

Chapter 321 — Timber and Forestland Taxation

2001 EDITION

FOREST PRODUCTS HARVEST TAX

- 321.005 Definitions for ORS 321.005 to 321.185 and 321.560 to 321.600
- 321.011 Policy
- 321.012 Public to share cost of suppressing fires caused by public
- 321.015 Levy of privilege tax upon harvest of timber for forest research, fire suppression and administering Oregon Forest Practices Act; exclusion
- 321.017 Levy of additional privilege tax; distribution to Oregon Forest Resources Institute Fund
- 321.035 Determination of moneys available in Oregon Forest Land Protection Fund
- 321.045 Payment of tax; returns; estimated tax; payment
- 321.145 Tax revenue credited to suspense account; refunds
- 321.152 Distribution of tax revenue to Forest Research and Experiment Account, State Forestry Department Account and Oregon Forest Land Protection Fund
- 321.185 Forest Research and Experiment Account established; source; use; appropriation

FORESTLAND VALUATION

- 321.201 Definition of “forestland” for ORS 321.201 to 321.222
- 321.204 Legislative findings and declarations
- 321.207 Valuation models; rules
- 321.210 Proposed specially assessed values; notice; comments; hearing
- 321.213 Forestland value advisory committee
- 321.216 Certified specially assessed values
- 321.219 Appeal of certified specially assessed values; notice; effect of decision modifying values
- 321.222 Jurisdiction of board of property tax appeals

WESTERN OREGON FORESTLAND AND PRIVILEGE TAX

- 321.257 Definitions for ORS 321.257 to 321.390
- 321.259 Legislative findings
- 321.262 Purposes of ORS 321.257 to 321.390
- 321.267 Exemptions from ORS 321.257 to 321.390; tax in addition to ORS 321.005 to 321.185; limitations
- 321.272 Privilege tax imposed on harvest of timber from private forestlands in western Oregon; exemption of timber from ad valorem taxation
- 321.273 Rates of privilege tax imposed for harvest of timber from private lands in western Oregon; exemption for certain timber harvested after 2002

- 321.274 Privilege tax on harvest of hardwood timber on private lands; western Oregon forestland; election by owner
 - 321.282 Determination of immediate harvest values by department; net stumpage recovery basis for certain taxpayers
 - 321.284 Appeal of immediate harvest values
 - 321.287 Annual payments; determination of amount harvested; delinquency
 - 321.307 Western Oregon Timber Tax Account; distribution to State School Fund, Community College Support Fund and counties; rules
 - 321.312 Privilege tax on harvest of timber to be offset against operating taxes
 - 321.322 Returns; time for filing; extension
 - 321.347 Land designations; classifications; certain election by landowners
 - 321.348 Assignment of forestland to land classes; change in class
 - 321.349 Valuation of certain forestland at farm use value
 - 321.351 Department of Revenue to review forestland values
 - 321.352 Western Oregon forestland assessment for 1993-1994 and 1994-1995; standards; certification of values to assessors; appeals of values by certain taxpayers
 - 321.353 Value per acre of forestland by land class; value index; assessment at percentage of forestland value for tax years before 2003-2004; maximum assessed value
 - 321.354 Specially assessed value and maximum assessed value of forestland of large landowners
- (Temporary provisions relating to transitions in forestland taxation are compiled as notes following ORS 321.354)
- 321.356 Assessment of forestland owned by small landowners after 2002-2003 tax year
 - 321.358 Application for designation as forestland; special filing date for change in highest and best use; contents; approval
 - 321.359 Removal of designation; appeal from reassessment or denial; requalification
 - 321.362 Notation of forestland on tax roll for potential additional tax liability
 - 321.365 Treatment of additional forestland acquisition by certain landowners
 - 321.367 Forestland management; effect of failure to manage forestland in accordance with management plan; rules
 - 321.375 Notice of appeal of forestland value; form of notice
 - 321.379 Reports by purchaser of privately owned timber; reports by purchasers of logs from timber harvested from private lands; seller to provide purchasers of woods direct logs with operations permit number; penalty
 - 321.381 Confidentiality of reports submitted under ORS 321.379; penalties
 - 321.390 Land used to grow certain hardwood to be assessed as farm use land; exception upon election; application required for unzoned land

(Temporary provisions relating to studies and reports are compiled as notes following ORS 321.390)

EASTERN OREGON PRIVILEGE TAX

- 321.405 Definitions for ORS 321.405 to 321.487

- 321.408 Purposes of ORS 321.405 to 321.487
- 321.410 Legislative findings on ORS 321.405 to 321.487
- 321.415 Scope of ORS 321.405 to 321.487; certain timber not subject to privilege tax; effect on other taxes
- 321.420 Privilege tax imposed on harvest of timber from private forestlands in eastern Oregon; exemption of timber from ad valorem taxation
- 321.421 Rates of privilege tax imposed for harvest of timber from private lands in eastern Oregon; exemption for certain timber harvested after 2002
- 321.426 Privilege tax on hardwood timber on private lands; eastern Oregon forestland; election by owner
- 321.430 Determination of immediate harvest values; application by areas
- 321.432 Elective tax calculation; net stumpage recovery procedures
- 321.434 Reports by purchaser of purchase of privately owned timber; seller to provide purchasers of woods direct logs with operations permit number; penalty
- 321.435 Payment of tax; filing of returns; order of crediting payments; payment of tax under \$10 excused
- 321.475 Collection of tax and effect of paying tax pending appeal
- 321.485 Eastern Oregon Timber Tax Account; deposit of tax revenues; refunds; distribution to State School Fund, Community College Support Fund and counties
- 321.487 Privilege tax distribution to offset operating taxes

GENERALLY

- 321.550 Notice of intent to harvest; rules; effect of failure to file notice
- 321.560 Audit of returns; interest and penalties; appeal of harvest value
- 321.570 Warrant for collection of delinquent taxes
- 321.580 Effect of failure or refusal to make return
- 321.600 Tax as debt; collection; limitation
- 321.609 Enforcement of certain statutes by department; rules
- 321.682 Confidentiality of reports, returns and appraisal data
- 321.684 Authority of department to make certain disclosures
- 321.686 Penalty for violation of ORS 321.682

WESTERN OREGON SMALL TRACT OPTIONAL TAX

- 321.705 Definitions for ORS 321.705 to 321.765
- 321.710 Legislative findings; purpose of ORS 321.705 to 321.765
- 321.715 Administration by State Forester; rules and regulations; publicizing; report to legislature
- 321.720 Determination of forestland value per acre; timber exemption; maximum assessed value and assessed value for tax years before 2003-2004

- 321.725 Eligibility of forestland for classification; eligible owners; classification of all eligible lands in single tax lot
- 321.727 Exceptions from minimum acreage requirements for certain lands
- 321.730 Application for classification; certification by State Forester
- 321.732 Review of classified land by State Forester; notice of deficiencies; declassification
- 321.737 Assessment roll and tax roll to show potential additional tax liability
- 321.745 Assignment of "site class"; redeterminations
- 321.747 Application of privilege tax to harvest of timber on small tract
- 321.760 Declassification; notice
- 321.763 Forestland declassified from small tract optional tax classification as of 2003-2004 tax year
- 321.765 Appeals; rules

SPECIAL ASSESSMENT OF EASTERN OREGON FORESTLANDS

- 321.805 Definitions for ORS 321.805 to 321.825
- 321.810 Determining value of forestland for 1993-1994 and 1994-1995; forestland index; appeal of values; notice of appeal
- 321.811 Value per acre of forestland in eastern Oregon; value index; assessment at percentage of forestland value for tax years before 2003-2004; maximum assessed value
- 321.812 Specially assessed value and maximum assessed value of forestland of large landowners
(Temporary provisions relating to transitions in forestland taxation are compiled as notes following ORS 321.812)
- 321.814 Assessment of forestland owned by small landowner after 2002-2003 tax year
- 321.815 Application for forestland designation; special filing date for change in highest and best use; contents; approval
- 321.816 Treatment of additional forestland acquired by certain landowners
- 321.820 Removal of forestland designation; appeal; requalification
- 321.822 Disqualification of land no longer forestland to occur only if assessor mails notice before August 15
- 321.823 Redesignation as forestland after removal in certain years due to platting
- 321.825 Disqualification
- 321.830 Land used to grow certain hardwood to be assessed as farm use land; exception upon election; application required for unzoned land

MISCELLANEOUS PROVISIONS

- 321.950 Estimated timber privilege tax liability; payment procedure

PENALTIES

- 321.991 Penalties

FOREST PRODUCTS HARVEST TAX

321.005 Definitions for ORS 321.005 to 321.185 and 321.560 to 321.600. 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 (1)(e) or 321.415 (5), 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]

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, 2002, and January 1, 2003, 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, 2002, and January 1, 2003, 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 91 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 2002 and 2003.

(4) For the calendar years beginning January 1, 2000, and January 1, 2001, in addition to the taxes levied under subsections (1) to (3) 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 15 cents per thousand feet, board measure, for the purpose of providing assistance to nonindustrial private landowners described in ORS 526.425 and 526.450 to 526.475. All revenues received under this subsection and any interest earned on the cash balance shall be credited to the State Forestry Department Account and may be expended only for assistance to the nonindustrial private forest landowners.

(5) Subject to subsection (6) 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.

(6) 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]

Note: Section 3, chapter 872, Oregon Laws 2001, provides:

Sec. 3. The amendments to ORS 321.015 and 321.017 by sections 1 and 2 of this 2001 Act apply to forest products harvested in calendar years beginning on or after January 1, 2002. [2001 c.872 §3]

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 (4), there hereby is levied a privilege tax upon taxpayers on the harvesting of all merchantable forest products harvested on forestlands on or after July 1, 1991, 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 (5) and (6).

(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]

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 (4) 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 (4) 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]

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.

(5) That part of the moneys derived from taxes levied by ORS 321.015 (4) 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 nonindustrial private forest landowner assistance. [1985 c.759 §3; 1995 c.507 §2; 1999 c.968 §4]

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 established; source; use; 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:

(a) Allocations from harvest taxes as provided in ORS 321.015 (1).

(b) All moneys received in payment of uncollected taxes, penalties or interest under chapter 544, Oregon Laws 1947. [1953 c.375 §21; 1957 c.309 §6; 1961 c.297 §6; 1985 c.759 §17]

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]

Note: Section 21, chapter 860, Oregon Laws 2001, provides:

Sec. 21. Sections 13 to 20 of this 2001 Act [321.201 to 321.222] apply to property tax years beginning on or after July 1, 2003. [2001 c.860 §21]

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]

Note: See note under 321.201.

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: See note under 321.201.

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]

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 321.812, 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]

Note: See note under 321.201.

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]

Note: See note under 321.201.

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 321.812 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]

Note: See note under 321.201.

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]

Note: See note under 321.201.

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]

Note: See note under 321.201.

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]

WESTERN OREGON FORESTLAND AND PRIVILEGE TAX

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) "Arms-length transaction" means a transaction made in the open market where there is no duress, where each party is independent of the other and where there are no trades or hidden considerations involved.

(2) "Average Pacific Northwest Coast Lumber Price Index" means the average of the Western Wood Products Association Pacific Northwest Coast Lumber Price annual price indices for Douglas Fir and Hem-Fir.

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

(4) "Forestland" means land in western Oregon (a) which 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 (b) 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 such openings in their natural state are necessary to hold the surrounding forestland in forest use through sound management practices, they are deemed forestland. Forestland does not include buildings, structures, machinery, equipment or fixtures erected upon, under or above the soil, but does include roads described in ORS 308.236.

(5) "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.

(6) "Immediate harvest value" means the amount that each species or subclassification of timber would sell for at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. The value shall be determined by methods that make reasonable and adequate allowance for age, size, quality, growing conditions, costs of removal, accessibility to point of conversion, market conditions and all other relevant factors.

(7) "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 321.352 (1).

(8) "Market area" means those groups of areas containing timber with similar values as designated by the department. The department shall designate market areas by rule.

(9) "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.

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

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

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

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

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

(15) "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]

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) A tax at time of harvest recognizes the hazards and uncertainties involved in growing a long-term timber crop on a sustained yield basis.

(5) Forestland should be taxed based on the value of the forestland in timber production, and the majority of the tax should be imposed at the time of harvest. [1993 c.801 §3]

Note: 321.259 was added to and made a part of ORS 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

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

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

(1) To impose with respect to forestlands in western Oregon a system of ad valorem taxation whereby the value of forestland is determined by the Legislative Assembly effective July 1, 1995, and annually adjusted as described in ORS 321.352.

(2) To establish a privilege tax on timber harvested in western Oregon 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 the private forestlands of western Oregon.

(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.

