

March 23, 2019

HB 2659

Dear House Natural Resources Committee Members,

By all appearances, HB 2659 is targeting large landowners (not all of whom are large corporations) and anyone who clear-cuts a forest. You may want to consider the unintended consequences of such a short sighted piece of legislation.

The ad valorem tax was phased out decades ago with the passing of the old growth legacy on private land. The newly planted plantations were a major investment that was little different than a crop planted by a farmer except for the length of rotation. Under the ad valorem tax, timber was being liquidated at a much faster rate just to get the timber off of the tax roles. This will happen again under HB 2659 as owners shorten the rotation from 40 to 60 years or more to 30 years. Which one of you would buy a piece of timber and hold it for 55 years as I have done? And consider doing this under this kind of taxation.

The Douglas-fir forests found in Western Oregon developed as even aged forests after some catastrophic event (usually fire). This is how they developed because Douglas-fir is not tolerant of shade, so the forests that developed were mostly a monoculture. After 150 to 500 years of mortality, they do not appear as only one species, but rather partially composed of other more shade tolerant species of trees or undergrowth, which invaded the openings that have developed as trees died. If you have a "semi-natural" forest, you will grow a lot less wood, which translates to much less carbon sequestration, which seems counter intuitive to some of your objectives. While you grow less wood under this concept, the owners costs will be higher than at present with less volume of wood as a result. This translates to a lower appraised value of the timber and thus less income from ad valorem taxes, property taxes, and income taxes when timber is sold, as well as lower industry employment.

As I read the Act, owners qualified under the forest Small Tract Option will be exempt from the ad valorem tax. Do you think that anyone with less than 5000 acres not already enrolled (the maximum acres to qualify) will not immediately get into the Small Tract Option? The OR Dept. of Revenue hates the Small Tract Option because of the delay in collecting taxes and the necessary bookwork to keep track of what each owner is doing. I doubt if the counties like it much either due to the same issues.

I am inviting anyone of you to visit my 203 Acre tree farm, certified under the American Tree Farm System for 53 years to witness the risk and damage that we have experienced in just the last four years from fire, drought, freezing rain, bark beetles, very heavy snow and now maybe the legislative process. Please contact me via my e-mail.

Michael Atkinson
Eugene, OR