

Submitter: Lynne Dewald

On Behalf Of:

Committee: Senate Committee On Natural Resources and Wildfire Recovery

Measure: SB1502

February 2, 2022

RE: Senate Bill 1502

Dear Chair Golden and members of the Senate Natural Resource and Wildfire Committee:

It saddens me to find legislation being considered that destroys decades of planning of forestry resources. In our family, as in many other small forestry owners, timber acreage was purchased and managed responsibly to be beneficial for future generations. While there is no guarantee that one's efforts will result in a harvest due to natural events such as fire, I can be somewhat certain that a calculated effort to destroy a precious commodity for many families by larger timber companies, environmental groups, and government was never imagined.

Given the extremely limited amount of time provided to the public to review what is being proposed, I have listed just a few of my concerns.

1. Tax credits require income to be useful.
2. The proposal appears to determine a "stumpage value" (see Section 4) which will be the amount of tax credits the SFO can receive, but they don't appear to take into consideration the time value of money. Giving an SFO \$10,000 of tax credits for use is not the equivalent of them netting \$10,000 from the sale of timber and putting that money in the bank or investing it where it will increase. Also, tax credits can't be used to pay for immediate needs like a down payment on a house, paying for education expenses and so on.
3. Allowing unused tax credits to be used to offset taxes only works in Oregon if the value of the estate exceeds \$1,000,000.
4. Deed restriction is for 50 years is too long a period of time. Under Section 3(3)(a), it requires the small forestland owner "sign and record in the deed record for the county where the eligible forest conservation area is located an IRREVOCABLE deed restriction prohibiting the owner and the owner's successors in interest from conducting a harvest or otherwise removing trees within the forest conservation area for which a credit has been claimed". This is a major contradiction as well as there are other significant contradictions in this bill's language. The other issue is that unmanaged timberland becomes hazardous. Trees rot, blow down, and can develop disease over a period of time becoming a wildfire hazard. Riparian management is essential to reduce unintended consequences including trees falling into the streams

and during flooding events creating a hazard for road infrastructure such as bridges and culverts due to blockage.

5. Section 3 (3b): There is no purpose to this section as providing written documentation to the Department of Revenue upon request throughout the period during which a harvest restriction applies which is forever is a ridiculous.

6. Section 4 (4): Cost, including the cost of an appraisal and cost of filing and recording a deed restriction needs to be changed to “shall be included in the credit amount.”

7. There are questions as to nonresident’s tax credit. A nonresident shall be allowed a credit however how can that be utilized if the nonresident does not pay Oregon taxes annually? This needs some clarification.

Finally, I can’t help but wonder why the groups behind these bills seem to think that the landowners should shoulder the bulk of the financial burdens resulting from the laws they put into place. After all, aren’t the laws for the benefit of all Oregonians? And if so, then shouldn’t all Oregonians share in the cost?

I encourage the committee to consider the negative impact SB 1502 will have on small forestry owners. This legislation needs work and therefore should be moved to a full session where the public has an opportunity to help you fine tune the legislation.

Thank you for the opportunity to bring forth some of my concerns.

Respectfully,

Lynne Dewald