(d) Producing revenues for local taxing districts at the time of harvest in lieu of collecting a portion of ad valorem taxes on forestland.

(3) To assure local taxing districts that privilege tax receipts will be considered a local revenue source. [1977 c.892 §2; 1993 c.801 §4]

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

321.267 Exemptions from ORS 321.257 to 321.390; tax in addition to ORS 321.005 to 321.185; limitations. (1) The following timber and forestland are not subject to ORS 321.257 to 321.390:

(a) Timber and forestland assessed by the Department of Revenue pursuant to ORS 308.505 to 308.665, 308.805 to 308.820 and 308.990.

(b) Except as provided in ORS 321.347, timber and land classified under ORS 321.705 to 321.765.

(c) Timber on land that is exempt from ad valorem taxation.

(d) Except as provided in ORS 321.347, land and Christmas trees which are grown or growing on that land which has been prepared by intensive cultivation and tilling and on which all unwanted plant growth is controlled continuously for the exclusive purpose of growing such Christmas trees.

(e) Except as provided in ORS 321.274, land and hardwood timber, including but not limited to hybrid cottonwood, which

are:

(A) Grown or growing on land which has been prepared by intensive cultivation methods and which is cleared of competing vegetation for at least three years after tree planting;

(B) Of a species marketable as fiber for inclusion in the “furnish” for manufacturing paper products;

(C) Harvested on a rotation cycle within 12 years after planting; and

(D) Subject to intensive agricultural practices such as fertilization, insect and disease control, cultivation and irrigation.

(f)(A) Timber on land that, at the time of harvest, is assessed under ORS 308.146 (1) to (3) or specially assessed under ORS 308A.050 to 308A.128 or 308A.300 to 308A.330, if the land was assessed under ORS 308.146 (1) to (3) or 308.232 or was specially assessed under ORS 308A.050 to 308A.128 or 308A.300 to 308A.330 for at least five property tax years preceding the date the timber was harvested from the land.

(B) For purposes of this paragraph and ORS 321.273 (3) and (4), land that has been forestland assessed under ORS 321.354 for any of the five property tax years preceding the date the timber was harvested from the land shall be considered to be forestland assessed under ORS 321.354.

(2) The tax imposed by ORS 321.273 shall be in addition to that levied by ORS 321.005 to 321.185 and 321.560 to 321.600.

(3) Nothing contained in ORS 321.257 to 321.390 shall prevent:

(a) The collection of ad valorem property taxes which became a lien prior to January 1, 1978.

(b) The collection of taxes levied by ORS 321.005 to 321.185 and 321.560 to 321.600.

(c) Except as provided in section 45, chapter 892, Oregon Laws 1977, the collection of amounts payable upon declassification described under ORS 321.705 to 321.765. [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]

Note: Section 3, chapter 46, Oregon Laws 2001, provides:

Sec. 3. The amendments to ORS 321.267 and 321.415 by sections 1 and 2 of this 2001 Act apply to privilege tax reporting periods beginning on or after January 1, 2002, and property tax years beginning on or after July 1, 2002. [2001 c.46 §3]

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

321.272 Privilege tax imposed on harvest of timber from private forestlands in western Oregon; exemption of timber from ad valorem taxation. (1) All timber in western Oregon shall be exempt from ad valorem taxation.

(2) For the privilege of harvesting timber from privately owned land in western Oregon a tax is imposed as provided in ORS 321.257 to 321.322.

(3) The tax imposed by subsection (2) of this section is intended to recover the annuitized value of forgone property taxes on forestland. [1977 c.892 §4; 1993 c.801 §6; 1999 c.1078 §19]

321.273 Rates of privilege tax imposed for harvest of timber from private lands in western Oregon; exemption for certain timber harvested after 2002. (1) For the privilege of harvesting timber from privately owned land in western Oregon, a privilege tax is imposed on taxpayers at the rates provided under subsection (2) or (3) of this section.

(2) If the land upon which the timber is harvested is not assessed as provided in ORS 321.354 and is otherwise subject to privilege taxes, the rate of the privilege tax is 3.20 percent of the immediate harvest value of timber harvested from privately owned land.

(3) If the timber is harvested from forestland assessed under ORS 321.354:

(a) The rate of the privilege tax is 1.9 percent of the immediate harvest value of timber harvested from privately owned land on or after January 1, 2000, and before January 1, 2002.

(b) The rate of the privilege tax is 1.4 percent of the immediate harvest value of timber harvested from privately owned land on or after January 1, 2002, and before January 1, 2003.

(4) Timber harvested from forestland assessed under ORS 321.354 on or after January 1, 2003, is exempt from the privilege tax imposed under ORS 321.257 to 321.322. [1993 c.801 §8; 1999 c.1078 §§21,23]

321.274 Privilege tax on harvest of hardwood timber on private lands; western Oregon forestland; election by owner.

(1) Notwithstanding ORS 321.267 (1)(e), and upon the election of a taxpayer made as provided under subsection (2) of this section, the taxes imposed under ORS 321.257 to 321.390 on the harvest of timber from other privately owned land in western Oregon are imposed on the harvest of hardwood timber from land in western Oregon described in ORS 321.267 (1)(e) that is privately owned.

(2) A taxpayer having total ownership of forestland in western Oregon in excess of five acres but not in excess of 2,000 acres who elects to claim a credit allowed under ORS 315.104 for reforestation project costs paid or incurred in connection with a reforestation project as described under ORS 321.267 (1)(e) on the forestland and for which a preliminary certificate is issued for a tax year beginning on or after January 1, 1990, shall be considered to have made the election to pay the privilege tax imposed under subsection (1) of this section upon the harvest, on and after the date the preliminary certificate is issued, of all such hardwood timber harvested from all forestland owned by the taxpayer on the date the preliminary certificate is issued. For purposes of this section, “ownership or total ownership” shall be determined in the same manner as “ownership or total

ownership” is determined for purposes of ORS 321.705 to 321.765. If, after the date the preliminary certificate is issued, the forestland planted in hardwood timber as described in ORS 321.267 (1)(e) is sold or otherwise transferred, the election shall be binding upon the purchaser or transferee and all subsequent purchasers and transferees, as to that particular land, until such time as all of the hardwood timber on that land has been harvested, the land is changed in use or the timber is exempt under other provision of ORS 321.257 to 321.390, all to be determined subject to rules adopted by the Department of Revenue. [1989 c.887 §7b; 1991 c.459 §279; 1993 c.801 §38]

Note: 321.274 was added to and made a part of ORS 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

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 Determination of immediate harvest values by department; net stumpage recovery basis for certain taxpayers. (1) The Department of Revenue shall determine on or before February 1 of each year the immediate harvest values as of January 1 of the calendar year for which the immediate harvest values are to be used in computing the privilege tax imposed by ORS 321.273. The values shall be determined for each species or subclassification, as provided in subsection (2) of this section, and shall be expressed in terms of a dollar amount per thousand board foot or other unit measure. The total listing of values shall be combined into a convenient set of tables issued by the department. A copy of the tables shall be retained on file in the office of the department.

(2) The department shall select various areas in western Oregon to be treated as units for the application of the immediate harvest values determined under this section. The department shall determine unit values for immediate harvest for each species in each area. The department may make further value classifications based on age, size and other relevant factors. The areas shall be selected, within the discretion of the department based on administrative feasibility, to include timber having similar growing and marketing conditions. The determination of the size and location of appropriate areas shall not be subject to review by the courts.

(3) Public hearings shall be held at least 45 days prior to the adoption of timber valuation schedules or changes in the boundaries of valuation areas developed in accordance with subsections (1) and (2) of this section. Notice of the hearings shall be published in a newspaper of general circulation throughout the state at least 14 days prior to the hearings date. In addition, the department may cause notice to be broadcast pursuant to ORS 193.310 to 193.360.

(4)(a) A taxpayer who harvests less than 500,000 board feet of timber in the calendar year or who has less than 1,000 acres of forestland in western Oregon, and who, during the calendar year immediately preceding the due date of the privilege tax return, is not engaged in and does not have an ownership interest of more than 10 percent in a business engaged in the processing of timber into wood products, may elect to calculate and pay a tax on the basis of net stumpage recovery from such forestland rather than by use of the tables prepared in accordance with subsections (1) and (2) of this section.

(b) For purposes of this subsection, “net stumpage recovery” means the selling price of the logs at a conversion center in an arm’s length transaction, less the costs described in one of the following subparagraphs:

(A) The logging costs reflected by a written agreement entered into in connection with the logging operation. The department may analyze the agreement and adjust the contract price to eliminate costs paid by the taxpayer for work or material not connected with logging, log hauling costs and marketing the timber.

(B) Administration, logging and log hauling costs typical for the type of harvest as determined by the department.

(c) The department may require such proof from the taxpayer as it deems necessary to determine the amount of stumpage recovery and eligibility for the alternate calculation of the tax provided in this subsection. [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]

321.284 Appeal of immediate harvest values. (1) Within 21 days after the immediate harvest value tables are adopted by the Department of Revenue as provided in ORS 321.282, a taxpayer may appeal the immediate harvest values to the Oregon Tax Court. Values modified by the court shall apply only to the complainant. Multiple appeals may be consolidated by the court. In the event that five or more taxpayers owning in the aggregate not less than five percent of the total forestland subject to ad valorem taxation in a single market area, or their representative organization appeals, values modified by the court shall apply to all taxpayers in that market area.

(2) An appeal to the Oregon Tax Court under this section shall be taken in the same manner and form as a complaint filed under ORS 305.404 to 305.560. A taxpayer shall be considered to be aggrieved by the department’s values if the taxpayer harvests timber in western Oregon. The court has jurisdiction to affirm or modify the values contained in the immediate harvest value tables adopted by the department.

(3) An appeal filed in the Oregon Tax Court pursuant to this section shall have priority over all other cases pending before

the court and shall be heard and decided as soon after coming to issue as is reasonably possible.

(4) If the Oregon Tax Court fails to render a decision before November 1, the immediate harvest values adopted by the department may be used as the immediate harvest values for the tables referred to in ORS 321.282 until a decision is reached. If the court establishes immediate harvest values different from those adopted by the department, the provisions of ORS 321.560 shall apply, except that no penalty shall be assessed for deficiencies attributable to changes in the immediate harvest values and any refund shall be payable, with interest, no later than July 1 following the calendar year in which the court renders the decision. [1989 c.1083 §4; 1991 c.459 §281; 1993 c.653 §9; 1995 c.650 §92; 1999 c.1078 §26a]

Note: 321.284 was added to and made a part of 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

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

321.287 Annual payments; determination of amount harvested; delinquency. Commencing with the calendar year beginning January 1, 1994, and subject to the provisions related to quarterly estimated tax payments provided in ORS 321.950, the tax imposed by ORS 321.272 and 321.273 shall be due and payable annually on or before the last day of January of each year with respect to all timber harvested during the preceding calendar year. The amount harvested shall be determined by units of proper measurement of the kinds of timber, species, quality classes, grades and products harvested. The tax shall be delinquent if not paid by the due date or within the additional time allowed for filing under ORS 321.322 (1). [1977 c.892 §7; 1979 c.454 §2; 1993 c.653 §§10,10a]

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 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 which 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 and other expenses associated with forest taxation, and for costs incurred by the State Forestry Department in carrying out ORS 315.104 and 321.705 to 321.765 for the period beginning July 1, 2001, and ending July 1, 2003.

(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay refunds of the taxes imposed by ORS 321.273 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 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 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 (9) 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 (9) 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 31 of each fiscal year, the department shall determine the amount distributable to counties from the Western Oregon Timber Tax Account as of May 15 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 15 of the fiscal year and transferred on or before May 31 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]

Note: The amendments to 321.307 by section 11a, chapter 860, Oregon Laws 2001, apply to tax years beginning on or after July 1, 2003. See section 12, chapter 860, Oregon Laws 2001. The text that is applicable to tax years beginning on and after July 1, 2003, is set forth for the user's convenience.

321.307. (1) The revenue from the taxes imposed by ORS 321.273 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 which 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 and other expenses associated with forest taxation, and for costs incurred by the State Forestry Department in carrying out ORS 315.104 and 321.705 to 321.765 for the period beginning July 1, 2001, and ending July 1, 2003.

(2) Notwithstanding the provisions of ORS 291.238, the amount of moneys necessary to pay refunds of the taxes imposed by ORS 321.273 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 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 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) 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) 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 31 of each fiscal year, the department shall determine the amount distributable to counties from the Western Oregon Timber Tax Account as of May 15 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 15 of the fiscal year and transferred on or before May 31 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.

