar year shall prepare a return on a form prescribed by the Department of Revenue showing the amounts and kinds of timber harvested for the previous calendar year, the amount of tax for which the taxpayer is liable for harvesting during the previous calendar year and any other information that the department considers necessary to correctly determine the tax due and shall mail or deliver the return, together with a remittance for the unpaid balance of the tax, to the department. The return shall be signed and certified by the taxpayer or a duly authorized agent of the taxpayer, as provided in ORS 305.810. The department may allow, upon written application made on or before the last day of January, further time not exceeding 30 days for filing a return. The tax shall be delinquent if not paid by the last day of January, regardless of any extension of time for filing the return.

(3) All severance tax payments received under ORS 321.700 to 321.754 shall be credited first to penalty and then to interest accrued on the tax being paid and then to the tax.

(4) A taxpayer incurring less than $10 total severance tax liability under ORS 321.700 to 321.754 in any calendar year is excused from the payment of the tax but is required to file a return. [2003 c.454 §10]

Note: See note under 321.700.

321.745 [1961 c.714 §8; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.746 Severance tax revenues. (1) Revenue from the severance tax imposed in western Oregon under ORS 321.726 shall be paid over by the Department of Revenue to the State Treasurer and deposited in a suspense account established under ORS 293.445. After the payment of refunds, the balance of the suspense account shall be transferred to the Western Oregon Timber Severance Tax Fund established under ORS 321.751.

(2) Revenue from the severance tax imposed in eastern Oregon under ORS 321.726 shall be paid over by the Department of Revenue to the State Treasurer and deposited in a suspense account established under ORS 293.445. After the payment of refunds, the balance of the suspense account shall be transferred to the Eastern Oregon Timber Severance Tax Fund established under ORS 321.754. [2003 c.454 §12]

Note: See note under 321.700.

321.747 [1983 c.745 §4; 1991 c.459 §310; 1997 c.541 §397a; 1997 c.586 §7; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.750 [1961 c.714 §11; 1963 c.582 §2; 1965 c.371 §2; 1971 c.684 §3; 1977 c.892 §43; repealed by 1979 c.553 §11]

321.751 Western Oregon Timber Severance Tax Fund; revenue distribution. (1) The Western Oregon Timber Severance Tax Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Western Oregon Timber Severance Tax Fund shall be retained by the Western Oregon Timber Severance Tax Fund.

(2) Moneys are continuously appropriated from the Western Oregon Timber Severance Tax Fund for use in reimbursing the General Fund for expenses incurred in the collection

of taxes imposed under ORS 321.700 to 321.754.

(3) A working balance may be retained in the Western Oregon Timber Severance Tax Fund for the payment of expenses described in subsection (2) of this section. The balance of the Western Oregon Timber Severance Tax Fund, as of May 1 of each calendar year, shall be distributed as follows:

(a) 60.5 percent to the State School Fund established under ORS 327.008. A distribution made under this paragraph shall be made on or before May 15 of the year.

(b) 4.5 percent to the Community College Support Fund established under ORS 341.620. A distribution made under this paragraph shall be made on or before May 15 of the year.

(c) 35 percent to the Department of Revenue for further distribution to the counties of this state that are located in western Oregon. Moneys distributed to the department under this paragraph are continuously appropriated to the department for the purpose of making the payments to counties described in this paragraph. A distribution to the department made under this paragraph shall be made on or before August 15 of the year. Each county's share of the distribution made under this paragraph shall equal the proportion of the assessed value of all small tract forestland in western Oregon that is located in that county. A distribution made by the department to a county under this paragraph shall be deposited in the county general fund. [2003 c.454 §13]

Note: See note under 321.700.

321.754 Eastern Oregon Timber Severance Tax Fund; revenue distribution. (1) The Eastern Oregon Timber Severance Tax Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Eastern Oregon Timber Severance Tax Fund shall be retained by the Eastern Oregon Timber Severance Tax Fund.

(2) Moneys are continuously appropriated from the Eastern Oregon Timber Severance Tax Fund for use in reimbursing the General Fund for expenses incurred in the collection of taxes imposed under ORS 321.700 to 321.754.

(3) A working balance may be retained in the Eastern Oregon Timber Severance Tax Fund for the payment of expenses described in subsection (2) of this section. The balance of the Eastern Oregon Timber Severance Tax Fund, as of May 1 of each calendar year, shall be distributed as follows:

(a) 60.5 percent to the State School Fund established under ORS 327.008. A distribution made under this paragraph shall be made on or before May 15 of the year.

