

SB 1513 Reforestation Subsidy

Testimony for Senate Rural Communities and Economic
Development Committee
Jody Wiser 2.11.2014



Ostensibly, the private owners this bill will benefit are folks who own say 175 acres of commercial small woodland which has been in the family for generations, or a home with 60 acres of harvestable forest. But it will most likely benefit Roseburg Forest Products or Stimson Lumber. Why, because it is a first come-first serve benefit, with no limits on who can apply, but only \$1 million available. Thirty-five percent of Oregon's forestland is privately owned. With 10,500,000 acres of privately owned land, whose land will this \$1,000,000 actually help restore?

If a business owns thousands and thousands of acres throughout the state, it is likely to be an early applicant because the owners

- 1) Know about the program, and
- 2) Have fires somewhere on its vast properties.

There is no provision to help the worst effected. A forester who owns 50,000 acres and sustains 60% loss on 100 acres might get reforestation help, while an owner with 100 acres who sees a fire destroy 95% of his woodlot, who applies hours later receives no help.

The bill supporters imply that the fire might start on neighboring, public land. True, it might.

- But where in the bill is that a necessary condition for eligibility?
- What if the fire starts on a neighboring private property, or their own property?

The bill is full of assurance that the E-Board will be approached for any needed augmentation to the \$2 million/biennium in the bill.

While the public will bear 50% of the cost of logging fire-damaged trees, clearing, and replanting, to owner will still be allowed to depreciate or amortize 100%

In any case, this is private forest land in private ownership. Fire is a risk of ownership of this particular kind of investment. It is the investor's responsibility to take that risk, or to buy fire insurance. Further, it is their job to be responsible for the restoration of their forest property.

If you are willing to insure these investors? Is it the state's responsibility to underwrite my investments when they fail? I had no responsibility in the disaster that hit my assets which were invested with Jim Bisenius. When Mr. Bisenius was caught using a prostitute, it tanked the value of my investment in his firm's Common Sense funds. Should taxpayers help me recover from my loss?

The General Fund already provides 50% of the costs of fire suppression along with support for the OSU Forest Resource Lab. Further, as we understand it, the General Fund gets no benefit from the Severance Tax, as 100% of Severance Tax income remains in the industry supporting landowner's share of fire suppression costs, research and the Oregon Forest Resources Institute.

In addition, as federal taxpayers we provide additional funds for maintaining healthy private forests losses through EQIP, the Environmental Quality Improvement Program.

Taxes Paid: Annual property taxes on 20% of the specially assessed value, and severance Tax of \$3.91/1000 board foot east of the Cascades and \$5.03/1000 bf in west of the Cascades, for anything more than 25,000 bf. But all of the severance tax actually stays with the industry—it doesn't help educate kids or provide other county services. It covers some of OUS's School of Forestry costs, 50% of fire suppression, (the rest comes from other taxpayers), and 100% of the cost of what is essentially an industry promotion group.

We read the bills and follow the money