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]

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 Returns; time for filing; extension. (1) On or before the last day of January, each taxpayer who has harvested any timber during the preceding calendar year, shall prepare a return on the form prescribed by the Department of Revenue showing the amounts and kinds of timber harvested for the preceding calendar year, the amount of tax for which the taxpayer is liable for harvesting during the preceding calendar year and such other relevant information as the department considers necessary to determine the tax due correctly and shall mail or deliver the return, together with a remittance for the unpaid balance of the tax, to the office of the department at Salem, Oregon. The return shall be signed and certified by the taxpayer or a duly authorized agent of the taxpayer, as provided in ORS 305.810. 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. 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) All privilege tax payments received under ORS 321.257 to 321.390 shall be credited first to penalty and then to interest accrued on the tax being paid and then to the tax.

(3) A taxpayer incurring less than \$10 total privilege tax liability under ORS 321.257 to 321.390 in any calendar year is excused from the payment of such tax but shall be required to file a return. [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]

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 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 Replacement 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 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]

321.348 Assignment of forestland to land classes; change in class. (1) As of the tax year beginning July 1, 1995, and for each tax year thereafter, 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]

Note: 321.348 was added to and made a part of ORS 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

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 Department of Revenue to review forestland values. In 2000, and every six years thereafter, the Department of Revenue shall review Oregon forestland values proposed by ORS 321.348, 321.353 and 321.811 and pursuant to ORS 192.245 shall report its findings to the Legislative Assembly during the period of its regular session next to convene. [1993 c.801 §21a; 1999 c.21 §51]

Note: 321.351 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 321 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

321.352 Western Oregon forestland assessment for 1993-1994 and 1994-1995; standards; certification of values to assessors; appeals of values by certain taxpayers. (1) Notwithstanding ORS 308.205, for the tax year beginning July 1, 1993, and the tax year beginning July 1, 1994, forestland in western Oregon shall be assessed at its value for forest use. For each of those years, the value of forestland shall be the previous year's value as adjusted by the moving average percentage change calculated under subsection (2) of this section.

(2) Each year, the Department of Revenue shall determine a percentage change in the average stumpage value of young growth Douglas fir timber, classes B, C and D, for the current and two preceding years when compared with a similar calculation made in the previous year. For purposes of obtaining the averages required by this subsection:

(a) In computing the increase or decrease in stumpage value for any year, the stumpage values established for that year by the department under ORS 321.282 for severance tax purposes shall be used.

(b) The standards for classes B, C and D shall be the standards used by the department for valuing timber under ORS 321.622 (1975 Replacement Part).

(3) For purposes of determining forestland values pursuant to subsections (1) and (2) of this section, forestland in western Oregon shall be divided into those land market areas as the department shall establish by rule.

(4) Prior to July 1 of each year, the department shall determine and certify to the appropriate county assessor the values of forestland as provided in subsections (1) to (3) of this section. The county assessor shall use the value so certified in the preparation of the assessment and tax rolls of the county each tax year.

(5) At any time after the certification of values pursuant to subsection (4) of this section, but not later than August 1, five or more taxpayers owning in the aggregate not less than five percent of the total forestland acreage subject to ad valorem taxation in a single land market area may appeal any or all of the values in that area directly to the 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. Notice of the appeal shall be made in each county having values affected by the appeal, either by personal service, by certified mail on each taxpayer affected, or by publication made once a week for two consecutive weeks in a newspaper of general circulation in the county. The notice shall designate the values appealed, and include a statement of the provisions of subsection (6) of this section. The petition shall designate one of the group as the representative of all, and all proceedings before the tax court and any appeal from its determination shall be conducted procedurally as though the designated representative were the only petitioner.

(6) If the tax court increases or reduces any of the values under appeal, the judgment of the court shall apply to the valuation of all forestland in the designated market area for that year. An appeal may be taken to the Oregon Supreme Court from the judgment of the tax court. Unless changed upon appeal to the Supreme Court, the tax court determination shall be binding upon the department and upon each assessor and taxpayer affected by such determination of value.

(7) All other appeals from the application of the forestland values certified by the department under subsection (4) of this section shall be taken in the time and manner otherwise provided by law for such property tax appeals. [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]

321.353 Value per acre of forestland by land class; value index; assessment at percentage of forestland value for tax years before 2003-2004; maximum assessed value. (1) The assessed value of forestland in western Oregon shall be determined as provided in subsection (8) of this section.

(2) Notwithstanding ORS 308.205, 308.232 or 321.352 or other law and subject to subsection (3) of this section, forestland in western Oregon shall be considered to have a specially assessed value per acre in accordance with the following schedule:

Land Class	Value Per Acre
FA.....	\$720
FB.....	\$619

FC.....	\$396
FD.....	\$299
FE.....	\$171
FF.....	\$42
FG.....	\$7
FX.....	\$1

(3)(a)(A) For tax years beginning on or after July 1, 1995, and before July 1, 2001, the values per acre of forestland as determined under subsection (2) of this section shall be adjusted according to the change calculated under this paragraph.

(B) The Department of Revenue shall determine the assessed values of forestland by multiplying the assessed values of the forestland for the previous year by the value index calculated by the department and certified to the appropriate county assessors under subsection (4) of this section. For the tax year beginning July 1, 1995, the “assessed values of the forestland for the previous year” means the values set forth in subsection (2) of this section.

(C) As used in this paragraph, “value index” means the number 1.0 plus the decimal equivalent of 50 percent of the change, whether positive or negative, in the Average Western Oregon Log Value, as defined in ORS 321.257 (1997 Edition) for:

(i) The current and seven preceding six-month periods when compared with a similar calculation made one year previously for the tax year beginning July 1, 1995;

(ii) The current and nine preceding six-month periods when compared with a similar calculation made one year previously for the tax year beginning July 1, 1996;

(iii) The current and 11 preceding six-month periods when compared with a similar calculation made one year previously for the tax year beginning July 1, 1997; and

(iv) The current and 13 preceding six-month periods when compared with a similar calculation made one year previously for all tax years beginning on or after July 1, 1998.

(D) As used in this paragraph, “current” means the six-month period last ending before the calculation is made.

(E) For purposes of determining forestland values under this paragraph, forestland in western Oregon shall be divided into those land market areas as the department shall establish by rule.

(b)(A) For the tax year beginning July 1, 2001, and for each tax year thereafter, the values per acre of forestland shall be determined by the department by multiplying the values per acre for the previous tax year by the value index calculated by the department and certified to the appropriate county assessor under subsection (4) of this section.

(B) As used in this paragraph, “value index” means the number 1.0 plus the decimal equivalent of one-half of the percentage change, whether positive or negative, in the average of the Average Pacific Northwest Coast Lumber Price Index values over the seven preceding one-year (calendar) periods when compared with the corresponding average calculated with respect to the previous year.

(4) Prior to July 1 of each tax year, the department shall determine and certify to the appropriate county assessor the values of forestland in western Oregon. Except as provided in ORS 321.352 (6), the county assessor shall use the value so certified in the preparation of the assessment and tax rolls of the county each tax year.

(5) ORS 321.352 (5) to (7) apply to the forestland values determined under this section.

(6) For the tax year beginning July 1, 1995, and for each tax year thereafter that begins before July 1, 2003, forestland in western Oregon that is not assessed under ORS 321.354 shall be subject to ad valorem taxation at the same rates as nonforestland similarly situated. However, the assessed value for taxation of such forestland shall not exceed 20 percent of its value determined under ORS 321.352 to 321.381.

(7) For each land class described in subsection (2) of this section, the forestland maximum assessed value per acre of forestland assessed under this section shall equal 103 percent of the forestland maximum assessed value per acre for the preceding assessment year.

(8) The assessor shall compute the assessed value of forestland by taking the lesser of the value established under subsection (6) of this section or subsection (7) of this section and multiplying the value by the acreage of the forestland.

(9) For the first assessment year for which property is designated as forestland, the forestland’s assessed value shall be determined as provided in subsection (8) of this section. [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]

Note: The amendments to 321.353 by section 1, chapter 860, Oregon Laws 2001, apply to tax years beginning on or after July 1, 2003. See section 12, chapter 860, Oregon Laws 2001. The text that is applicable to tax years beginning on and after July 1, 2003, is set forth for the user’s convenience.

321.353. (1) The assessed value of forestland in western Oregon that is not subject to special assessment under ORS 321.354 or 321.720 shall be determined as provided in subsection (8) of this section.

(2) Notwithstanding ORS 308.205, 308.232 or 321.352 or other law and subject to subsection (3) of this section, forestland in western Oregon that is assessed under this section shall be considered to have a base value per acre in accordance with the following schedule:

Land Class	Value Per Acre
FA.....	\$720
FB.....	\$619
FC.....	\$396
FD.....	\$299
FE.....	\$171
FF.....	\$42
FG.....	\$7
FX.....	\$1

(3)(a)(A) For tax years beginning on or after July 1, 1995, and before July 1, 2001, the base values per acre as determined under subsection (2) of this section shall be adjusted according to the change calculated under this paragraph.

(B) The Department of Revenue shall determine the adjusted base values per acre by multiplying the adjusted base values per acre for the previous year by the value index calculated by the department and certified to the appropriate county assessors under subsection (4) of this section. For the tax year beginning July 1, 1995, the “adjusted base values per acre for the previous year” means the base values set forth in subsection (2) of this section.

(C) As used in this paragraph, “value index” means the number 1.0 plus the decimal equivalent of 50 percent of the change, whether positive or negative, in the Average Western Oregon Log Value, as defined in ORS 321.257 (1997 Edition) for:

- (i) The current and seven preceding six-month periods when compared with a similar calculation made one year previously for the tax year beginning July 1, 1995;
- (ii) The current and nine preceding six-month periods when compared with a similar calculation made one year previously for the tax year beginning July 1, 1996;
- (iii) The current and 11 preceding six-month periods when compared with a similar calculation made one year previously for the tax year beginning July 1, 1997; and
- (iv) The current and 13 preceding six-month periods when compared with a similar calculation made one year previously for all tax years beginning on or after July 1, 1998.

(D) As used in this paragraph, “current” means the six-month period last ending before the calculation is made.

(E) For purposes of determining forestland values under this paragraph, forestland in western Oregon shall be divided into those land market areas as the department shall establish by rule.

(b)(A) For the tax year beginning July 1, 2001, and for each tax year thereafter, the adjusted base values per acre assessed under this section shall be determined by the department by multiplying the adjusted base values per acre for the previous tax year by the value index calculated by the department and certified to the appropriate county assessors under subsection (4) of this section.

(B) As used in this paragraph, “value index” means the number 1.0 plus the decimal equivalent of one-half of the percentage change, whether positive or negative, in the average of the Average Pacific Northwest Coast Lumber Price Index values over the seven preceding one-year (calendar) periods when compared with the corresponding average calculated with respect to the previous year.

(4) On or before July 1 of each tax year, the department shall determine and certify to the appropriate county assessors the adjusted base values per acre in western Oregon that are assessed under this section. Except as provided in ORS 321.352 (6), the county assessor shall use the values so certified in the preparation of the assessment and tax rolls of the county each tax year.

(5) ORS 321.352 (5) to (7) apply to the adjusted base values determined under this section.

(6) For the tax year beginning July 1, 1995, and for each tax year thereafter that begins before July 1, 2003, forestland in western Oregon that is not assessed under ORS 321.354 or 321.720 shall be subject to ad valorem taxation at the same rates as nonforestland similarly situated. However, the specially assessed value for taxation of such forestland shall not exceed 20 percent of its value determined under this section.

(7) For each land class described in subsection (2) of this section, the forestland maximum assessed value per acre of forestland assessed under this section 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.

(8) The assessor shall compute the assessed value of forestland by taking the lesser of the value established under subsection (6) of this section or subsection (7) of this section and multiplying the value by the acreage of the forestland.

(9) 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 subsection (8) of this section.

(10) For the first assessment year for which property is designated as forestland, the forestland’s assessed value shall be determined as provided in subsection (8) of this section.

Note: 321.353 was added to and made a part of ORS 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

321.354 Specially assessed value and maximum assessed value of forestland of large landowners. (1) The Department of Revenue shall identify the forestland that is held in common ownership of 5,000 acres or more as of January 1, 2000. Forestland that the department has so identified shall be specially assessed as provided in this section for the tax year beginning July 1, 2000, and for subsequent tax years, without regard to whether the forestland continues to be held in common ownership of 5,000 acres or more.

(2) Forestland assessed under this section shall have a specially assessed value per acre equal to 75 percent of the value per acre determined under ORS 321.353 (2) to (5) for the applicable land class of the forestland.

(3) For each land class described in ORS 321.353 (2), the forestland maximum assessed value per acre shall equal 103 percent of the forestland maximum assessed value per acre for the preceding tax year.

