

February 25, 2021

Rep. Witt Chair, and  
Members of the Senate Committee on Environment and Natural Resources

**HB2379**

My name is Michael Jamieson; I'm a resident and family forest owner living in rural Washington County, in the House District of Chair Witt; retired from 29 years with Tualatin Valley Fire and Rescue as a firefighter, Lieutenant and Captain; actively involved with forestry for over 50 years, accumulating over 2800 acres of forestland since 1970; member of Oregon Small Woodlands Association; member of the Farm Bureau; and father of 3 children ages 26, 10 and 7. I am also a registered Democrat since 1969, although the Party has in recent years drifted away from my view of responsible, transparent and broadly representative governance.

I was raised on a small farm, and my first exposure to forestry was working for a logger beginning in 1967 when I was 18 years old, to pay for my college. As of today, I have been working forests for 54 years. (Interestingly, this is 1/3 of the 162 years Oregon has been a State). I bought my first 70 acres of timberland, via a long term land sale contract in 1970. My family doesn't have a history of forest ownership. My father was a rural mail carrier, and I located the property because it was on his mail route. Since then I bought more land, most of which had been recently logged by someone else such that we now own over 2800 acres of forest land, on which I have planted over 500,000 trees, including over 120,000 with my own two hands. Over 2400 acres of our land is in the Small Tract Forestland tax program, under which we pay a severance tax upon harvest, to receive an 80% reduction in our annual property taxes. This program is fair and very important to us, as after harvest, we have the money to pay the tax. Our forest is certified as meeting the sustainable standards of The American Tree Farm System. I care about the environment. I care about the future of Oregon and of the planet.

Hb 2379 proposes a severance tax for all timber harvested in Oregon, to pay for a variety of things. I will not disagree with the need for a funding source for the identified needs in this bill, and recognize that there is a large need for increased revenues for local governments. It is common knowledge that we once had a severance tax that was phased out some years ago. Severance taxes are generally taxes on depletable resources in industries like mining. A severance tax was appropriate, when the forest industry was in its "hunter-gatherer period". By this I mean, people would acquire forest land, remove the trees they wanted, then hunt for another property to do the same. There was most often some residual trees that continued to grow, and naturally re-seed some areas. When I began working in the woods, this was the only type of forest with large enough trees to harvest. There were no areas purposefully planted that were large enough to harvest. We have moved on from that period, to a time when trees are planted, nurtured and grown as a crop. Thus, a "severance tax" is no longer an appropriate type of taxation.

Yet we need a source of taxation from our forest lands. Given the time it takes a crop of trees to grow to maturity, annual property taxes eventually force forest owners without enough land such that they can harvest trees every few years, to sell their land. This process has created the situation we are in today, where large companies, TIMOS and REITS own the majority of

our forested lands. Their concern is primarily a return on their investment, without as much care for the land and community as a small resident land owner. So, we need an appropriate tax. For fires, every landowner should pay the same cost per acre. This would include lands where trees are grown for harvest, lands that are set aside for wildlife, for conservation, for parks, for carbon sequestration, watersheds, etc., whether publicly owned or private. All forests can burn, and all need to bear the burden to prevent that from happening. Taxation to pay for other needs of local communities need to be spread out over all: all landowners, all residents and all who use the community.

To gain revenue to offset the impacts of forest harvests, an appropriate tax would be something like a tax on the impact of harvests. One solution would be an impact tax like suggested as a severance tax in HB 2598, a tax on the harvest of young trees. As I have listened to hearings this year, and read the testimony from many people, there are some common concerns about modern forest practices. There are concerns about local timber supply and jobs; about herbicide use; about impact on local water systems; and about siltation in our rivers and streams. The last three of these concerns generally occur because of the harvest, or the preparation for reforestation right after harvest. Concerns about timber supply and jobs seem on the surface just to be about how many acres are available to grow trees and harvest them. Yet these things are connected.

The current industrial model of forestry is to cut the trees on a rotation of 40-45 years in the Douglas Fir Region of western Oregon. According to growth charts and tables in USDA Bulletin 162739, "Yield of Douglas Fir in the Pacific Northwest" (McArdle, et al) (this was published in 1949, but it has been cited in 434 other works, up to the present time). Whether the soil site class is I, II, III or IV, if an acre of land produces 1x volume of timber in 45 years, it produces over 3x of that volume at 90 years of age, when left to grow. (2x the 45 year volume occurs around 70 years of age). Thus, the land produces over twice the volume in the second 45 years of growth as it does in the first 45 years when left to grow. This has a great cost to society, and communities, when the practice is to cut trees at a young age. Also, if timber is harvested at 90 years instead of 45 years, there is one less soil disturbing harvest, and one less application of herbicide. Thus, the uniform 5% "severance tax" of HB2379 should be replaced with a graduated "harvest impact tax" beginning at a little higher than 5% for trees under 50 years old, then scaled down to something like 2% at 70 years, and be 0% for timber over 90 years of age. Exceptions should be made for any thinning that takes less than 30% of the stand volume over any 10 year period.

Finally, the discussions about a tax on timber, has ignored the 10% inheritance tax Oregonians pay at every generational transfer. The out of state corporate, REIT and TIMO structures never pay an Oregon estate or inheritance tax. As generations are generally considered to be 25-30 years, by 75-90 years of growth, Oregon residents pay at least another 20% tax on their timber land.