

June 3, 2021

House Committee on Revenue:

Re: **Support for HB2070 (As Introduced, NO amendments), Opposition to Amendments -1 & -2**

Dear Chair Representative Nathanson, Vice Chairs Representatives Pham and Reschke and members of the committee:

We support the traditional language outlined in the original HB 2070 as introduced; however, we are opposed to the language contained within both the HB-2070-1 & -2 Amendments.

First, a little background about us. We are retired and we own and manage about 84 acres of forestland in western Oregon near Estacada, which we have been doing for almost 30 years. We are proud of our forest stewardship, and we were honored for our work in 2020 as the Clackamas County Farm Forestry Association's Woodland Farmer of the Year, were awarded the joint ODFW/ODF "Fish & Wildlife Steward Award for Forest Lands" in 2020 and are certified by the American Tree Farm System due to, among other things, implementing standards of sustainability in accordance with the American Forest Foundation.

We are opposed to this bill's (-1) and (-2) amendments for the following reasons:

1. The Forest Products Harvest Tax (FPHT) should be adjusted biennially and not by some "cast-in-stone" CPI or COLA annual adjustment to make sure the proper amount is collected to cover expenditures. This is because harvest levels fluctuate, and therefore, the needs should be adjusted periodically to suit these realities. In times of increased harvest, excessive taxes would be imposed, in times of reduced harvest, insufficient taxes would be collected.
2. The Oregon Forest Land Protection Fund (OFLPF) rate has been sufficient without change due to the statutory spending cap on that program, other budgets don't have the same statutory cap.
3. The Private Forest Accord currently being negotiated among a number of parties may require an increase in the Department of Forestry employees, which would require a higher level of tax. This needs to be accommodated and may not be correctly reflected in a simple annual adjustment to the tax rate.
4. Private woodland owners may at times pay taxes more than required with no mechanism to refund the surplus.

Members of the committee should reflect upon the reality that the only folks paying the FPHT are those that harvest timber; this is not a tax on the general public. Why is it that all the organizations that represent small and large woodland owners (OSWA, AOL & OFIC) unanimously oppose the -1 and -2 amendments but support the bill as introduced?

In summary, please pass the original HB2070 (without amendments), allowing the legislature to set rates biennially as it has done historically; the -1 & -2 Amendments should be withdrawn from further consideration.

Thank you.

Sincerely,



David & Mary Ann Bugni
30265 SE Kowall Rd.
Estacada, OR 97023

