

82166 Lost Valley Lane
Dexter, OR 97431
February 19, 2024

Senator Mark Meek, Chairman
State Revenue & Finance Committee

Mr. Chair and Members of the Committee,

Our names are Wylda & Steve Cafferata, and we are submitting testimony in opposition to SB 1593.

We are small woodland owners who are members of Oregon Small Woodlands Association, and our tree farms are certified by the American Tree Farm System. We are both members of the Society of American Foresters. We have several strong objections to SB 1593 as follows:

1. SB 1593 proposes to eliminate OFRI. Small woodland owners depend on OFRI publications for a wide variety of information on forest management, from establishing wildlife habitat to water management to understanding changes to the Forest Practice Act. Particularly now with the new rules stemming from the Private Forest Accord, OFRI's ability to render the written rules' language intelligible to landowners is essential.
2. SB 1593 proposes different tax rates for FSC certified timberland. We are in favor of active management and could support a lower tax rate for certified land, but NOT if the lower rate is limited to one certification system. ATFS (American Tree Farm System) is the largest and oldest certification system for small woodland owners, and is endorsed by PEFC (the international Programme for the Endorsement of Forest Certification.) SFI (Sustainable Forest Initiative) is also well-recognized and accepted. Picking just one system to include in the bill attempts to subsidize FSC over other very good systems.
3. SB 1593 proposes several changes to fire funding, many of which disincentivize woodland owners from practicing responsible forest management. We will focus on three components.
 - A. The value tax on timber production (in contrast to the volume tax) encourages small woodland owners to harvest younger trees (with lower value), which in turn decreases the rotation length of harvests, resulting in less carbon sequestration. Important management strategies such as commercial thinning would become even more expensive than it already is, disincentivizing it.
 - B. SB 1993 directs 25% of the proceeds from the bill to the State Fire Marshall, but since the State Fire Marshall does not protect timberland, funds from small woodland owners will be used for general fire funding, representing an inequitable tax burden on us.
 - C. SB1593 would place an even higher tax burden on rural residents who already pay a disproportionate share of fighting large fires. We remind you that rural residents pay high costs and extra bond measures to their rural districts, as well as improved lot charges, minimum lot assessments, and in many cases per acre assessments. Raising their rates even higher seems particularly inequitable since it is well-established that most of the large fires result from lightning and from fires encroaching from fires on federal land.

In short, SB 1593's negative consequences for small woodland landowners would be considerable and would not support good active management. Thank you for the opportunity to explain our concerns. We are happy to answer any questions you may have and can be reached at wyldac@gmail.com or 541-797-9734.

Steve and Wylda Cafferata