(b) 4.5 percent to the Community College Support Fund established under ORS 341.620. A distribution made under this paragraph shall be made on or before May 15 of the year.

(c) 35 percent to the Department of Revenue for further distribution to the counties of this state that are located in eastern Oregon. Moneys distributed to the department under this paragraph are continuously appropriated to the department for the purpose of making the payments to counties described in this paragraph. A distribution to the department made under this paragraph shall be made on or before August 15 of the year. Each county's share of the distribution made under this paragraph shall equal the proportion of the assessed value of all small tract forestland in eastern Oregon that is located in that county. A distribution made by the department to a county under this paragraph shall be deposited in the county general fund. [2003 c.454 §14]

Note: See note under 321.700.

Note: Sections 17 and 18, chapter 454, Oregon Laws 2003, provide:

Sec. 17. (1) The Department of Revenue shall study the taxation of timber harvested from small tract forestland for the period January 1, 2004, through December 31, 2008, and the indexing of severance tax rates during that period to ensure that the indexed severance tax rates accurately reflect the proportion of each forestland land class that is qualified as small tract forestland.

(2) The department shall report the results of its study to those committees of the Seventy-fifth Legislative Assembly having jurisdiction over revenue and tax matters. The report must be made on or before February 1, 2009. [2003 c.454 §17]

Sec. 18. (1) The Department of Revenue shall take appropriate action to inform owners of Oregon forestland of 5,000 acres or less of the availability and effects of qualification in the small tract forestland tax option program established under sections 1 to 14 of this 2003 Act [321.700 to 321.754].

(2) This section is repealed June 30, 2008. [2003 c.454 §18]

321.755 [1961 c.714 §12; 1963 c.576 §40; repealed by 1979 c.553 §11]

321.760 [1961 c.714 §10; 1969 c.326 §4; 1971 c.684 §4; 1975 c.617 §7; 1977 c.892 §44; 1977 c.893 §10a; 1979 c.350 §16; 1979 c.553 §5a; 1981 c.419 §8; 1981 c.791 §11; 1983 c.745 §2; 1985 c.157 §1; 1991 c.459 §311; 1991 c.854 §4; 1993 c.801 §42; 1995 c.79 §177; 1997 c.586 §8; 1999 c.314 §69; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.761 [1991 c.459 §311b; repealed by 1991 c.459 §311b(2)]

321.763 [2001 c.816 §7; 2003 c.454 §80; 2003 c.621 §48a; repealed by 2003 c.454 §83 and 2003 c.621 §51]

321.765 [1961 c.714 §13; 1965 c.6 §15; 1977 c.870 §60; 1977 c.893 §13a; 1979 c.553 §6; 1991 c.459 §312; 1997 c.541 §401; repealed by 2003 c.454 §81 and 2003 c.621 §49]

321.770 [1975 c.617 §5; repealed by 1977 c.893 §19]

321.795 [1983 c.543 §1; 1991 c.459 §313; 1999 c.314 §42; renumbered 308A.727 in 1999]

SPECIAL ASSESSMENT OF EASTERN OREGON FORESTLAND

321.805 Definitions for ORS 321.805 to 321.855. As used in ORS 321.805 to 321.855, unless the context requires otherwise:

(1) "Cultured Christmas trees" means trees:

(a) Grown on lands used exclusively for that purpose, capable of preparation by intensive cultivation methods such as plowing or turning over the soil;

(b) Of a marketable species;

(c) Managed to produce trees meeting U.S. No. 2 or better standards for Christmas trees as specified by the Agriculture Marketing Services of the United States Department of Agriculture; and

(d) Evidencing periodic maintenance practices of shearing for Douglas fir and pine species, weed and brush control, and basal pruning, fertilizing, insect and disease control, stump culture, soil cultivation or irrigation.

(2) "Department" means the Department of Revenue.

(3) "Eastern Oregon" means that portion of the state lying east of a line beginning at the intersection of the northern boundary of the State of Oregon and the western boundary of Wasco County, thence south along the western boundaries of the counties of Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the State of Oregon.

(4) "Forestland" means land in eastern Oregon that is being held or used for the predominant purpose of growing and harvesting trees of a marketable species and that has been designated as forestland under ORS 321.805 to 321.855 or land in eastern Oregon, the highest and best use of which is the growing and harvesting of such trees. Forestland is the land alone. Forestland often contains isolated openings that because of rock outcrops, river wash, swamps, chemical conditions of the soil, brush and other like conditions prevent adequate stocking of such openings for the production of trees of a marketable species. If such openings in their natural state are necessary to hold the surrounding forestland in forest use through sound management practices, the openings are deemed forestland.

