

Hello: Representative Nathanson and House Committee on Revenue  
as well as Chief Sponsor Representative Holvey

Please read carefully, as I am unable to testify on 4/8/2021 due to a prior immovable commitment. Thank you.

My testimony is in support of House Bill 2379, with appropriate amendments. At this time, it is fundamentally appropriate to rectify the imbalances that have developed in Oregon's tax and revenue systems.

I am Professor Trygve Steen. I reside in Multnomah county. My background involved 12 years of post-high school education, including a Ph.D. from Yale University. I have spent over 45 years teaching courses in forest ecology and the principle of sustainability at Portland State University and have done region wide documentation of forest management on Federal, State, and private lands.

HB2379 contains important first steps toward solving a number of significant problems. Large timber operations have largely been relieved of their obligation to support important government services from which they benefit - - especially fire-fighting expenses as well as the costs of roads their heavy loads impact. Historic revenue streams from timber operations that were appropriately part of state support for fire-fighting need to be reinstated, and this bill is clearly focused on that issue - thanks. I also appreciate addressing needed support for community impacts of fire.

I support the bill's threshold to exempt small forest management operations from the severance tax, as a measure of fairness to operations that are already at a disadvantage economically.

Historic reductions of taxation on timber operations have also affected support of local government. As I read this bill, this deficiency still needs to be rectified. Support of local governmental activities beyond fire-fighting is badly needed and needs to be included in the funding distribution specified in this bill. Lack of local government and county support has among other things resulted in excessive pressure on State Forest management to provide revenue to the counties at a level that is clearly damaging and not sustainable. Note, much of the historic revenue streams that supported local government now flow out of state, because of the major role TIMOs and REITs now play in forest management.

Finally, reinstating a severance tax provides an important opportunity to encourage better forest management practices. I support a reduction of the severance tax for operations that are certified as managed to the standards set by the Forest Stewardship Council, such that they are FSC certified for their forest management. FSC certified forests represent less of a fire hazard than the commonly used intensive, short rotation management used by large timber operations. I would note that the extreme fire behaviors created by extensive plantations significantly endanger Oregon communities. FSC certification also represents an opportunity to improve watersheds in relation to community water supplies, as well as to encourage longer periods between harvests - - which enables Oregon's forests to play the larger role that is needed for sequestering carbon dioxide from the atmosphere.

Thank you for your attention to the above ideas,  
Trygve Steen, Ph.D.