



## Providing Opportunity to Family Forestland Owners

March 1, 2017

To: Phillip Barnhart, Chairman, House Revenue Committee  
From: Scott Hanson, Past President, Oregon Small Woodlands Association  
Re: HB 2859

1. Forty-four years ago in May 1973 historic Oregon legislation was enacted that created Land Conservation and Development Commission (LCDC) through the approval of Senate Bill 100. This was watershed event that said Oregonians must preserve agricultural land and forestland for future generations while also accommodate population growth in our State.
2. Current and future forestland owners bought in to this agreed path with our State. They knew if they worked hard enough and long enough over several decades they could turn affordable cutover forestland property into a thriving healthy forest. So that after 25 or 30 years absorbing management costs a forestland owner could do some harvesting and make modest supplemental income during retirement years.
3. A key element in forestland owner's ability to survive for decades with no income were special use-assessments such as the Forestland program or Small Tract Forest program (as they are called by the Department of Revenue).
4. Today the Oregon legislature is looking under every rock to balance the budget. Our budgetary state is the result of decades long poor leadership and decision making. For example, the Public Employee Retirement System (PERS) is collapsing under its own weight of colossal benefit payouts and insufficient revenues due to a set of flawed assumptions. A second example centers on the Oregon Department of Energy's (ODOE) haste to encourage renewable energy through business energy tax credits (BETC). But what does Oregon have to show for over \$1 billion dollars in energy tax credits and a lack of agency risk mitigation procedures. These are two examples of programs that need to be fenced in. Oregon must bring program costs and revenues into balance.
5. The House Revenue Committee has in front of it today a proposed solution to State budget woes. It is called HB 2859 and if passed would sunset special use-assessments to forestland owners. This is a terrible idea. This bill would undermine the agreement between the State and forestland owners stretching back to the origins of LCDC some 44 years ago. The special use-assessment program is working. Oregonians have benefitted from healthy private forests and through harvesting a long list of wood products used throughout their homes. Say no to HB2859!

Thank you for considering OSWA's input.

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