

**April 8, 2021**

**Testimony to OR House Revenue Committee Regarding HB 2379**

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When my wife and I moved to Oregon six years ago I was shocked at the poverty and lack of resources available in rural towns that had grown up around the timber industry. So many trees rolling down our roads on the backs of trucks – and so little to show for it. This resource-extraction economy has left little for the people who do the timber work and their families, what few of those workers remain. Clearly, because the severance tax was eliminated in the 1990s timber tax revenue largely evaporated. The severance tax was supposed to be replaced by increased property taxes, but in fact, property taxes were capped. Now rural communities are severely underserved for critical needs such as roads, libraries, water protection, mental health care, and more.

Much of the private industrial timber land in Oregon is owned by Wall Street. Who really knows who owns so much of the land in our state? Real Estate Investment Trusts and Timber Investment Management Organizations cut trees when they are still babies, so to speak, endangering forest health, reducing carbon sequestration, and water quality. The profits are lining some people's pockets—very few of them Oregonians. Our state is full of REIT and TIMO ghost towns.

I am grateful that HB 2379 reinstates the severance tax. But it does not do what it needs to do. Rural counties need the revenue from the tax for their essential needs. Large profitable corporate and investment timber land owners need to pay significantly more taxes than small individual woodland owners.

It's 2021. Science tells us the climate necessary for human existence is collapsing. This bill must create tax incentives for climate-smart and resource-protecting forestry practices. REITs and TIMOs must pay their fair share of taxes, as they pay no corporate or personal income tax, or excise tax in our state. Protect small woodland owners with few than 2,500 acres. Add an incentive to reduce taxes with Forest Stewardship Council certification or other requirements to ensure longer harvest rotation cycles and to promote forest health for carbon sequestration, water quality and quantity, soil quality, species diversity, and, yes, fire management. Set aside some of the revenue for watershed protection.

These changes to this bill are what our times and situation demand. Our people need them. Our lands and waters need them.

Thank you.