



Oregon Cattlemen's Association
1320 Capitol Street NE, Suite 150
Salem, OR 97301
Phone – (503) 361-8941
Fax – (503) 361-8947
oca@orcattle.com

TESTIMONY

HB 2379 – Imposes severance tax on owner of timber at time of harvest at five percent of value of timber

Revenue Committee

Chair Nathanson and Members of the Committee:

The Oregon Cattlemen's Association respectfully offers testimony regarding HB 2379. The Oregon Cattlemen's Association represents cattle producers across the state. Every Oregon County is home to cattle operations with a total of more than 13,000 producers and 1.3 million cattle. Many of the cattle producers also have an interest in timber. It is for this reason, that I offer the following remarks which are basically echoing testimony provided during the hearing on Thursday, April 8, 2021.

My name is Tammy Dennee. I have the privilege of serving as the new Executive Director for the Oregon Cattlemen's Association which is headquartered in Salem, Oregon.

As I understand it, the -6 Amendments propose a tax increase and the elimination of general fund for funding programs in the base fire protection system for Oregon.

This Committee has received testimony stating that forest landowners currently pay a tax for the privilege of harvesting timber at the rate of \$4.13/MBF. Under this bill that tax is eliminated and replaced by a severance tax based on value rather than volume. A value-based tax obviously is different for all landowners, depending on the price received for logs.

The current law and this bill allow for an exemption for 25 MBF. That exemption is appreciated, however, very few landowners, no matter how little acreage they own, harvest in a manner that they would stay below this amount annually. Most small woodland owners attempt to harvest in conjunction with peak markets. They plan a harvest with enough volume that they can hire a logger at an affordable rate. They work on a sustained yield basis but don't typically harvest annually. Also, all timber owners get the same exemption on the first 25MBF harvested each year, so the exemption means the same for all landowners.

The 2013 wildfire protection act established the general fund for eastern Oregon landowners because the legislature recognized that the annual fire protection budgets for landowners in eastern Oregon had grown to the point of being unaffordable. This problem had become worse as log markets in the region had disappeared at the same time fire budgets were increasing. In order to stop landowners from converting timber tracts to other uses, just to avoid the annual fire protection costs, the legislature offered the \$1 million annually to help combat the rate increases. As log markets for eastern Oregon have not improved in the last 8 years, eliminating this now would reverse that direction.

The Oregon Cattlemen's Association requests this Committee consider very carefully the full impacts of HB 2379 to the timber producers of Oregon.

Thank you for receiving this testimony.

Tammy L. Dennee, CMP, CAE – Executive Director
Oregon Cattlemen's Association
Tammy.dennee@orcattle.com
Mobile – 541-980-6887