(5) "State Forester" means the State Forester or the authorized representative of the State Forester.

(6) "Summit of the Cascade Mountains" means a line beginning at the intersection of the northern boundary of the State of Oregon and the western boundary of Wasco County, thence southerly along the western boundaries of the counties of Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the State of Oregon.

(7) "Timber" means all logs which can be measured in board feet and other forest products as determined by department rule, but does not include western juniper or products from harvested western juniper. [1971 c.654 §2; 1977 c.892 §46; 1983 c.539 §4; 1995 c.79 §178; 1997 c.154 §53; 1999 c.314 §55; 1999 c.1078 §45; 2003 c.621 §53]

Note: Section 61, chapter 621, Oregon Laws 2003, provides:

Sec. 61. The amendments to ORS 321.805, 321.815 [renumbered 321.839] and 321.830 [renumbered 321.855] by sections 53, 59 and 60 of this 2003 Act apply to property tax years beginning on or after July 1, 2004. [2003 c.621 §61; 2003 c.621 §61a]

321.808 Purposes. The purposes of ORS 321.805 to 321.855 are:

(1) To impose with respect to forestland in eastern Oregon a special assessment program whereby the assessed value of forestland is determined as prescribed in ORS 321.201 to 321.222.

(2) To establish a special assessment program as a means of:

(a) Recognizing the findings in ORS 321.817 without discriminating in favor of either eastern or western Oregon.

(b) Recognizing the long-term nature of the forest crop and fostering the public policy of Oregon to encourage the growing and harvesting of timber.

(c) Protecting the public welfare by assuring that the citizens of the state and future generations shall have the benefits to be derived from the continuous production of forest products from private forestland.

(d) Promoting the state's policy of encouraging forestry and the restocking of forestland to provide present and future benefits by enhancing the water supply, preventing erosion, providing habitat for wildlife, providing scenic and recreational opportunities and providing for needed products. [Formerly 321.408]

Note: Section 33, chapter 621, Oregon Laws 2003, provides:

Sec. 33. The amendments to ORS 321.408, 321.410, 321.415 and 321.420 [renumbered 321.808, 321.817, 321.824 and 321.829] by sections 29 to 32 of this 2003 Act apply to property tax years beginning on or after July 1, 2004. [2003 c.621 §33; 2003 c.621 §33a]

321.810 [1971 c.654 §3; 1981 c.337 §1; 1985 c.759 §31; 1991 c.459 §314; 1993 c.270 §66; 1993 c.653 §19; 1993 c.801 §35; 1995 c.650 §97; 1999 c.21 §56; 1999 c.314 §70; repealed by 2003 c.621 §63]

321.811 [1993 c.801 §§33a,34; 1997 c.541 §404; 1999 c.21 §57; 1999 c.314 §71; 1999 c.1078 §46; 2001 c.816 §8; 2001 c.860 §7; 2003 c.454 §74; repealed by 2003 c.621 §63]

321.812 [1999 c.1078 §35; 1999 c.1078 §40; 2001 c.860 §8; 2003 c.454 §75; renumbered 321.833 in 2003]

321.814 [1999 c.1078 §42; 2001 c.816 §9; 2001 c.860 §11; 2003 c.454 §79; 2003 c.621 §58; renumbered 321.836 in 2003]

321.815 [1971 c.654 §4; 1977 c.884 §24; 1981 c.804 §94; 1983 c.462 §9; 1983 c.657 §1; 1991 c.459 §315; 1993 c.801

§35a; 1997 c.541 §§408,408a; 1999 c.314 §93; 1999 c.1078 §76; 2003 c.621 §59; renumbered 321.839 in 2003]

321.816 [1999 c.1078 §43; repealed by 2003 c.621 §63]

321.817 Legislative findings. It is hereby found that:

(1) Multiple taxation through a yearly ad valorem levy on both trees and forestland managed in sustained yield timber operations discourages conservation, private ownership and investment of capital.

(2) The interests of the state, its citizens and future citizens are best served by sustained yield practices and tax policies that encourage production of forest resources for commerce, recreation and watersheds, stabilize employment levels, prevent large population shifts and encourage millage of timber products within Oregon.

(3) Timber on private lands managed on a sustained yield basis should be treated as a crop and not taxed as real property.

