

17235 NW Lonerock Ln.
Beaverton, OR 97006
Mar. 1, 2017

Dear Representative Barbara Smith Warner,
Vice Chair of House Committee on Revenue:

My name is Annabelle Morgan. My home is in Beaverton, Oregon, but my brother and I are fourth generation farmers and forestland owners. We presently own over 400 acres of agricultural and forestland in Tidewater, Oregon. A former teacher, I have been a 4-H leader for 27 years, and help to manage our agricultural and tree farms. I am a member of Oregon, Lincoln County, and Washington County Small Woodlands Associations, and most recently have been involved with my brother in starting a hazelnut orchard on our agricultural lands.

First, I would like to say, "We cannot eat computer chips or build our homes, businesses, or government buildings with these." As a resident in Washington County since 1972, I have watched as farmers have sold out to various technological companies for various reasons. Among these are that the farmers were unable to continue doing all the work farms require as they aged and equipment which could help, labor costs, or property tax increases made it impossible for them to make a living on their farms; however, they could make money to have a comfortable retirement through selling off their rich farmland to the tech and housing industries as the Urban Growth Boundaries were extended further and further into urban areas. As a result, the farms where I used to be able to go with my children to pick strawberries and other fruit for preserving at a reasonable price are no longer there. Some farmers found relief through deferred property tax programs and have been able to continue farming and passing this needed resource down to their children who continue the farming tradition, despite the constant fight against inclement weather, blights, and encroaching pests such as the Asian Fruit Fly. Hillsides that used to be covered in forests, too, have become covered in high density houses, decreasing air quality both as a result of less forestland and also as an increase in congested roads even as more rich land was gobbled up by adding more lanes to existing roads. Yes, the tech industry has brought jobs to the area, but somehow, their growth and expansion has also been through special tax incentives given them by past legislators. One wonders why legislators are so willing to cater to these operations when those who try to produce affordable food, clothing (sheep farmers), and housing do not get the same consideration. They also create jobs which contribute to income tax revenue as well as paying both property and income taxes while creating more jobs for those who sell their products. Present property tax deferral programs do **NOT** mean the state will not receive revenue from property and income taxes on farms or forestlands, nor does it mean that those employed by farms and forestland owners do not contribute to the income tax pool needed to fund necessary state activities and make our economy viable. It **ONLY** means that these are paid later when their trees or produce are sold.

If HB2859 were to pass, it would be devastating to Oregon's source of revenue generated through the Severance and Harvest taxes that forestland owners must pay upon harvesting their trees. Have you considered that just as a

trees roots run deep, seeking the water and nutrients needed to stabilize and increase their growth so they can reach for the blue sky, so, also do farmers and forestland owners seek to be good stewards of their lands and to increase productivity, as their roots are also entrenched deeply in the soil? However, woodland owners must wait 35-40 years at least to reap the benefit of their hard work. During this time, there are many expenses including site prep, planting, eradicating pests, maintaining and fueling equipment, road maintenance, noxious weed control, and miscellaneous expenses such as thinning for which they receive no profit or go in the hole just so the trees can sustain the crown needed for maximum quality and growth. Having to pay taxes based of the Real Market Value of property surrounding these lands will make people like us, Small Woodland Owners, working to have sustainable forestlands we can pass on to the next generation, extremely difficult, if not impossible. Just as the trees' roots run deep in order to have the best maximum growth, Small Woodland Owners and farmers are vested in being good stewards of their lands so their effort not only create an income for themselves as well as revenue for counties and the state, but also so they can pass on the legacy of forefathers who wanted to create a healthy environment and life for their families, the animals living on their properties, and in the end to provide **affordable** food and housing for all citizens.

I implore you to realize that HB2859 will only force many hard working citizens of Oregon to be unable to continue their productive farms which will mean a trickle down effect to all those who benefit from their 365 days/year job.

Respectively Submitted,



Annabelle Morgan, Manager, Barclay Family LLC