(4)(a) The assessor shall compute the assessed value of forestland by taking the lesser of the value established under subsection (2) or (3) of this section and multiplying that amount by the acreage of the forestland.

(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. [1999 c.1078 §2]

Note: The amendments to 321.354 by section 7, chapter 1078, Oregon Laws 1999, and section 2, chapter 860, Oregon Laws 2001, apply to tax years beginning on or after July 1, 2003. See section 8, chapter 1078, Oregon Laws 1999, and section 12, chapter 860, Oregon Laws 2001. The text that is applicable on and after July 1, 2003, is set forth for the user's convenience.

321.354. (1) The Department of Revenue shall identify the forestland that is held in common ownership of 5,000 acres or more as of January 1, 2000. Forestland that the department has so identified shall be subject to special assessment as provided in this section for the tax year beginning July 1, 2000, and for subsequent tax years, without regard to whether the forestland continues to be held in common ownership of 5,000 acres or more.

(2) Forestland assessed under this section shall:

(a) Be disqualified from special assessment at a value per acre equal to 75 percent of the value per acre determined under ORS 321.353 (2) to (5) for the applicable land class of the forestland; and

(b) Qualify for special assessment at a value per acre equal to the specially assessed 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 (2)(a) 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 (2)(a) of this section.

Note: 321.354 was added to and made a part of 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

Note: Sections 3 to 5 and 84a, chapter 1078, Oregon Laws 1999, provide:

Sec. 3. Maximum assessed value for 2000-2001 tax year. Notwithstanding section 2 (3) of this 1999 Act [321.354 (3)], for the tax year beginning July 1, 2000, the maximum assessed value per acre of forestland specially assessed under section 2 of this 1999 Act [321.354] shall equal 75 percent of the value per acre for each class determined under ORS 321.353 (2) to (5) for the tax year beginning July 1, 1995, reduced by 10 percent and then increased by three percent for each of the tax years beginning July 1, 1998, July 1, 1999, and July 1, 2000. [1999 c.1078 §3]

Sec. 4. Forestland in large ownership assessment disqualified from other forestland assessment. (1) Forestland that is

assessed under ORS 321.354 shall be disqualified from special assessment under ORS 321.353 (6) to (9) (1999 Edition).

(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 occurring under this section. [1999 c.1078 §4; 2001 c.860 §23]

Sec. 5. Election by small landowner to have forestland assessed under large landholding assessment. (1) On or after the effective date of this 1999 Act [October 23, 1999] and before April 1, 2002, an owner of forestland that is held in common ownership of less than 5,000 acres may elect to have all of the forestland owned by the owner assessed as provided in section 2 (2) to (4) of this 1999 Act [321.354 (2) to (4)].

(2) The election under subsection (1) of this section shall be made by filing an election form with the Department of Revenue. The form shall contain any information required by the department, including a list of the tax lots or account numbers of forestland owned or held in common ownership by the owner. The form shall contain an affirmation that the statements made on the form are true.

(3) Forestland that is subject to an election under this section shall, for tax years beginning on or after July 1, 2000, and before July 1, 2003, be valued and assessed as provided in section 2 of this 1999 Act [321.354], without regard to changes in ownership of the forestland.

(4) The provisions of section 2 (5)(b) of this 1999 Act [321.354 (5)(b)] apply to this section. [1999 c.1078 §5]

Sec. 84a. Appeals to be made to Department of Revenue. (1) For tax years beginning on July 1, 1999, and July 1, 2000, any appeal of the maximum assessed value, assessed value or real market value of forestland assessed under ORS 321.257 to 321.390 or 321.805 to 321.825 shall be made to the Department of Revenue in lieu of filing a petition with the board of property tax appeals pursuant to ORS 309.026.

(2) A board of property tax appeals may not hear a petition for the reduction of value of forestland described in subsection (1) of this section.

(3) For tax years beginning on July 1, 1999, and July 1, 2000, appeals of land classification under ORS 321.353 shall be made to the department under this section.

(4) The department may prescribe rules setting forth procedures applicable to appeals filed under this section.

(5) The department's determination of an appeal under this section may be appealed to the tax court pursuant to ORS 305.570.

(6) This section does not apply to appeals described in ORS 321.352 or 321.810. [1999 c.1078 §84a]

Note: Section 4, chapter 860, Oregon Laws 2001, provides:

Sec. 4. Assessed value limit for 2003-2004 tax year. Notwithstanding ORS 321.354 (3), for the tax year beginning July 1, 2003, the assessed value per acre of forestland subject to special assessment under ORS 321.354 may not exceed the lesser of the specially assessed value per acre certified by the Department of Revenue under section 18 of this 2001 Act [321.216] for that tax year 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.....	\$450
FB.....	\$357
FC.....	\$299
FD.....	\$254
FE.....	\$169
FF.....	\$122
FG.....	\$51
FX.....	\$6

[2001 c.860 §4]

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 2002-2003 tax year. (1) For the tax year beginning July 1, 2003, forestland subject to special assessment under ORS 321.353 for the previous tax year shall be disqualified from such special assessment. For the tax year beginning July 1, 2003, 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]

Note: Section 9a, chapter 1078, Oregon Laws 1999, provides:

Sec. 9a. Section 9 of this 1999 Act [321.356] applies to property tax years beginning on or after July 1, 2003. [1999 c.1078 §9a]

Note: 321.356 was added to and made a part of 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

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 under ORS 321.257 (4) 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]

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 as provided in ORS 321.257 to 321.390;
- (c) Meeting all of the qualifications for designation as forestland as provided in ORS 321.347 to 321.375; 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]

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 Treatment of additional forestland acquisition by certain landowners. (1) If an owner of forestland that is assessed under ORS 321.354 acquires additional forestland that was assessed under ORS 321.353 (6) to (9) as of the assessment date preceding acquisition, the additional forestland shall be disqualified from assessment under ORS 321.353 (6) to (9) and shall be assessed under ORS 321.354 as of the assessment date immediately following the acquisition.

(2) Notwithstanding ORS 321.273 (3) or (4), any timber harvested from forestland described in subsection (1) of this section, during the year of acquisition and the four calendar years immediately following, shall be subject to the privilege tax imposed under ORS 321.273 (2).

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

(4) 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 §10]

Note: The amendments to 321.365 by section 11b, chapter 860, Oregon Laws 2001, apply to tax years beginning on or after July 1, 2003. See section 12, chapter 860, Oregon Laws 2001. The text that is applicable to tax years beginning on and after July 1, 2003, is set forth for the user’s convenience.

321.365. (1) If an owner of forestland that is assessed under ORS 321.354 acquires additional forestland that was assessed under ORS 321.353 (6) to (10) as of the assessment date preceding acquisition, the additional forestland shall be disqualified from assessment under ORS 321.353 (6) to (10) and shall be assessed under ORS 321.354 as of the assessment date immediately following the acquisition.

(2) Notwithstanding ORS 321.273 (3) or (4), any timber harvested from forestland described in subsection (1) of this section, during the year of acquisition and the four calendar years immediately following, shall be subject to the privilege tax imposed under ORS 321.273 (2).

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

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

Note: 321.365 was added to and made a part of 321.257 to 321.390 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

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)(a) 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 (4) of this section, if the State Forester then determines the land is not being managed in accordance with a plan which makes provision 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, 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 this subsection 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 paragraph (a) of this subsection. 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.

(3) The county assessor, upon receipt of the notice from the State Forester, shall cease to treat such lands as forestland under ORS 321.257 to 321.390 and shall value such lands under ORS 308.205 and 308.232.

(4) If at the time that the State Forester views the land under subsection (2)(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 (2)(a) of this section in the manner of the original notification.

(5) When the owner of forestland declared ineligible for forestland taxation under this section 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.

(6) 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]

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 Notice of appeal of forestland value; form of notice. For any tax year beginning on or after July 1, 1982, for which the value of forestland in western Oregon is determined under ORS 321.352, the county assessor or tax collector shall notify the owner of each affected parcel of the appeal of the forestland value, and that additional taxes may be assessed if the court determines that the value of the forestland is greater than the value placed upon the assessment and tax rolls. The notice may be on or accompany the tax statement, or may be mailed to the owner by separate mailing within 30 days before or after the tax statement is mailed. If the notice is on the tax statement, the words "forestland value under appeal-potential additional tax liability" or other similar phrase shall be considered to meet the requirements of this section. If an owner owns more than one parcel of forestland in the county, and the notice is given by separate mailing, only one notice need be given to that owner. [1981 c.428 §3; 1985 c.759 §26; 1991 c.459 §297; 1993 c.270 §72]

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

321.379 Reports by purchaser of privately owned timber; reports by purchasers of logs from timber harvested from private lands; seller to provide purchasers of woods direct logs with operations permit number; penalty. (1) Any purchaser in an arms-length transaction of privately owned timber located within western Oregon shall, within 30 days after the purchase of the timber, report the particulars of the purchase to the Department of Revenue. The particulars that must be reported shall be those designated by rule of the department and shall be relevant to the valuation of stumpage. The report shall be made in the form specified by rule of the department.

(2) Any seller of woods direct logs shall provide any purchaser of those logs with the proper State Forestry Department Notification of Operations permit number applicable to the logs and the name of the timber owner as shown on the permit. Purchasers shall include that information in any records or reports of purchases required by the department under this chapter.

(3) Any seller or purchaser who fails to report a sale or purchase as required under this section shall be liable for a penalty of \$1,000 for each failure to report, which shall be assessed and collected in the manner provided in ORS 321.560 and 321.570. [1989 c.1083 §5; 1993 c.653 §14; 1995 c.350 §3; 1999 c.1078 §27]

321.381 Confidentiality of reports submitted under ORS 321.379; penalties. (1) Particulars of timber and log sales or purchases, reported to the Department of Revenue under ORS 321.379, shall be confidential records of the department. Those records shall be available to the State Forestry Department, the Legislative Revenue Officer, or authorized representatives of the Legislative Revenue Officer, for the purpose of preparation of reports, estimates and analyses required by ORS 173.800 to 173.850, and to the authorized agents of the federal government and the several states on a reciprocal basis where the federal government and states have a provision of law which provides confidentiality meeting or exceeding that provided by this section.

(2) Violation of subsection (1) of this section 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.

(3) Notwithstanding subsection (1) of this section, if immediate harvest value tables are appealed to the Oregon Tax Court under ORS 321.284, the department may disclose to the court any information received under ORS 321.379 that the department collected in determining the immediate harvest values under appeal. [1989 c.1083 §6; 1999 c.1078 §72]

321.390 Land used to grow certain hardwood to be assessed as farm use land; exception upon election; application required for unzoned land. (1) Land described in ORS 321.267 (1)(e) (relating to hardwood timberland, including hybrid cottonwood timberland) shall be assessed as farm use land under ORS 308A.050 to 308A.128, unless the owner of the land makes the election under ORS 321.274.

(2)(a) If land is or becomes land described under ORS 321.267 (1)(e) 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]

(Temporary provisions relating to studies and reports)

Note: Sections 2 and 11, chapter 816, Oregon Laws 2001, provide:

Sec. 2. (1) The State Forestry Department shall convene a working group to review state tax policies affecting family and nonindustrial small tract forestland in Oregon. In the course of the review conducted by the working group, the working group shall consider:

(a) The interest of the state in encouraging diverse management and uses of family and nonindustrial small tract forestland;

(b) The contribution of family and nonindustrial small tract forestland to a healthy ecosystem;

(c) Special issues associated with family and nonindustrial small tract forestland ownership; and

(d) Any other values or principles the working group finds relevant to the development of state tax policy concerning family and nonindustrial small tract forestland in this state.

(2) The working group shall consist of representatives of family and nonindustrial small tract forestland owners from eastern Oregon and western Oregon, the conservation community, county assessors, the Department of Revenue and the State Forestry Department.

(3) The working group shall report the results of the group's review of state tax policies affecting family and nonindustrial small tract forestland, including any recommendations for changes in those policies, to those committees of the Seventy-second Legislative Assembly having jurisdiction over revenue matters.

(4) As used in this section, "family and nonindustrial small tract forestland" refers to forestland held in common ownership of less than 5,000 acres. [2001 c.816 §2]

Sec. 11. 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 State Forestry Department for the purpose of paying the expenses of the working group established under section 2 of this 2001 Act. [2001 c.816 §11]

EASTERN OREGON PRIVILEGE TAX

321.405 Definitions for ORS 321.405 to 321.487. As used in ORS 321.405 to 321.487, unless the context requires otherwise:

(1) "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.

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

(3) "Forestland" means forestland as defined in ORS 321.805.

(4) "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.

(5) "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.

(6) "Sustained yield management" means sustained yield management as defined in ORS 321.257.

(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.

