

Chairs Nahanson, Vice Chairs Pham, Reschke, and House Committee Revenue Members:

I live in Beaverton, but am a forestland owner in Lincoln County and pay the Forest Harvest Tax when we harvest. I am writing to voice my support for HB 2070 and my opposition to the -1 and -2 amendments.

The present system of having public hearings every 2 years on the Harvest Tax keeps it transparent while setting a permanent rate with an escalator set by state agency which is undetermined is not transparent. In the current system, taxpayers can give input on what programs they support and how much they are willing to pay for these which is only correct since they are the ones in the field who are most likely to know the best use of their tax dollars. Needs vary depending on circumstances, so with the 2 year method, budget writers can set the rate that is needed to cover the expenditures for the next two years as opposed to an arbitrary set or escalating rate which may or may not be the most accurate means of doing this. Automatically adjusting for an arbitrary inflation amount annually could create excess amounts of revenue when harvest levels increase with no means of refunding those who pay this tax or the opposite could happen where using a stable harvest level over long periods of time could create a lack of funds since budgetary needs change frequently. In this case, the tax would need an increase. The OFLP rate has been sufficient without change due to the statutory spending cap on it while other budgets do not have this same cap. The Private Forest Accord continues to work and will be presenting their plans this summer and may require an increase in ODF employees soon that could require a higher level of tax, so any changes should wait until this is determined to avoid a shortfall. In the present system, the 3/5 vote insures the bill has broad support from a super majority so all sides can be considered to make the best decision. With the current system, all the elements addressed by the chairs is addressed and covered, so there is no need to change it.

Thank you and please remove the -1 and -2 amendments from HB 2070.

Sincerely,

Annabelle Morgan