(4) That portion of our state lying east of the summit of the Cascade Mountains differs greatly in forest tree types, soils, climate, growing conditions and topography from western Oregon.

(5) Eastern Oregon forests predominate in Ponderosa pine and associated species, while western Oregon forests predominate in Douglas fir and associated species. [Formerly 321.410]

Note: See note under 321.808.

321.820 [1971 c.654 §5; 1973 c.296 §1; 1977 c.870 §53; 1977 c.893 §21a; 1983 c.462 §10; 1983 c.563 §5; 1987 c.158 §54; 1991 c.459 §316; 1995 c.650 §98; 1999 c.314 §53; renumbered 321.842 in 2003]

321.821 [1991 c.459 §316b; repealed by 1991 c.459 §316b(2)]

321.822 [1993 c.5 §6; 1999 c.314 §54; renumbered 321.845 in 2003]

321.823 [1983 c.462 §12; repealed by 2003 c.621 §63]

321.824 Lands not eligible for special assessment. (1) Lands assessed by the Department of Revenue pursuant to ORS 308.505 to 308.665 or 308.805 to 308.820 may not be assessed under ORS 321.805 to 321.855.

(2) Land used exclusively for growing cultured Christmas trees may not be assessed under ORS 321.805 to 321.855.

(3) Land that is used to grow hardwood timber, including but not limited to hybrid cottonwood, may not be assessed under ORS 321.805 to 321.855 if:

(a) The land is prepared using intensive cultivation methods and is cleared of competing vegetation for at least three years after tree planting;

(b) The timber is of a species marketable as fiber for inclusion in the furnish for manufacturing paper products;

(c) The timber is harvested on a rotation cycle within 12 years after planting; and

(d) The land and timber are subject to intensive agricultural practices such as fertilization, insect and disease control, cultivation and irrigation.

(4) Timber harvested from small tract forestland qualified under ORS 321.700 to 321.754 is not subject to ORS 321.405 to 321.487.

(5) Nothing contained in ORS 321.805 to 321.855 shall prevent:

(a) The collection of ad valorem property taxes which became a lien against timber prior to July 1, 1962.

(b) The collection of taxes, charges or assessments made pursuant to law for protection.

(c) The collection of taxes levied under the provisions of ORS 321.005 to 321.185 and 321.560 to 321.600. [Formerly 321.415]

Note: Section 113, chapter 454, Oregon Laws 2003, provides:

Sec. 113. The amendments to ORS 321.415 [renumbered 321.824] by section 112 of this 2003 Act apply to privilege tax reporting periods beginning on or after January 1, 2004, and to property tax years beginning on or after July 1, 2004. [2003 c.454 §113]

Note: See note under 321.808.

321.825 [1971 c.654 §6; 1977 c.893 §24; 1979 c.350 §17; 1981 c.791 §6; 1983 c.462 §17; 1991 c.459 §317; 1999 c.314 §85; renumbered 321.848 in 2003]

321.829 Exemption of timber from property taxation. All timber in eastern Oregon shall be exempt from ad valorem property taxation. [Formerly 321.420]

Note: See note under 321.808.

321.830 [1991 c.714 §8; 1997 c.541 §409; 1999 c.314 §72; 2003 c.621 §60; renumbered 321.855 in 2003]

321.833 Common ownership minimum acreage requirements; specially assessed value and maximum assessed value of forestland of large landowners. (1)(a) The Department of Revenue shall identify the forestland that is held in common ownership of 5,000 acres or more as of the assessment date for each tax year.

(b) Forestland that the department has identified under paragraph (a) of this subsection that, for the previous tax year, was subject to small tract forestland assessment shall be disqualified from any small tract forestland assessment and shall be subject to special assessment as provided in this section as of the first tax year the forestland is held in common ownership of 5,000 acres or more.

(c) For purposes of this subsection, "forestland" includes land that meets the definition of forestland under ORS 321.257.

(2) Forestland assessed under this section shall have a specially assessed value per acre

equal to the value certified to the county assessor for the tax year under ORS 321.216.

(3) Forestland assessed under this section shall have a maximum assessed value per acre equal to 103 percent of the forestland assessed value per acre for the preceding tax year or 100 percent of the forestland maximum assessed value per acre for the preceding tax year, whichever is greater.

(4)(a) The assessor shall compute the assessed value of forestland by multiplying the acreage of the forestland by the lesser of:

(A) The specially assessed value per acre; or

(B) The maximum assessed value per acre.

(b) Notwithstanding paragraph (a) of this subsection, the forestland shall be assessed as provided in ORS 308.232 if the real market value of the forestland is less than the value established under paragraph (a) of this subsection.