(8) "Taxpayer" means the owner of timber at time of harvest. [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]

321.408 Purposes of ORS 321.405 to 321.487. The purposes of ORS 321.405 to 321.487 are:

(1) To impose with respect to forestland in eastern Oregon a system of ad valorem taxation whereby the assessed value of forestland is determined by the Legislative Assembly effective January 1, 1994, and annually adjusted as described in ORS 321.810.

(2) To establish a privilege tax on timber harvested in eastern Oregon as a means of:

- (a) Recognizing the findings in ORS 321.410 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 the private forestland of eastern Oregon.
 - (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.
 - (e) Producing revenues for local taxing districts at the time of harvest in lieu of collecting a portion of ad valorem taxes on forestland.
- (3) To assure local taxing districts that privilege tax receipts will be considered a local revenue source. [1993 c.801 §25]

321.410 Legislative findings on ORS 321.405 to 321.487. 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) A tax at time of harvest recognizes the hazards and uncertainties involved in growing a long-term timber crop on a sustained yield basis.
- (5) 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.
- (6) Eastern Oregon forests predominate in Ponderosa pine and associated species, while western Oregon forests predominate in Douglas fir and associated species. [1961 c.627 §2; 1993 c.801 §23]

321.415 Scope of ORS 321.405 to 321.487; certain timber not subject to privilege tax; effect on other taxes. (1) Lands assessed by the Department of Revenue pursuant to ORS 308.505 to 308.665 or 308.805 to 308.820 and the timber thereon shall not be subject to the provisions of ORS 321.405 to 321.487.

(2) The tax imposed under the provisions of ORS 321.405 to 321.487 shall be additional to that levied under the provisions of ORS 321.005 to 321.185 and 321.560 to 321.600.

(3) Timber on timberland which is exempt from the ad valorem real property tax shall be exempt from the privilege tax imposed by ORS 321.405 to 321.487.

(4) Land used exclusively for growing cultured Christmas trees, and the cultured Christmas trees growing thereon, as defined in ORS 215.203, shall not be subject to the provisions of ORS 321.405 to 321.487 and 321.805 to 321.825.

(5) Except as provided in ORS 321.426, land and hardwood timber, including but not limited to hybrid cottonwood, shall not be subject to the provisions of ORS 321.405 to 321.487 and 321.805 to 321.825 if the land and timber are:

- (a) Grown or growing on land which has been prepared by intensive cultivation methods and which is cleared of competing vegetation for at least three years after tree planting;
- (b) Of a species marketable as fiber for inclusion in the "furnish" for manufacturing paper products;
- (c) Harvested on a rotation cycle within 12 years after planting; and
- (d) Subject to intensive agricultural practices such as fertilization, insect and disease control, cultivation and irrigation.

(6)(a) Timber on land that, at the time of harvest, is assessed under ORS 308.146 (1) to (3) or specially assessed under ORS 308A.050 to 308A.128 or 308A.300 to 308A.330, if the land was assessed under ORS 308.146 (1) to (3) or 308.232 or was specially assessed under ORS 308A.050 to 308A.128 or 308A.300 to 308A.330 for at least five property tax years preceding the date the timber was harvested from the land, shall not be subject to the provisions of ORS 321.405 to 321.487.

(b) For purposes of this subsection and ORS 321.421 (4), land that has been forestland assessed under ORS 321.812 for any of the five property tax years preceding the date the timber was harvested from the land shall be considered to be forestland assessed under ORS 321.812.

(7) Nothing contained in ORS 321.405 to 321.487 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. [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]

Note: See note under 321.267.

321.420 Privilege tax imposed on harvest of timber from private forestlands in eastern Oregon; exemption of timber from ad valorem taxation. (1) All timber in eastern Oregon shall be exempt from levy and collection of the general ad valorem real property tax.

(2) For the privilege of harvesting timber from privately owned land in eastern Oregon a tax is imposed as set forth in ORS 321.405 to 321.487.

(3) The tax imposed by subsection (2) of this section is intended to recover the annuitized value of forgone property taxes on forestland. [1961 c.627 §3; 1963 c.225 §1; 1971 c.654 §8; 1993 c.801 §27; 1999 c.19 §8; 1999 c.1078 §51]

321.421 Rates of privilege tax imposed for harvest of timber from private lands in eastern Oregon; exemption for certain timber harvested after 2002. (1) For the privilege of harvesting timber from privately owned land in eastern Oregon, a privilege tax is imposed upon taxpayers at the rates provided under subsection (2) or (3) of this section.

(2) If the land upon which the timber is harvested is not assessed as provided in ORS 321.812 and is otherwise subject to privilege taxes, the rate of the privilege tax is 1.80 percent of the immediate harvest value of timber harvested from privately owned land.

(3) If the timber is harvested from forestland assessed under ORS 321.812:

(a) The rate of the privilege tax is 1.1 percent of the immediate harvest value of timber harvested from privately owned land on or after January 1, 2000, and before January 1, 2002.

(b) The rate of the privilege tax is 0.8 percent of the immediate harvest value of timber harvested from privately owned land on or after January 1, 2002, and before January 1, 2003.

(4) Timber harvested from forestland assessed under ORS 321.812 on or after January 1, 2003, is exempt from the privilege tax imposed under ORS 321.405 to 321.487. [1993 c.801 §29; 1999 c.1078 §53]

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

321.426 Privilege tax on hardwood timber on private lands; eastern Oregon forestland; election by owner. (1) Notwithstanding ORS 321.415 (5), and upon the election of a taxpayer made as provided under subsection (2) of this section, the taxes imposed under ORS 321.405 to 321.487 on the harvest of timber from other privately owned land in eastern Oregon are imposed on the harvest of hardwood timber from land in eastern Oregon described in ORS 321.415 (5) that is privately owned.

(2) A taxpayer having total ownership of forestland in eastern Oregon in excess of five acres but not in excess of 5,000 acres who elects to claim a credit allowed under ORS 315.104 for reforestation project costs paid or incurred in connection with a reforestation project as described under ORS 321.415 (5) on the forestland and for which a preliminary certificate is issued for a tax year beginning on or after January 1, 1992, shall be considered to have made the election to pay the privilege tax imposed under subsection (1) of this section upon the harvest, on and after the date the preliminary certificate is issued, of all such hardwood timber harvested from all forestland owned by the taxpayer on the date the preliminary certificate is issued. For purposes of this section, "ownership or total ownership" shall be determined under rules adopted by the Department of Revenue. If, after the date the preliminary certificate is issued, the forestland planted in hardwood timber as described in ORS 321.415 (5) is sold or otherwise transferred, the election shall be binding upon the purchaser or transferee and all subsequent purchasers and transferees, as to that particular land, until such time as all of the hardwood timber on that land has been harvested, the land is changed in use or the timber is exempt under other provisions of ORS 321.405 to 321.487, all to be determined subject to rules adopted by the department. [1991 c.714 §3; 1993 c.801 §39]

321.430 Determination of immediate harvest values; application by areas. (1) The Department of Revenue shall determine on or before February 1 of each year the immediate harvest values as of January 1 of the calendar year for which the immediate harvest values are to be used in computing the privilege tax imposed by ORS 321.421. The values shall be determined for each species or subclassification, as provided in subsections (2) and (3) of this section, and shall be expressed in terms of a dollar amount per thousand board foot or other unit measure. The total listing of values shall be combined into a convenient set of tables issued by the department. A copy of the tables shall be retained on file in the office of the department.

(2) The department shall select various areas in eastern Oregon which shall be treated as units for the application of the immediate harvest values determined under this section. The department shall determine unit values for immediate harvest for each species in each area, except that for Ponderosa pine the department may make further value classifications based on age, size and other relevant factors. The areas shall be selected, within the discretion of the department based on administrative feasibility, to include timber having similar growing and marketing conditions. The determination of the size and location of appropriate areas shall not be subject to review by the courts.

(3) As used in this section, "immediate harvest value" means the amount that each species or subclassification of timber would sell for at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. Such value shall be determined by methods which make reasonable and adequate allowances for age, size, quality, growing conditions, costs of removal, accessibility to point of conversion, market conditions and all other relevant factors. [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]

321.432 Elective tax calculation; net stumpage recovery procedures. (1) A taxpayer who harvests less than 500,000 board feet of timber in the calendar year and who, during the 12-month period immediately preceding the due date of the privilege tax return, is not engaged in and does not have an ownership interest of more than 10 percent in a business engaged in the processing of timber into wood products, may elect to calculate and pay a tax on the basis of net stumpage recovery from

such forestland rather than by use of the tables prepared in accordance with ORS 321.430.

(2) For purposes of this section, "net stumpage recovery" means the selling price of the logs at a conversion center in an arm's length transaction, less the costs described in one of the following paragraphs:

(a) The logging costs reflected by a written agreement entered into in connection with the logging operation. The Department of Revenue may analyze the agreement and adjust the contract price to eliminate costs paid by the taxpayer for work or material not connected with logging, log hauling costs and marketing the timber.

(b) Administration, logging and log hauling costs typical for the type of harvest as determined by the department.

(3) The department may require such proof from the taxpayer as it deems necessary to determine the amount of stumpage recovery and eligibility for the alternate calculation of the tax provided in this section. [1987 c.551 §5; 1991 c.459 §302; 1993 c.801 §31]

321.434 Reports by purchaser of purchase of privately owned timber; seller to provide purchasers of woods direct logs with operations permit number; penalty. (1) Any purchaser in an arms-length transaction of privately owned timber located within eastern Oregon shall, within 30 days after the purchase of the timber, report the particulars of the purchase to the Department of Revenue. The particulars that must be reported shall be those designated by rule of the department and shall be relevant to the valuation of stumpage. The report shall be made in the form specified by rule of the department.

(2) Any seller of woods direct logs shall provide any purchaser of those logs with the proper State Forestry Department Notification of Operations permit number applicable to the logs and the name of the timber owner as shown on the permit. Purchasers shall include that information in any records or reports of purchases required by the department under ORS chapter 321.

(3) Any seller or purchaser who fails to report a sale or purchase as required under subsections (1) and (2) of this section shall be liable for a penalty of \$1,000 for each failure to report, which shall be assessed and collected in the manner provided in ORS 321.560 and 321.570. [1995 c.350 §2]

321.435 Payment of tax; filing of returns; order of crediting payments; payment of tax under \$10 excused. (1) Subject to the provisions related to quarterly estimated tax payments provided in ORS 321.950, the tax shall be due and payable annually on or before the last day of January of each year with respect to all timber harvested during the preceding calendar year. Timber shall be considered harvested for purposes of this subsection at the time when in the ordinary course of business the quantity of timber harvested is first definitely determined. 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) 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 tax for which the taxpayer is liable for the preceding calendar year and such other relevant information as 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 office of the department at Salem, Oregon. The return shall be signed and verified by the taxpayer or a duly authorized agent of the taxpayer, as provided in ORS 305.810. 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 321.405 to 321.487 shall be credited first to penalty and then to interest accrued on the tax being paid and then to the tax.

(4) Taxpayers incurring less than \$10 total tax liability under ORS 321.405 to 321.487 in any calendar year are excused from the payment of such tax but shall be required to file a return. [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]

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 Collection of tax and effect of paying tax pending appeal. (1) No proceeding for the collection of the taxes provided for in ORS 321.405 to 321.487 shall be stayed by reason of the taking or pending of any appeal, except under order of the court and only in those cases wherein a good and sufficient undertaking has been executed in favor of the Department of

Revenue and approved by the court covering the entire amount of the tax, interest and penalties imposed and any and all costs that may be involved. The undertaking shall be filed with the clerk of the court.

(2) The payment of taxes while appeal is pending shall not operate as a waiver of the appeal or the right to a refunding of taxes found to be excessively determined. [1961 c.627 §14]

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 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 which 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 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 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) 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) 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 31 of each fiscal year, the department shall determine the amount distributable to counties from the Eastern Oregon Timber Tax Account as of May 15 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 15 of the fiscal year and transferred on or before May 31 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]

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]

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, 321.257 to 321.390, 321.405 to 321.487 and 321.560 to 321.600.

(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, on or after October 3, 1989, 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 either the western Oregon forestland and privilege tax imposed under ORS 321.257 to 321.390, or the eastern Oregon privilege tax imposed under ORS 321.405 to 321.487, if either tax is applicable to the harvest. If neither tax is 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]

321.560 Audit of returns; interest and penalties; appeal of harvest value. (1)(a) 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, shall apply to the determination of taxes, penalties and interest imposed under ORS 321.005 to 321.185, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600, except where the context requires otherwise.

(b) In addition, on or before March 1 of the year of determination, any taxpayer may appeal to the Oregon Tax Court for the revision of a harvest value for an area determined pursuant to ORS 321.430.

