Property Tax Changes under House Bill 3940 (2025)

Do you own property that is classified as forestland?
Is that property within a fire district?

In 2025, the state legislature passed House Bill 3940. Among the changes to improve wildfire protection and mitigation are adjustments and changes under ORS 478 for taxes on land classified as forestland located in rural fire protection districts (RFPDs). Please note that some RFPDs are referred to as a fire protection district, fire district, or similar name.

What is Changing?

In the 2026/2027 and 2027/2028 tax years, taxation changes to lands classified as forestland are being implemented. Under this tax change, RFPDs will collect funds on certain forestland-classified lands (either entire properties or partial) that were previously excluded.

Under ORS 478.432, the state now requires the collection of RFPD taxes on lands classified as forestland that:

Are within city limits, RFPDs collect taxes on the entire value (improved or unimproved, with no size restriction), or

Are outside city limits, and

- if improved, RFPDs collect taxes on the improvements and up to 10 acres of land regardless of the property size (increasing by 5 acres), or
- if unimproved, RFPDs collect taxes on properties 10 acres or less in size (previously unimproved properties were excluded).

For more information, please visit or contact the following:

Background on House Bill 3940. Please contact one of the following:
Oregon Department of Forestry at (503) 945-7200 or your local ODF office
Oregon Department of the State Fire Marshal at (503) 378-3473

Assessment and taxation questions about your statement or property. Please contact your local tax assessor.

Information about how these funds will be used. Please contact your rural fire protection district. To find it, you may look at your tax statement, check with your local assessor's office, or search the internet.