



## Providing Opportunity to Family Forestland Owners

March 1, 2017

Representative Phil Barnhart, Chairman House Revenue Committee

Re: HB 2859

I am Rick Barnes, President of the Oregon Small Woodlands Association. I am here today on behalf of all small woodland owners. We are extremely concerned with the proposal of HB 2859 to sunset the tax provisions dealing with forest land. The "Special Assessment for Forest Land" and the "Small Tract Option" were designed specifically for small family forestland owners. The logic behind these assessments are as follows:

1. The Special Assessment and the Small Tract Option recognize that landowners need to cover the annual costs of owning their property for 40 to 50 years for trees to become mature. The longtime frame between harvests makes it imperative to keep annual costs to a minimum while we wait for trees to mature. During this time, we have carrying costs such as property taxes, fire protection fees, road maintenance and general maintenance of our forest land. These annual costs are substantial and there are often unexpected costs. A personal example was December of 2015 when we had 18 inches of rain. This created a situation where we needed to spend substantial dollars we had not planned on to maintain roads to assure drainage functioned properly and we protected the "Waters of the State".
2. Many landowners, my wife and I included, are counting on our forestland when we retire for revenues to supplement retirement. To be able to hold onto the property until we retire will require that we are able to afford our annual costs, "property taxes included".
3. It is essential you recognize the land use laws in the state of Oregon are designed to keep forestland in forestland. We have tremendous land use limitations on what we can do with our land. The current property tax assessments take these factors into account.
4. We as forestland owners provide a great deal of value to Oregonians. We have numerous limitations on the management of our property to provide value for the general public. For example, we leave buffer strips to protect "Waters of the State," we are required to leave visual corridors along many of the State's highways, etc. All of these adversely affect the value of our land.



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5. Not only do we have substantial annual costs as I have mentioned, but we have tremendous risks as family forestland owners as well. We plant a crop and have to wait 40 to 50 years for it to mature. During this time we have the risk of fire, disease and windstorms. But our highest risk is political risk. Every time the legislature is in session, we are fighting efforts that will negatively impact the use of our forestland and eliminate our forest management tools. Other legislative actions will dramatically increase our management costs and bills like HB 2859 will affect our ability to cover our annual costs.

In closing, I urge you consider the factors I mentioned and NOT sunset the "Special Assessments for Forestlands" or the "Small Tract Option". If more details are needed, I would be pleased to discuss them with any of you.

Thank you for this opportunity.

Sincerely,

Rick Barnes, President  
Oregon Small Woodlands Association