(2) If a taxpayer fails to file a return required by ORS 321.045, 321.257 to 321.390 or 321.405 to 321.487, 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, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600 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 which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which 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]

321.570 Warrant for collection of delinquent taxes. (1) If any tax imposed by ORS 321.005 to 321.185, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600, or any portion of such 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 duly docketed. 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]

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, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600 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]

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, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600 shall 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, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600 shall be instituted after the expiration of six years from the date such taxes were due. [Formerly 321.105]

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, 321.257 to 321.390, 321.405 to 321.487 and 321.560 to 321.600 shall be enforced and the taxes imposed by ORS 321.005 to 321.185, 321.257 to 321.390, 321.405 to 321.487 and 321.560 to 321.600 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, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600.

(2) For the purpose of determining the taxes imposed by ORS 321.005 to 321.185, 321.257 to 321.390, 321.405 to 321.487 or 321.560 to 321.600, 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; amended by 1999 c.21 §55]

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. 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, 321.322, 321.435 and 321.950 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. 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]

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 timber tax return 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, 321.322, 321.435 and 321.950.

(e) Disclose names and addresses of taxpayers filing under ORS 321.282 (4) and 321.432 to Oregon State University pursuant to surveys and programs related to forest management.

(f) Disclose to the State Forester, upon request of the forester, for the purpose of soliciting nominations and conducting elections 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.

(g) 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, 321.322, 321.435 and 321.950.

(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 upon compliance with ORS 173.850. Such officer or representative shall 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 such 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]

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]

WESTERN OREGON SMALL TRACT OPTIONAL TAX

321.705 Definitions for ORS 321.705 to 321.765. As used in ORS 321.705 to 321.765, unless the context requires otherwise:

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

(2) "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 south along the western boundaries of the counties of Wasco, Jefferson, Deschutes and Klamath to the southern boundary of the State of Oregon.

(3) "Forestland" means land which, in the judgment of the State Forester, is suitable for the production of timber and is being utilized primarily for that purpose. 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 such openings in their natural state are necessary to hold the surrounding forestland in forest use through sound management practices, they are deemed forestland. If forestland contains an amount of land being utilized in the production of cultured Christmas trees and the amount of land is, in the judgment of the State Forester, incidental to the amount of land being utilized in the production of timber, the land being utilized in the production of cultured Christmas trees shall be deemed forestland. Forestland does not include buildings, structures, machinery, equipment or fixtures erected upon, under or above the soil, but does include roads described in ORS 308.236.

(4) "Timber" means wood growth, mature or immature, growing or dead, standing or down.

(5) "Owner" means any individual, partnership, corporation or association of whatever nature, owning both the forestland and any timber thereon.

(6) "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 Service 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 one or more of the following practices: Basal pruning, fertilization, insect and disease control, stump culture, soil cultivation, irrigation. [1961 c.714 §1; 1977 c.892 §41; 1977 c.893 §1a; 1979 c.553 §1; 1997 c.586 §3]

321.710 Legislative findings; purpose of ORS 321.705 to 321.765. It is the purpose of ORS 321.705 to 321.765 to provide an optional method of ad valorem taxation for certain owners of forestland in western Oregon which will tax the land alone at its productivity value. It is hereby found that the normal system of taxing both the land and the increasing value of the growing timber tends to force those smaller owners with predominantly young growth holdings to harvest their timber before it has properly matured because of the constantly increasing taxes imposed on the timber and the lack of sufficient annual income from mature timber to meet the overall tax burden. The optional tax provided by ORS 321.705 to 321.765 is intended to make it possible for such owners to hold their timber to the proper rotation age. [1961 c.714 §2]

321.715 Administration by State Forester; rules and regulations; publicizing; report to legislature. (1) The State Forester may provide rules and regulations for the classification of forestland under ORS 321.705 to 321.765 and prescribe the form of any required statements and reports.

(2) The State Forester shall take appropriate action to bring to the attention of forest landowners the possibilities and effects of classification under ORS 321.705 to 321.765.

(3) The State Forester shall submit a report to each regular session of the Legislative Assembly of the values per acre determined by the State Forester under ORS 321.720 (2). [1961 c.714 §9; 1975 c.617 §3; 1997 c.541 §400]

321.720 Determination of forestland value per acre; timber exemption; maximum assessed value and assessed value for tax years before 2003-2004. (1) The assessed value of forestland classified under ORS 321.705 to 321.765 shall be determined as provided in subsection (7) of this section for tax years beginning before July 1, 2003.

(2) Notwithstanding ORS 308.205 or any other provision of law forestland in western Oregon classified under the provisions of ORS 321.705 to 321.765 shall be considered to have a value per acre for a site class equal to the value per acre the forestland would have under ORS 321.353 if the forestland were subject to ORS 321.257 to 321.390.

(3) The values determined under subsection (2) of this section shall first apply to the July 1 assessment date for which the application for classification of the land is made with the State Forester under ORS 321.730. The site class used in subsection (2) of this section shall be the average site class certified for the land by the State Forester.

(4) Conversion of average site class to forestland class for the purpose of determining the value per acre that the forestland would have under ORS 321.353 if the forestland were subject to ORS 321.257 to 321.390 shall be made in accordance with the following schedule:

Site Class	Land Class
I	FA
II	FC
III	FD
IV	FF
V	FG

(5) Timber on forestland classified under ORS 321.705 to 321.765 shall be exempt from separate ad valorem taxation.

(6) Forestland classified under ORS 321.705 to 321.765 shall have a maximum assessed value per acre equal to 103 percent of the forestland's maximum assessed value per acre for the preceding assessment year.

(7) The assessor shall compute the assessed value of forestland classified under ORS 321.705 to 321.765 by taking the lesser of the value established per acre under subsection (2) of this section or subsection (6) of this section for the applicable site class for the forestland and multiplying the value by the acreage of the forestland.

(8) For the first assessment year for which property is classified under ORS 321.705 to 321.765, the forestland's assessed value shall be determined as provided in subsection (7) of this section. [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]

Note: The amendments to 321.720 by section 6, chapter 860, Oregon Laws 2001, apply to tax years beginning on or after July 1, 2003. See section 12, chapter 860, Oregon Laws 2001. The text that is applicable to tax years beginning on and after July 1, 2003, is set forth for the user's convenience.

321.720. (1) The assessed value of forestland classified under ORS 321.705 to 321.765 shall be determined as provided in subsection (7) of this section for tax years beginning before July 1, 2003.

(2) Notwithstanding ORS 308.205 or any other provision of law forestland in western Oregon classified under the

provisions of ORS 321.705 to 321.765 shall be considered to have a specially assessed value per acre for a site class equal to the adjusted base value per acre the forestland would have under ORS 321.353 if the forestland were subject to ORS 321.257 to 321.390.

(3) The values determined under subsection (2) of this section shall first apply to the January 1 assessment date for which the application for classification of the land is made with the State Forester under ORS 321.730. The site class used in subsection (2) of this section shall be the average site class certified for the land by the State Forester.

(4) Conversion of average site class to forestland class for the purpose of determining the adjusted base value per acre that the forestland would have under ORS 321.353 if the forestland were assessed under ORS 321.353 shall be made in accordance with the following schedule:

Site Class	Land Class
I	FA
II	FC
III	FD
IV	FF
V	FG

(5) Timber on forestland classified under ORS 321.705 to 321.765 shall be exempt from separate ad valorem taxation.

(6) Forestland classified under ORS 321.705 to 321.765 shall have a maximum assessed value per acre equal to 103 percent of the forestland's 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.

(7) The assessor shall compute the assessed value of forestland classified under ORS 321.705 to 321.765 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.

(8) If the forestland being assessed consists of different site classes, the assessed value of the forestland shall be the sum of the assessed values computed for each land class under subsection (7) of this section.

(9) For the first tax year for which property is classified under ORS 321.705 to 321.765, the forestland's assessed value shall be determined as provided in subsection (7) of this section.

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

321.725 Eligibility of forestland for classification; eligible owners; classification of all eligible lands in single tax lot.

(1) Subject to subsections (2) to (4) of this section, owners of forestland in western Oregon may elect to have such land classified under ORS 321.705 to 321.765 if:

(a) The forestland is not used for uses which are incompatible with the cultivation of timber thereon, as determined in accordance with generally accepted principles of good forestry;

(b) The size of timber on the forestland that predominates is not in excess of eight inches in diameter (breast high, outside the bark) or the average age of timber on the forestland is not in excess of 40 years. If the State Forester determines that the forestland proposed to be classified consists of areas of substantially different size or age classes, the State Forester may consider each area separately and determine a predominant size or age of timber for each such area for purposes of this subsection;

(c) The land is being held or used for the predominant purpose of growing and harvesting trees of marketable species and such trees are well distributed over the area to be classified; and

(d) The land meets the minimum forest management standards established by rule by the State Forester, or if the owner has a plan approved by the State Forester for meeting those standards.

(2) Only owners having a total ownership of forestland in western Oregon in excess of 10 acres but not in excess of 5,000 acres shall be entitled to classify forestland under this section. In computing an owner's acreage for purposes of this subsection, total ownership shall be included even though portions of the forestland of the owner may not be eligible for classification under subsection (1) of this section. As used in this subsection, "total ownership" includes (a) forestland owned by the applicant owner individually and (b) any forestland owned by any corporate or other entity in which the applicant owner holds a share of ownership of 10 percent or more.

(3) An owner electing to classify land under ORS 321.705 to 321.765 shall classify all of the lands that are eligible for classification under ORS 321.705 to 321.765 that are located within a single tax lot. Lands classified under ORS 321.705 to 321.765 on July 1, 1997, are not subject to the requirements of this subsection.

(4) No owner may have forestland classified under ORS 321.705 to 321.765 if such owner, or any individual having a share in an entity owning forestland, has a spouse, brother, sister, ancestor or lineal descendant who is an owner having forestland classified under ORS 321.705 to 321.765 or who owns a share in an entity that has forestland classified under ORS 321.705 to

321.765. However, the State Forester may grant exceptions to this requirement where the applicant satisfactorily demonstrates that the combination of ownerships with the indicated relatives arose from bona fide business reasons other than a desire to circumvent the 5,000-acre limitation imposed by this section. [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]

321.727 Exceptions from minimum acreage requirements for certain lands. Notwithstanding the minimum acreage requirement imposed by ORS 321.725 (2), the land of owners with 10 acres or less of land that is classified under ORS 321.705 to 321.765 as of the July 1, 1977, assessment date shall remain classified until the land is removed from such classification as provided in ORS 321.760. [1977 c.893 §8; 1997 c.586 §6]

321.730 Application for classification; certification by State Forester. (1) An owner of forestland eligible for classification under ORS 321.705 to 321.765 may apply to the State Forester for a determination and certification to that effect. Applications shall be made on or before April 1 of the assessment year for which classification is desired. Application shall be made on appropriate forms supplied by the State Forester, and shall include the following:

- (a) A description of all land the applicant desires to be classified under ORS 321.705 to 321.765.
- (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, including cultured Christmas trees.
- (d) Whether the land has been subdivided or a plat has been filed under ORS 92.120.
- (e) Whether a permit has been granted for harvesting for excepted purposes under the Oregon Forest Practices Act.
- (f) 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.
- (g) A statement that the applicant is aware of the potential tax liability involved when the land ceases to be classified under ORS 321.705 to 321.765.
- (h) An affirmation that the statements contained therein are true.

(2) The State Forester, in determining whether the application submitted under subsection (1) of this section should be approved, shall weigh the relevant evidence submitted on the application form required by subsection (1) of this section to determine if the land meets the eligibility requirements under ORS 321.705 to 321.765.

(3) If the State Forester determines that an applicant's land is eligible for classification under ORS 321.705 to 321.765, the State Forester shall so certify to the county assessor or assessors of the county or counties in which the land that is the subject of the classification is located and the land shall be classified under ORS 321.705 to 321.765 as of the January 1 of the first assessment year for which the application applies and for tax years thereafter until the land is removed from classification under ORS 321.760 or other law. A copy of such certification shall be sent to the applicant.

(4) Certifications made under this section shall include the average site class of the forestland certified. Whenever appropriate in making such determination, the State Forester may split the area being certified into smaller areas for the application of different average site classes.

(5) In the event the application submitted under subsection (1) of this section is not or cannot be made acceptable to the State Forester, the State Forester shall not classify the land. Any adverse ruling by the State Forester under this section shall be made within 90 days of the receipt of the application.

(6) If an owner has forestland classified under this section, the owner shall notify the State Forester by mail not later than the 30th day after any change of land use or ownership.

