

Testimony to the House Agriculture and Natural Resources Committee  
RE:HB 2379 Timber Harvest Severance Tax

Chair Witt, Vice Chairs Breese-Iverson and Hudson,

I was shocked by the articles published by OPB and the Oregonian last year on how the timber harvest tax was phased out in the 1990s and how that has led to the loss of about \$3 billion to support mostly rural counties and communities in our state. We need to reinstitute a timber harvest severance tax to ensure that the primary owners of private forest lands in Oregon, mostly Real Estate Investment Trusts and Timber Investment Management Operations, who do not pay corporate income taxes, pay their fair share.

I'm writing in regard to HB 2379, and I am strongly in favor of re-instituting the timber severance tax this session, BUT this bill needs to be improved in the following ways.

1.If we are going to reinstate the tax, then we should return 60% to counties as property tax where the harvest occurred. Rural counties need and deserve a part of the revenue from timber harvest like they used to get. Many of our rural counties and communities are hurting. Too many people have lost access to libraries and lack the kind robust public services they deserve.

2.Drinking water is not being protected from erosion from logging roads and steep slope logging and pesticide runoff. We need to provide Department of Environmental Quality the power to enforce and improve regulations in logging to protect drinking water. If a community doesn't have drinking water, it can't exist.

3.Specific funding for watershed and water system improvements. These REITs and TIMOs have one primary interest – short term returns to shareholders. They are not concerned about the long-term health of our forests, the health of our water supply watersheds, or about the use of pesticides and impacts on human health. The bill needs to provide an economic incentive for these corporations to practice climate smart forestry, where we know that the biggest bang for our bucks is to simply grow trees longer – preferably 80 years. By reducing the tax burden when trees are grown longer we can provide that incentive. We also need to ensure that those forests are managed to Forest Stewardship Council certification standards. By doing that we will provide greater protection for our water supply watersheds, provide better habitat for endangered species and actually transform our forests from carbon sources to carbon sinks.

Sincerely,

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