

Harriet's Testimony: 2/25/21

Thank you Chair Witt and members of the committee for the privilege of offering testimony on the forest bills today.

My name is Harriet Cooke, I came to Oregon in 1984 to begin a career in medicine, a career I cut short to shift my focus to our climate, economic, and social justice crises that cause so much stress and hopelessness. I could no longer put Band-Aids on blood pressure and depression with such catastrophic problems looming.

After studying the bills and listening to the testimonies on Tuesday and Thursday, I was unable to testify orally. This written testimony is in regards to our forest management and revenue issues, and in particular on HB 2379.

Regarding Forest management:

We need policies based on sound forest and climate science, not monetary science of how to make the greatest short term profits and externalize the harms from our current forestry practices (such as 40 year rotations, clear-cutting, and insufficient stream buffers and riparian zones).

What good is a forestry wage job if it requires the poisoning of our neighbors and an unlivable climate for our children and grandchildren?

We need policies that **balance** the **value of harvested timber** with the **value of standing** timber for water, climate, fish and wildlife health, and the spiritual health of all of us who return to the forests to restore our souls.

We need a **comprehensive revenue plan** that integrates **Federal dollars** from carbon credits and subsidies (for sustainably managed forestry and wildfire response), with **State taxes** that fairly address the needs of timber counties that deserve a reasonable severance tax on all harvested wood, and the state funded wildfire and forestry research and education.

We need bills that protect our forest waters, incentivize the longer rotations that science shows is good for water AND Carbon sequestration, and bills that require severe taxes and penalties for externalizing the harm to our public water supplies, people, and the CO2

harm of short rotations. The health of our water and climate are priceless, not to be sacrificed for the dollar. And we all have seen from our increased devastating wildfire season, the climate situation is urgent.

Regarding HB 2379: This bill calls itself a severance tax bill, It seems like a wolf in sheep's clothing, confusing historic "Severance" taxes to fund counties with "Harvest" taxes that fund State budget needs. Rural forest communities need the reinstatement of a severance tax that helps fund their government services, but this is not that bill, and from the testimony of STF, it may be too onerous for STF.

2379 offers no revenue for essential county functions. Unlike our historic severance tax, a tax that sent 60% back to timber counties for the same kind of government services that property taxes fund throughout the state, HB2379 seems to offer ZERO revenue for such services, with the exception of wildfire management.

Having spent the past week pouring over the bills before you today, I will readily state that I am no tax bill expert. The issues are complex & the tax structure is complex.

In section 1, of the bill on distribution, no county money is returned for general services, and yet testimony from sustainable STF claimed that this tax was too onerous for foresters working on their forests sustainably. Perhaps STF who have certification for sustainable practices, including 80 year rotations could get tax breaks instead of additional taxes? And those foresters harvesting trees younger than 50 years receive the highest harvest tax, and those harvesting 50-79 years have a modest tax.

Part 5 of section 1 says no other severance tax can be created for properties up to 5000 acres, which would forbid any severance tax to go to counties from STF, who are part of these communities in need of county taxes. We need to bring these stake holders together to understand the issues and create a fair system that supports sustainable forest stewardship and taxes the harvest in an equitable and incentivizing way.

Furthermore, in section 5 of the bill, requiring distribution of any money's greater than \$125 million dollars in the Emergency Wildfire fund to be returned to the counties, I question whether A) there might not be other monies including federal dollars that can contribute to this

wildfire fund and take the burden off of our struggling rural communities, B) why is this money only allowed for wildfire preparedness and not for the government service of communities that harvest and work to maintain healthy sustainable forests with more old growth that is much more resistant to devastation from fire?

I would like to advocate for a severance tax bill committee similar to the Governor's Private Forest Accord to integrate the best of these bills with severance tax incentives that meet the sustainable management and community needs as stated above, honoring the **VALUE of standing mature and old growth forests**, the value of **a sustainable timber harvest economy**, and the value of **the communities that do the work of harvesting and stewardship in our forests**.

Thank you,
Harriet Cooke
holisticcooke@aol.com
503-975-4571

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~ 3:20

HB 2070 Governor Harvest Tax bill

- Ignores the OFRI issue
- Sets the Harvest Tax rates for two years: extends privilege tax on merchantable forest products harvested on forestlands
- Requires 3/5 vote since revenue raising bill.
- The governors bill and Pam Marsh's bill are only trying to have the rate set in an agency outside of the legislature where it takes a lot of oxygen up, rather than be an automatic formula or indexed by inflation.

Comments:

This is the regular biennia bill wherein the legislature historically sets the Harvest Tax rates for the next two years, but the Governor has chosen to eliminate funding for OFRI. The bill sets the rate for the fire fund, but leaves other amounts to be determined by the Legislature.

