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In the Room Where It Happened
Forest History and Context

Rick Sohn is a former Chair and served on the Board of Directors of Oregon Forest and Industries Council from 1985 to 2008. He is also a former CEO of Lone Rock Timber Company, Roseburg.

To members of the Oregon Legislature

Issues around the Oregon Forest Resources Institute and forest taxation have received so much attention! There are numerous bills before the Oregon State Legislature on both issues. I hope votes on these bills can be avoided. This note is an attempt to add some context as to why the existing regulations might be reasonable, and what an appropriate "fix" might be.

Oregon Forest and Industries Council is an association of industrial forest land owners, and many forest policy decisions around Oregon forestry go through this group. As a board member of OFIC in the 1990's I was "in the room where it happened." Timber went from being taxed as a non-renewable resource with a severance tax, to being taxed as a renewable resource; from one-time taxation on the value of timber at harvest, to taxation every year as a result of owning forest land and growing trees. By the 1990's, gone were the days when people harvested timber, walked away from the land and moved on. Barring severe wildfire, landowners who own sufficient acreage harvest a regular amount of it and replant it each year. Oregon laws to replant and renew the forest have been in place since 1971 – 50 years. While there are human generations between forest harvests, it is still a regular cycle. The fair market value of timber and timberland account for this. We should not return to taxation reminiscent of cut and run forestry of the 1800's to mid-1900's.

Are there other reasons not to go back to severance taxes in Oregon forestry? The answer lies in property tax limitation ballot measures 5 and 47/50, passed by Oregonians in the 1990's. These ballot measures were voted in by Oregonians at the ballot box. With these new tax limitations as the law in Oregon, it's no wonder some leaders at the time, who were recently asked, could not recall the circumstances of a change in Oregon forest tax law. The changes aligned taxation of forestry with the context of Oregon tax law. It also aligned with long term, sustainable forestry.

Oregonians can choose how to tax themselves. But any change in tax law should address taxation of all private lands, based on value, like the ballot measures Oregonians voted in. Forestry should not be singled out.

During this same period, in the early 1990's, the Oregon Forest Resources Institute was born. It follows laws as a commodity commission in Oregon, as do 21 other crops. In fact, the general public does not provide any general taxpayer support to the Oregon Forest Resources Institute. It is supported by a forest harvest tax that comes only from the harvest of timber in Oregon. The role of OFRI from Day 1 has been to educate the public about forestry in Oregon, to increase awareness and understanding.

The Oregon Forest Resources Institute is the only Oregon commodity commission prohibited from lobbying. All 22 commodity commissions in Oregon, including forestry play useful roles in promoting Oregon agriculture and forestry. If there are questions about lobbying with the Oregon Forest Resources Institute, those same questions should be asked of all the commodity commissions, or none of them.

Forestry should not be singled out for taxation. Many forest landowners, large and small, are now addressing a major longer term forest catastrophe after the Labor Day fires. They merit our support at this time.

Thank you for reading this letter.

I hope you will vote against changes in Oregon Forest Tax law and against any changes in the Oregon Forest Resources Institute.

Sincerely,
Rick Sohn
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