(5) For purposes of this section:

(a) The department shall certify to the county assessor of a county in which forestland identified in subsection (1) of this section is located a list of the property tax accounts containing forestland so identified.

(b) Forestland shall be considered to be in common ownership if the forestland is owned by the person directly or is owned by a corporation, partnership, association or other entity in which the person owns a majority interest.

(c) Additional taxes may not be imposed as a result of a disqualification under subsection (1) of this section.

(d) The notification requirements and other procedures that the county assessor must follow in disqualifying forestland do not apply to a disqualification occurring under subsection (1) of this section.

(e) The department shall notify the county assessor of forestland identified under subsection (1)(a) of this section that is located in that county. [Formerly 321.812]

Note: Section 76, chapter 454, Oregon Laws 2003, provides:

Sec. 76. The amendments to ORS 321.812 [renumbered 321.833] by section 75 of this 2003 Act apply to tax years beginning on or after July 1, 2004. [2003 c.454 §76]

321.836 Assessment of forestland owned by small landowner after 2003-2004 tax year. (1) For the tax year beginning July 1, 2004, forestland subject to special assessment under ORS 321.811 (2001 Edition) for the previous tax year shall be disqualified from such special assessment, and shall be assessed as provided in ORS 321.833.

(2) Additional taxes may not be imposed as a result of a disqualification under this section.

(3) The notification requirements and other procedures that the county assessor must follow in disqualifying forestland do not apply to a disqualification under this section. [Formerly 321.814]

Note: 321.836 [formerly 321.814] is repealed January 2, 2006. See section 65, chapter 621, Oregon Laws 2003, as amended by section 65a, chapter 621, Oregon Laws 2003.

321.839 Application for forestland designation; special filing date for change in highest and best use; contents; approval. (1) An owner of land desiring that it be designated as forestland for purposes of ORS 321.805 to 321.855 shall make application to the county assessor on or before April 1 of the assessment year for which special assessment as forestland is first desired, and the owner may also do so within 30 days of receipt of notice of its assessment as omitted property.

(2) Notwithstanding subsection (1) of this section, an owner of land may apply to the county assessor by December 15 to have the land designated as forestland for the assessment year if:

(a) For the prior assessment year the land had been forestland by reason of the land being highest and best use forestland; and

(b) For the current assessment year the land is being assessed at a value reflecting a use other than highest and best use forestland.

(3) The application shall be made upon forms prepared by the Department of Revenue and supplied by the county assessor, and shall include the following:

(a) A description of all land the applicant desires to be designated as forestland.

(b) Date of acquisition.

(c) Whether the land is being held or used for the predominant purpose of growing and harvesting trees of marketable species.

(d) Whether there is a forest management plan for it.

(e) If so, whether the plan is being implemented, and the nature and extent of implementation.

(f) Whether the land is being held or used for the predominant purpose of grazing or raising of livestock.

(g) Whether the land has been platted under ORS chapter 92.

(h) Whether a permit has been granted for harvesting for excepted purposes under the Oregon Forest Practices Act.

(i) Whether the land is timberland subject to ORS chapter 477, and if it is not, the reasons therefor.

(j) Whether the land, or any of it, is subject to a lease or option which permits it to be used for any purpose other than the growing and harvesting of trees.

(k) A summary of past experience and activity of the applicant in growing and harvesting trees.

(L) A summary of current and continuing activity of the applicant in growing and harvesting trees.

(m) A statement that the applicant is aware of the potential tax liability involved when the land ceases to be designated as forestland.

(n) An affirmation that the statements contained in the application are true.

(4) The county assessor shall approve an application for forestland designation if the assessor finds that the land is properly classifiable as forestland. The county assessor shall not find land properly classifiable as forestland if the application states the land is not being held or used for the predominant purpose of growing and harvesting trees of marketable species. Otherwise, the determination whether the land is properly classifiable as forestland shall be made with due regard to all relevant evidence and without any one or more items of evidence necessarily being determinative.

(5) The application shall be considered to have been approved unless, within three months of the date such application was delivered to the assessor or prior to August 15, whichever is later, the assessor shall notify the applicant in writing of the extent to which the application is denied. [Formerly 321.815]

Note: See note under 321.805.

321.842 Removal of forestland designation; appeal; requalification. (1)(a) When land has once been designated as forestland as a result of an application being filed therefor it shall be valued as such until the county assessor removes the forestland designation under paragraph (b) of this subsection.