(7) No person shall make any false statement in any application, statement or report made under this section. [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]

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

321.732 Review of classified land by State Forester; notice of deficiencies; declassification. (1) The State Forester shall review all classified lands periodically to insure that the lands are managed in accordance with the minimum forest management standards described in ORS 321.725. In the event that the State Forester finds that the owner of classified lands is not complying with ORS 321.725, the State Forester shall:

- (a) Notify the owner in writing of the specific deficiencies in forest management practices to be corrected.
- (b) Allow the owner a reasonable time, as determined by the State Forester, to correct the deficiencies in forest management practices. In fixing a reasonable time, the State Forester shall consider available materials, equipment and the season of the year.

(2) If, after notice under subsection (1) of this section is given, the State Forester determines that management of the land continues to fail to meet minimum management standards under ORS 321.725, and that the deficiencies which were the subject of the notice have not been corrected within the time specified in the notice, the State Forester shall declassify the land pursuant to ORS 321.760 (1)(b). [1977 c.893 §12; 1979 c.553 §4; 1991 c.854 §3]

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 Assessment roll and tax roll to show potential additional tax liability. The assessment roll and the tax roll shall show “potential additional tax liability” for each parcel of land classified under ORS 321.705 to 321.765. [1979 c.553 §4b]

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

321.745 Assignment of “site class”; redeterminations. (1) Forestland shall be assigned to one of the following average site classes, for purposes of the certification under ORS 321.730, according to the estimated total height of the dominant and codominant trees on the land at 100 years of age:

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- (a) Site I..... 200 feet.
 - (b) Site II..... 170 feet.
 - (c) Site III..... 140 feet.
 - (d) Site IV..... 110 feet.
 - (e) Site V..... 80 feet.
-

(2) The growth standards for site class determination specified in subsection (1) of this section shall apply to Douglas fir sites. In the case of other species, the State Forester may apply the standards specified in subsection (1) of this section or, if in the opinion of the State Forester such standards are not appropriate for a particular species, the State Forester may adopt different standards which are demonstrated to the satisfaction of the State Forester to be more appropriate for establishing five corresponding site classes for the species involved.

(3) Site classes assigned under subsections (1) and (2) of this section may be changed thereafter by the State Forester upon the initiative of the State Forester, or upon request of an owner, if further investigation reveals that the estimates forming the basis of the site class determination were inaccurate. Any such redetermination of site class shall be certified immediately to the county assessor. [1961 c.714 §8]

321.747 Application of privilege tax to harvest of timber on small tract. (1) Notwithstanding ORS 321.267 (2), 321.720 (5) or any other law, if land is classified or is changed to the classification granted under ORS 321.705 to 321.765 for ad valorem property tax purposes and if, within five years after July 1 of the first tax year for which classification is granted timber is harvested from the land, ORS 321.257 to 321.390 shall apply to the harvest of the timber.

(2) Nothing in this section shall be construed to affect any determination made as to classification or declassification of land under ORS 321.705 to 321.765 or designation or removal of land from designation under ORS 321.257 to 321.390. [1983 c.745 §4; 1991 c.459 §310; 1997 c.541 §397a; 1997 c.586 §7]

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]

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

321.760 Declassification; notice. (1) The State Forester shall certify to the owner involved, and to the appropriate county assessor or assessors, the removal from classification of any forestland previously classified under ORS 321.705 to 321.765 when:

- (a) The owner requests such declassification in writing. A request for declassification under this paragraph shall apply to all of the forestlands that are classified under ORS 321.705 to 321.765 and located within a single tax lot.
- (b) The State Forester determines, after investigation, that the forestland is no longer entitled to classification under ORS 321.705 to 321.765.
- (c) Pursuant to ORS 321.705, the State Forester determines that the predominant use of the land is for the production of cultured Christmas trees.
- (d) Notwithstanding ORS 321.727, the land is transferred to an owner who, upon completion of the transfer, has a total ownership of forestland in western Oregon of less than 10 acres.
- (e) Pursuant to ORS 92.102, the State Forester receives notification from the county assessor that a subdivision plat has been recorded under ORS chapter 92.
- (f) The forestland is sold or transferred to an ownership making the forestland exempt from ad valorem property taxation.

(2) The sale or transfer of forestland to a new owner under subsection (1)(f) of this section or the transfer by reason of death of a former owner to a new owner shall not operate to declassify the land so long as the land continues to meet all of the eligibility requirements under ORS 321.725 and 321.730, except that the land need not meet the requirement that the predominant size of timber on the forestland be eight inches in diameter (breast high), outside the bark or of an average age of less than 40 years. However, the county assessor shall notify the State Forester if a sale or transfer of the forestland occurs for the purpose of determining the continued eligibility of the forestland for classification under ORS 321.705 to 321.765.

(3) Upon declassification under this section, additional taxes, if any, shall be determined and imposed as provided in ORS

308A.700 to 308A.733.

(4)(a) Declassifications certified under this section shall take effect as of the date that the notice of declassification is sent by certified mail or delivered by the State Forester to the owner. If the declassification is effective before July 1, the declassification shall apply for the ensuing tax year. However, if the declassification is effective on or after July 1, classification shall continue for the current tax year and declassification shall apply for the tax year beginning the following July 1.

(b) A notice of declassification mailed or delivered by the State Forester to the owner under this section shall contain a written explanation summarizing:

(A) ORS 308A.706 (1)(d) (relating to change in special assessment);

(B) ORS 308A.727 (relating to change in use to open space use special assessment for certain golf courses);

(C) The administrative act necessary under ORS 308A.724 to change the property to another classification described in this paragraph; and

(D) The imposition of any penalties that would result from the disqualification if no requalification or reclassification is made under one of the other special assessment laws listed in this paragraph.

(c) The State Forester shall include within the notice of declassification sent to the owner:

(A) A statement explaining that the amount of privilege taxes that would have been payable under ORS 321.257 to 321.322 during the five years immediately preceding declassification, and interest on the privilege taxes at the rate of six percent a year, are to be added to the additional taxes due as a result of the declassification; and

(B) A statement that the total amount of additional taxes due as a result of the declassification is to be determined by the county assessor and will be provided to the owner pursuant to ORS 308A.721.

(5) No additional tax shall be imposed under ORS 308A.700 to 308A.733 if the forestland or portion thereof that is declassified is designated as forestland at the election of the owner pursuant to ORS 321.347 (4) and section 45, chapter 892, Oregon Laws 1977. If the land is later removed from designation under ORS 321.257 to 321.390, however, the land shall be subject to additional taxes imposed by ORS 308A.703 in the manner provided in ORS 321.347 (4) (relating to computation of the period of classification as designated forestland). [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]

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

321.763 Forestland declassified from small tract optional tax classification as of 2003-2004 tax year. (1) For the tax year beginning July 1, 2003, forestland classified under ORS 321.705 to 321.765 shall be declassified from such classification. For the tax year beginning July 1, 2003, 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 declassification under this section.

(3) The notification requirements and other procedures that the State Forester and county assessor must follow in declassifying forestland do not apply to a declassification under this section.

(4) A declassification of forestland classified under ORS 321.705 to 321.765 constitutes a disqualification for purposes of section 11, Article XI of the Oregon Constitution. [2001 c.816 §7]

321.765 Appeals; rules. (1) Any owner affected by a determination of the State Forester made under ORS 321.705 to 321.765 may appeal to the State Board of Forestry under such rules as it may adopt. A suit to set aside any decision of the board may be taken within 60 days of the decision to the Oregon Tax Court in the manner provided for ad valorem property tax cases under ORS chapter 305.

(2) On or before March 1 preceding the tax year for which a determination is made, any owner affected by a determination of value per acre for a site class made by the State Forester under ORS 321.720 (2) may appeal to the State Board of Forestry for a revision of the value per acre for the site class. The appeal shall be made under such rules as the State Board of Forestry may adopt. A suit to set aside a decision of the board may be taken within 30 days of the decision to the Oregon Tax Court in the manner provided for ad valorem property tax cases under ORS chapter 305. [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]

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 FORESTLANDS

321.805 Definitions for ORS 321.805 to 321.825. As used in ORS 321.805 to 321.825, unless the context requires otherwise:

(1) "Average Pacific Northwest Inland Lumber Price Index" means the average of the Western Wood Products Association Pacific Northwest Inland Lumber Price annual price indices for Douglas Fir-Larch, White Fir (Hem-Fir) and Coast Inland North Ponderosa Pine.

(2) "Forestland" means land east of the summit of the Cascade Mountains which is not assessed as farmland pursuant to ORS 308A.050 to 308A.128 and is not assessed by the Department of Revenue pursuant to ORS 308.505 to 308.665 or 308.805 to 308.820; and which either is being held or used for the predominant purpose of growing and harvesting trees of a marketable species and has been designated as forestland under ORS 321.805 to 321.825, or is land 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, they are deemed forestland.

(3) "Owner" means any individual or combination of individuals, partnership, firm, corporation or association of whatever nature owning or controlling forestland.

(4) The "summit of the Cascade Mountains" shall be considered to be 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. [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]

321.810 Determining value of forestland for 1993-1994 and 1994-1995; forestland index; appeal of values; notice of appeal. (1) Notwithstanding ORS 308.205 and 308.235, for the tax year beginning July 1, 1993, and the tax year beginning July 1, 1994, and for purposes of ORS 308.232, the value of forestland shall be determined under this section. Land which has been designated as forestland under ORS 321.805 to 321.825 shall be valued as forestland under this section and shall be noted on the assessment and tax roll as being forestland potentially subject to additional taxes under ORS 308A.700 to 308A.733.

(2) Each tax year, the value of forestland shall be determined by multiplying the value of the forestland for the previous tax year by the forestland index calculated by the Department of Revenue and certified to the appropriate county assessors under subsection (3) of this section.

(3) The Department of Revenue shall calculate, and certify to each county assessor on or before August 15 of each year the forestland index to be used in the calculation of the value of forestland as of the preceding July 1 assessment date. The county assessor shall use the index so certified in the preparation of the assessment and tax rolls.

(4) As used in this section, "forestland index" means the number 1.0 plus the decimal equivalent of 50 percent of the percentage change, whether positive or negative, in the sum of the yearly average immediate harvest value of timber determined by the department for the previous five years compared to the sum of the five yearly average immediate harvest values beginning one year prior to the most recent five-year harvest dates. The average immediate harvest value for each year shall be calculated by the Department of Revenue by dividing the total of the immediate harvest values on the returns by the total of the volumes on the returns. The volumes and immediate harvest values used to determine the index shall be based upon those volumes reported in thousand board feet or in the unit of measure in which the preponderance of volume has been reported. The returns used shall be the privilege tax returns timely filed under ORS 321.435.

(5) At any time after the certification of the index pursuant to subsection (3) of this section, but not later than September 15, five or more taxpayers owning in the aggregate not less than five percent of the total forestland acreage subject to ad valorem taxation in eastern Oregon may appeal the values directly to the 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. Notice of the appeal shall be made in each county having values affected by the appeal, either by personal service, by certified mail on each taxpayer affected, or by publication made once a week for two consecutive weeks in a newspaper of general circulation in the county. The notice shall designate the values appealed, and include a statement of the provisions of subsection (6) of this section. The petition shall designate one of the group as the representative of all, and all proceedings before the tax court and any appeal from its determination shall be conducted procedurally as though the designated representative were the only petitioner.

(6) If the tax court increases or reduces any of the values under appeal, the judgment of the court shall apply to the valuation of all forestland for that year. An appeal may be taken to the Oregon Supreme Court from the judgment of the tax court. Unless changed upon appeal to the Supreme Court, the tax court determination shall be binding upon the department and upon each assessor and taxpayer affected by such determination of value.

(7) All other appeals from the application of the forestland index certified by the department under subsection (3) of this section shall be taken in the time and manner otherwise provided by law for such property tax appeals. [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]

321.811 Value per acre of forestland in eastern Oregon; value index; assessment at percentage of forestland value for tax years before 2003-2004; maximum assessed value. (1) The assessed value of forestland in eastern Oregon shall be determined as provided in subsection (10) of this section.

(2) Notwithstanding ORS 308.205 and 308.235, and for purposes of ORS 308.232, the specially assessed value of forestland shall be determined under subsections (2) to (8) of this section. Land that has been designated as forestland under ORS 321.805 to 321.825 shall be valued as forestland under subsections (2) to (7) of this section and shall be noted on the assessment and tax roll as being forestland potentially subject to additional taxes under ORS 308A.700 to 308A.733.

(3) Subject to subsection (4) of this section, for tax years beginning on or after July 1, 1995, forestland shall be considered, for purposes of ORS 321.805 to 321.825, to have a value of \$42 per acre.

