

New Meadows Tree Farm

Rex Storm • Cornelius, OR 97113 • Washington County



March 2, 2021

The Honorable Brad Witt
Oregon House of Representatives
State Capitol
Salem, OR 97301

Email: <https://olis.oregonlegislature.gov/liz/2021R1/Testimony/HAGNR>

Subject: OPPOSE HB 2379 – New Forest Severance Tax Bill

Dear Representative Witt:

Chair Witt, Vice Chairs Breese-Iverson and Hudson, members of the Committee, for the record my name is Rex Storm, from Washington County. I am speaking for my Certified New Meadows Tree Farm.

I oppose HB. 2379, because it is an unfair attack on the forestry roots of Oregon's rural small businesses and the family-owned operations that dominate our industry.

My wife and I own and manage 95 acres of working family forestland, mostly located in Columbia County—within your District, Representative Witt. This proposed forest taxation bill would have a negative impact on our family's small business forest operation.

Forest tax proponent claims that Oregon timber is so-called “big business”, are callous and false. By definition, my family forest cannot be managed without hundreds of successful small businesses in Oregon's working forest:

- ✓ 36 percent of all private Oregon forestlands are family-owned
- ✓ 100 percent of all Oregon forest management services are deployed by small businesses

Small family businesses are interwoven into the complete fabric of Oregon's forest sector.

HB. 2379 is an unfair attempt to raise taxes on my small business—and make it more difficult for the entire family-business service sector to succeed in rural Oregon forests. I take it very personally when urban Oregonians and far-away legislators attempt to unfairly impact working forests—when outsiders overreach to rob my family's years of forest stewardship investment.

I put my personal touch into every forest stewardship prescription. Through my family's labor and commitment, our private property provides abundant benefits to both public and to our family—including clean water, salmon streams, wildlife habitat, carbon capture, aesthetics, jobs, income, and wood fiber. Our family tree farm has been a valuable contributor to Oregon's rural economy. And, my forest provides Oregonians with public ecosystem services that are completely uncompensated by the public.

Including income taxes and CAT taxes, Oregon family forests pay among the nation's highest total tax load—compared to other states. We annually pay property tax, forest fire protection assessments, and business fees. Then, I must wait 50 years before any income can be realized.

Oregon's income, property, business, and forestry taxes are already high enough. The tax increase proposals would be punishing to my family and our ongoing costly investments in forest stewardship. Our business margins are just a few percent, realized after decades of expense and sweat equity. This proposed tax gerrymandering is wrong and unfair—because it would disincentivize my family's stewardship and economic contributions to Oregon's greater good. The price tag of the bills is too high. Current forest taxation is properly functioning—and more taxes would be worse for Oregon family forests.

Thank you for respecting family forestry— and your opposition to this unfair new forest tax.

Respectfully,

Rex D. Storm, Certified Forester, Owner, New Meadows Growth LLC