(b) The county assessor shall remove the forestland designation upon:

(A) Notification by the taxpayer to the assessor to remove the designation;

(B) Sale or transfer to an ownership making it exempt from ad valorem property taxation;

(C) Discovery by the assessor that the land is no longer forestland; or

(D) The act of recording a subdivision plat under ORS chapter 92.

(2) A taxpayer whose application filed under ORS 321.839 has been denied in whole or in part, or a taxpayer whose forestland has had the designation thereof removed in whole or in part, may appeal to the Oregon Tax Court within the time and in the manner provided in ORS 305.404 to 305.560.

(3) If, under subsection (1)(b)(D) of this section, the county assessor removes the forestland designation upon the act of recording a subdivision plat, the land, or a part of the land, may be requalified for forestland designation upon:

(a) Payment of all additional tax and interest that remains due and owing with respect to the land;

(b) Submission by the owner of an application for designation as forestland as provided in this section;

(c) Meeting all of the qualifications for designation as forestland as provided in ORS 321.805 to 321.855; and

(d) Meeting the requirements, if any, of applicable local government zoning ordinances with regard to minimum lot or parcel acreage for forest use. [Formerly 321.820]

321.845 Disqualification of land no longer forestland to occur only if assessor mails notice before August 15. (1) Notwithstanding ORS 308.210, 311.405 or 311.410 but subject to subsection (2) of this section, removal under ORS 321.842 (1)(b)(C) by the county assessor of land from designation as forestland for the reason that the land is no longer forestland shall occur as of the January 1 assessment date of the tax year in which the county assessor discovers that the land is no longer forestland.

(2) This section shall apply only if notice of removal is mailed by the county assessor prior to August 15 of the tax year for which the removal of the land is asserted. [Formerly 321.822]

321.848 Disqualification. ORS 308A.700 to 308A.733 apply whenever land designated as forestland as a result of an application being filed therefor under ORS 321.805 to 321.855 thereafter becomes disqualified. [Formerly 321.825]

321.855 Land used to grow certain hardwood to be assessed as farm use land; application required for unzoned land. (1) Land described in ORS 321.824 (3) (relating to hardwood timberland, including hybrid cottonwood timberland) shall be assessed as farm use land under ORS 308A.050 to 308A.128.

(2)(a) If land is or becomes land described under ORS 321.824 (3) and the land is not

located within an exclusive farm use zone, the owner shall make application for special valuation in the manner provided under ORS 308A.077, as follows:

(A) If the change in use takes place on or after July 1, the owner shall file the application on or before April 1 of the following tax year.

(B) If the change in use takes place prior to July 1, the owner shall file the application on or before August 1 of the tax year.

(b) If an application is filed as provided under this subsection, the owner shall have seven years beginning with the first year of classification to meet the income requirements of ORS 308A.071 and need not meet the two-year farm use requirements of ORS 308A.068. [Formerly 321.830]

Note: See note under 321.805.

321.950 [1979 c.454 §4; 1982 s.s.1 c.16 §16; 1987 c.551 §6; 1991 c.459 §318; 1993 c.653 §§20,20a; 1999 c.1078 §64; repealed by 2003 c.621 §22b]

321.955 [Formerly 308.309; 1965 c.412 §1; 1971 c.272 §1; 1975 c.636 §2; repealed by 1977 c.892 §51]

321.960 [1975 c.617 §4; 1977 c.892 §47; 1979 c.553 §7; 1981 c.419 §1; 1981 c.791 §9; 1985 c.607 §3; 1991 c.459 §319; 1993 c.270 §66a; 1997 c.586 §9; repealed by 1999 c.314 §94]

321.970 [1983 c.773 §4; 1985 c.607 §4; 1989 c.904 §33; 1991 c.459 §320; 1997 c.217 §1; repealed by 1999 c.314 §94]

PENALTY

321.990 [Repealed by 1953 c.375 §38]

321.991 Penalty. Violation of any provision of ORS 321.005 to 321.185 and 321.560 to 321.600 is punishable, upon conviction, by a fine not exceeding $1,000 or by imprisonment in the county jail for not exceeding one year, or by both. [1953 c.375 §35; subsections (2) and (3) formerly 528.990; subsection (4) enacted as 1961 c.659 §9; subsection (5) enacted as 1961 c.714 §15; subsections (6) and (7) formerly part of 308.990; 1977 c.892 §50; 2003 c.454 §116; 2003 c.621 §101]

CHAPTER 322

[Reserved for expansion]