(4) Each tax year beginning on or after July 1, 1995, the value of forestland shall be determined by multiplying the value of the forestland for the previous tax year by the value index calculated by the Department of Revenue and certified to the appropriate county assessors under subsection (5) of this section.

(5) The Department of Revenue shall calculate, and certify to each county assessor on or before August 15 of each tax year the value index to be used in the calculation of the value of forestland as of the assessment date immediately preceding. Except as provided in ORS 321.810 (6), the county assessor shall use the index so certified in the preparation of the assessment and tax roll.

(6) As used in subsections (2) to (7) of this section, “value index” means the number 1.0 plus the decimal equivalent of one-half of the percentage change, whether positive or negative, in the average of the Average Pacific Northwest Inland Lumber Price Index values over the five preceding one-year (calendar) periods when compared with the corresponding average calculated with respect to the previous year.

(7) ORS 321.810 (5) to (7) apply to the forestland values determined under subsections (2) to (7) of this section.

(8) For the tax year beginning July 1, 1995, and for each tax year thereafter that begins before July 1, 2003, forestland that is not assessed under ORS 321.812 shall be subject to ad valorem property taxation at the same rates as nonforestland similarly situated. However, the assessed value for taxation of such forestland shall not exceed 20 percent of its value determined under subsections (2) to (7) of this section.

(9) Forestland assessed under this section shall have a maximum assessed value per acre equal to 103 percent of the forestland’s maximum assessed value per acre for the preceding assessment year.

(10) The assessor shall compute the assessed value of forestland by taking the lesser of the value established under subsection (8) of this section or subsection (9) of this section and multiplying the value by the acreage of the forestland.

(11) For the first assessment year for which property is designated as forestland, the forestland’s assessed value shall be determined as provided in subsection (10) of this section. [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]

Note: The amendments to 321.811 by section 7, chapter 860, Oregon Laws 2001, apply to tax years beginning on or after July 1, 2003. See section 12, chapter 860, Oregon Laws 2001. The text that is applicable to tax years beginning on and after July 1, 2003, is set forth for the user’s convenience.

321.811. (1) The assessed value of forestland in eastern Oregon that is not subject to special assessment under ORS 321.812 shall be determined as provided in subsection (10) of this section.

(2) Notwithstanding ORS 308.205 and 308.235, and for purposes of ORS 308.232, the adjusted base value per acre that is assessed under this section shall be determined under subsections (2) to (7) of this section. Land that has been designated as forestland under ORS 321.805 to 321.825 shall be valued as forestland under subsections (2) to (7) of this section and shall be noted on the assessment and tax roll as being forestland potentially subject to additional taxes under ORS 308A.700 to 308A.733.

(3) Subject to subsection (4) of this section, for tax years beginning on or after July 1, 1995, forestland shall be considered, for purposes of ORS 321.805 to 321.825, to have a base value of \$42 per acre.

(4) Each tax year beginning on or after July 1, 1995, the value of forestland shall be determined by multiplying the adjusted base value per acre for the previous tax year by the value index calculated by the Department of Revenue and certified to the appropriate county assessors under subsection (5) of this section.

(5) The Department of Revenue shall calculate and certify to each county assessor on or before July 1 of each tax year the adjusted base value per acre to be used in determining the assessed value of forestland that is assessed under this section. Except as provided in ORS 321.810 (6), the county assessor shall use the adjusted base value so certified in the preparation of the assessment and tax roll.

(6) As used in subsections (2) to (7) of this section, “value index” means the number 1.0 plus the decimal equivalent of one-half of the percentage change, whether positive or negative, in the average of the Average Pacific Northwest Inland Lumber Price Index values over the five preceding one-year (calendar) periods when compared with the corresponding average calculated with respect to the previous year.

(7) ORS 321.810 (5) to (7) apply to the adjusted base values determined under subsections (2) to (7) of this section.

(8) For the tax year beginning July 1, 1995, and for each tax year thereafter that begins before July 1, 2003, forestland that is not assessed under ORS 321.812 shall be subject to ad valorem property taxation at the same rates as nonforestland similarly situated. However, the specially assessed value for taxation of such forestland shall not exceed 20 percent of the adjusted base value per acre determined under subsections (2) to (7) of this section.

(9) 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 year, whichever is greater.

(10) The assessor shall compute the assessed value of forestland by taking the lesser of the value established under subsection (8) of this section or subsection (9) of this section and multiplying the value by the acreage of the forestland.

(11) For the first assessment year for which property is designated as forestland, the forestland’s assessed value shall be determined as provided in subsection (10) of this section.

321.812 Specially assessed value and maximum assessed value of forestland of large landowners. (1) The Department

of Revenue shall identify the forestland that is held in common ownership of 5,000 acres or more as of January 1, 2000. Forestland that the department has so identified shall be specially assessed as provided in this section for the tax year beginning July 1, 2000, and for subsequent tax years, without regard to whether the forestland continues to be held in common ownership of 5,000 acres or more.

(2) Forestland assessed under this section shall have a specially assessed value per acre equal to 75 percent of the value per acre determined under ORS 321.811 (2) to (7).

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

(4)(a) The assessor shall compute the assessed value of forestland by taking the lesser of the value established under subsection (2) or (3) of this section and multiplying that amount by the acreage of the forestland.

(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. [1999 c.1078 §35]

Note: The amendments to 321.812 by section 40, chapter 1078, Oregon Laws 1999, and section 8, chapter 860, Oregon Laws 2001, apply to property tax years beginning on or after July 1, 2003. See section 41, chapter 1078, Oregon Laws 1999, and section 12, chapter 860, Oregon Laws 2001. The text that is applicable on and after July 1, 2003, is set forth for the user's convenience.

321.812. (1) The Department of Revenue shall identify the forestland that is held in common ownership of 5,000 acres or more as of January 1, 2000. Forestland that the department has so identified shall be subject to special assessment as provided in this section for the tax year beginning July 1, 2000, and for subsequent tax years, without regard to whether the forestland continues to be held in common ownership of 5,000 acres or more.

(2) Forestland assessed under this section shall:

(a) Be disqualified from special assessment at a value per acre equal to 75 percent of the value per acre determined under ORS 321.811 (2) to (7); and

(b) Qualify for special assessment at a value per acre equal to the specially assessed 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 (2)(a) 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 (2)(a) of this section.

Note: Sections 36 to 38, chapter 1078, Oregon Laws 1999, provide:

Sec. 36. Maximum assessed value for 2000-2001 tax year. Notwithstanding section 35 (3) of this 1999 Act [321.812 (3)], for the tax year beginning July 1, 2000, the maximum assessed value per acre of forestland specially assessed under section 35 of this 1999 Act [321.812] shall equal 75 percent of the value per acre for each class determined under ORS 321.811 (2) to (7) for the tax year beginning July 1, 1995, reduced by 10 percent and then increased by three percent for each of the tax years beginning July 1, 1998, July 1, 1999, and July 1, 2000. [1999 c.1078 §36]

Sec. 37. Forestland in large ownership assessment disqualified from other forestland assessment. (1) Forestland that is assessed under ORS 321.812 shall be disqualified from special assessment under ORS 321.811 (8) to (11).

(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 occurring under this section. [1999 c.1078 §37; 2001 c.860 §24]

Sec. 38. Election by small landowner to have forestland assessed under large ownership assessment. (1) On or after

the effective date of this 1999 Act [October 23, 1999] and before April 1, 2002, an owner of forestland that is held in common ownership of less than 5,000 acres may elect to have all of the forestland owned by the owner assessed as provided in section 35 (2) to (4) of this 1999 Act [321.812 (2) to (4)].

(2) The election under subsection (1) of this section shall be made by filing an election form with the Department of Revenue. The form shall contain any information required by the department, including a list of the tax lots or account numbers of forestland owned or held in common ownership by the owner. The form shall contain an affirmation that the statements made on the form are true.

(3) Forestland that is subject to an election under this section shall, for tax years beginning on or after July 1, 2000, and before July 1, 2003, be valued and assessed as provided in section 35 of this 1999 Act [321.812], without regard to changes in ownership of the forestland.

(4) The provisions of section 35 (5)(b) of this 1999 Act [321.812 (5)(b)] apply to this section. [1999 c.1078 §38]

Note: See third note under 321.354.

Note: Section 10, chapter 860, Oregon Laws 2001, provides:

Sec. 10. Assessed value limit for 2003-2004 tax year. Notwithstanding ORS 321.812 (3), for the tax year beginning July 1, 2003, the assessed value per acre of forestland subject to special assessment under ORS 321.812 may not exceed the lesser of the specially assessed value per acre certified by the Department of Revenue under section 18 of this 2001 Act [321.216] for that tax year or \$51 per acre. [2001 c.860 §10]

321.814 Assessment of forestland owned by small landowner after 2002-2003 tax year. (1) For the tax year beginning July 1, 2003, forestland subject to special assessment under ORS 321.811 for the previous tax year shall be disqualified from such special assessment, and shall be assessed as provided in ORS 321.812.

(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 §42; 2001 c.816 §9; 2001 c.860 §11]

Note: Section 42a, chapter 1078, Oregon Laws 1999, provides:

Sec. 42a. Section 42 of this 1999 Act [321.814] applies to property tax years beginning on or after July 1, 2003. [1999 c.1078 §42a]

321.815 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 321.825 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 under ORS 321.257 (4) 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. [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]

321.816 Treatment of additional forestland acquired by certain landowners. (1) If an owner of forestland that is assessed under ORS 321.812 acquires additional forestland that was assessed under ORS 321.811 (8) to (11) as of the assessment date preceding acquisition, the additional forestland shall be disqualified from assessment under ORS 321.811 (8) to (11) and shall be assessed under ORS 321.812 as of the assessment date immediately following the acquisition.

(2) Notwithstanding ORS 321.421 (4), any timber harvested from forestland described in subsection (1) of this section, during the year of acquisition and the four calendar years immediately following, shall be subject to the privilege tax imposed under ORS 321.421 (2).

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

(4) 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 §43]

321.820 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 321.815 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 321.825; and
- (d) Meeting the requirements, if any, of applicable local government zoning ordinances with regard to minimum lot or parcel acreage for forest use. [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]

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

321.822 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 321.820 (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. [1993 c.5 §6; 1999 c.314 §54]

321.823 Redesignation as forestland after removal in certain years due to platting. Land that has been removed from forestland designation under ORS 321.805 to 321.825 for the 1981, 1982 or 1983 assessment years solely because the land is included in a subdivision platted and recorded under ORS chapter 92 may be redesignated as forestland if:

- (1) The owner submits an application for forestland designation under ORS 321.805 to 321.825; and
- (2) The land meets all of the qualifications for forestland designation under ORS 321.805 to 321.825. [1983 c.462 §12]

321.825 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 321.825 thereafter becomes disqualified. [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]

321.830 Land used to grow certain hardwood to be assessed as farm use land; exception upon election; application

required for unzoned land. (1) Land described in ORS 321.415 (5) (relating to hardwood timberland, including hybrid cottonwood timberland) shall be assessed as farm use land under ORS 308A.050 to 308A.128, unless the owner of the land makes the election under ORS 321.426.

(2)(a) If land is or becomes land described under ORS 321.415 (5) 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. [1991 c.714 §8; 1997 c.541 §409; 1999 c.314 §72]

Note: 321.830 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 321 by legislative action. See Preface to Oregon Revised Statutes for further explanation.

MISCELLANEOUS PROVISIONS

321.950 Estimated timber privilege tax liability; payment procedure. (1) Each taxpayer expecting to incur a liability pursuant to ORS 321.273 or 321.421 of \$10,000 or more for the 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 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 privilege tax return for the year described in ORS 321.322 or 321.435, whichever is applicable, without regard for any extension of the due date thereof.

(2) If the amount remitted with an estimated report filed on or before the due date thereof is at least 25 percent of the privilege tax of the taxpayer as due for the calendar year preceding the quarter for which the report is made or at least 20 percent of the privilege tax liability as due for the year for which the report is made, based on the immediate harvest value tables most recently adopted by the department, or 100 percent of the privilege tax liability on the actual timber harvested for the preceding calendar quarter, based on the immediate harvest value tables most recently adopted by the department, 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 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.

(3) This section does not apply to a taxpayer who elects to compute tax liability pursuant to ORS 321.282 (4) or 321.432. [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]

Note: 321.950 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 321 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

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]

PENALTIES

321.990 [Repealed by 1953 c.375 §38]

321.991 Penalties. (1) 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.

(2) Violation of ORS 321.730 (7) is punishable, upon conviction, by a fine of not more than \$500 or by imprisonment in the county jail for not more than three months, or both. Justice courts shall have concurrent jurisdiction with the circuit court of all prosecutions for violations of ORS 321.730 (7). [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]

CHAPTER 322

[Reserved for expansion]