For this and all Harvest Tax bills, we need to make sure OFRI itself is eliminated, not just defunded.

HB 2430 [2430 Harvest Tax](#) – Nathanson

- Ignores the OFRI issue
- Ends practice of the legislature setting rates for the Harvest Tax every two years: extends privilege tax on merchantable forest products harvested on forestlands (?type?)
- Sets Harvest Tax rates beginning January 1, 2022 with amounts left to be determined in committee
- Requires 3/5 vote

Comments: This bill could add indexing for inflation, and be set for more than two years. For example, the effective dates could be January 1, 2022 to January 1, 2028.

HB2389 [2389 Harvest Tax Indexed and Made Permanent](#) – Marsh

- Retains OFRI and doubles the limit on the tax but does not set the rate
- Harvest Tax Rates made permanent and adjusted annually for inflation since 2020
- Retains current uses for Harvest Tax
- Requires 3/5 vote

Comments:

Why double the amount for OFRI?

The rate for OFRI is not actually stated in the bill, is it still set by OFRI board?

The bill makes other rates permanent with inflation adjustment

HB2379 [2379 Harvest Tax is Included in Broader Bill](#) – Holvey ~ 3:40

- Eliminates funding for and abolishes OFRI

- Repeals the Harvest Tax and replaces it with a new tax and directs some funds to programs funded by the Harvest Tax:
- Abolishes the Emergency Fire Cost Committee and the Oregon Forest Land Protection Fund and creates a new “Wildfire Fund” and structure.
- Establishes a new severance tax of 5% is based on value
- Collected on all harvests from forestland except Small Tract Forestland (STF)
- Distribution:
 - 15% to Department of Forestry for administering the Oregon Forest Practice Act
 - 10% to Forest Research Lab at OSU
 - 50% to new Emergency Wildfire Fund for suppression and fast-response planning, unless balance is more than \$125M, in which case excess is distributed to counties
 - 25% county general fund to Counties, which shall use the moneys for the purposes of wildfire emergency preparedness and public safety as it relates to wildfire
- Requires a 3/5 vote

Comments:

Exempting the STF exempts only ½ of small woodland acres.

If the tax collects \$35M a year, there would be funding for:

- *Department of Forestry would be \$5.23M/year vs current \$5.44*
- *Forest Research Lab would be \$3.5M/year vs current \$3.52*
- *Emergency Wildfire Fund would be \$17.5M/year vs current \$2.4M from Harvest Tax*
- *Counties for wildfire preparedness and public safety for wildfire would be \$8.75M vs zero.*

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HB2357 Harvest Tax Salinas, Holvey, Golden, Pham, Wilde – OLCV endorsed 3/2 3:15

- **Eliminates funding for OFRI**
- Redirects OFRI funding to Oregon Department of Forestry (ODF) for newly established “Sound Forestry Practices” to develop and apply sound forestry practices in collaboration with other state agencies through programs that
 - Promote forest health

- Incorporate regulation or monitoring of pesticide use
- Employ adaptive resource management
- Advance climate science or policy
- Rates for the Sound Forestry Practices part of the Harvest Tax are to be set by the Board of Forestry (not to exceed 75 cents per thousand board feet, indexed)
- Doesn't require 3/5 vote as no rates are set in this bill.

Comments:

No definition of adaptive resource management is included, no additional powers given to ODF.

The Board of Forestry could just eliminate the tax since they set the rates.

No 3/5 vote because no rates are set in this bill.

Which of these bills addresses severance tax and monies to counties?
2379?

Which address corporate giveaway while small forests pay prop taxes?

LC 829– Citizen's Severance Tax Bill

- Does not address the Harvest Tax – However it did in an earlier version of the bill as:
- Eliminates funding for OFRI
- OFRI funds redirected:
 - 1/3 to support outdoor education for K-12 students via the Department of Education's Outdoor School Education Fund
 - 1/3 to the DEQ for establishing, enforcing and administering the Oregon Forest Practices Act, the Federal Water Pollution Control Act, associated forest practice or water quality standards by rule or order and for technical assistance
DEQ to hire one statewide head and 1 staff per each of three regions who shall have co-authority with the Oregon Department of Forestry to enforce the Federal Water Pollution Control Act
 - 1/3 to Oregon Housing and Community Services for a grants program to harden critical built infrastructure, homes and public buildings against wildfire in wildfire hazard zones

Additional provisions:

Establishes a separate Severance Tax and increases enforcement responsibility of DEQ or assuring compliance with water quality standards and coordination between DEQ and Board of Forestry