

Submitter: Greg Peterson
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB3489
To: House Revenue Committee April 18, 2025
Subject: Re: Severance Tax HB 3489

I am opposed to HB 3489 because it proposes to significantly increase the Severance tax, scrap the work of Wildfire 35 Committee, requires Forest Stewardship Council (vs Oregon Tree Farm System) certification, and defund OFRI, all of which I strongly oppose.

No Severance Tax increase I am a small woodland owner with 60 acres, For over 25 years i didn't harvest any trees, but last January, I suffered severe ice damage, so I had to salvage-log 8 acres and thin topped/leaning trees on the remaining 52 acres. The local mills were full and prices were low, so the salvaged logs went to a mill 80 miles away as chip and saw, not sawlogs. The logger's cost was paid for by my trees at the mill, and I had to pay an additional \$6,000 to the logger, \$600 harvest & severance taxes, \$12,000 for road gravel, \$12,000+ to rebuild slash piles so they could burn, \$38,000 to remove the remaining leaning/topped trees, and an estimated \$14,000 to \$19,000 to spray and replant the salvaged areas.

In 15 to 25 years, I hope to earn a positive return when sawlogs on the remaining 52 acres should be ready to harvest, but there are many risks; what logger charges will be, will there be a mill within a reasonable haul distance, or will be another ice storm or wildfire? I will have to pay for my Severance and Harvest taxes, but if they increase 800% as HB 3489 proposes, will I be able to afford them? Will I be remunerated for my costs to date, my 80,000 miles driven to/from this site, and the tens of thousands of hours invested? It seems that HB 3489 presumes I get intrinsic satisfaction for my large investment and all of my hard work! If there is no chance of recouping costs and little hope of seeing a profit after 5 decades of investment, then there will be very few family-owned forestlands in the future and Oregon will lose the best possible stewards of the land.

Don't scrap the work of Wildfire 35 Committee The Wildfire 35 Committee is in the midst of tackling the very complex challenge of wildfire funding, given the many differences between government and private forestland management, and the resulting wildfire frequency and intensity. Solving the root causes of wildfire discrepancies will likely require significant changes in management priorities and harvest schedules. This is such a complex and deep-seated issue that it's fool-hearted to think that this topic can be readily solved by just creating a new fund.

Retain Oregon Tree Farm System, not Forest Stewardship Council My land is already certified by Oregon Tree Farm System which is managed by small woodland owners, has low costs (since it has mostly volunteer labor), and is internationally recognized. To re-certify with the Forest Stewardship Council (fee based) will cost me more time and money but my logs will not be worth more at the mill, nor will my needs be met by a such a disconnected organization.

Do not defund OFRI OFRI was established by the legislature in 1991, as a forestland-owner directed organization, to keep the citizens of Oregon informed about forestry practices and to dispel disinformation. I also receive landowner focused informative communication from OFRI. As new citizens relocate to Oregon and youth become voters, who else will give them accurate, unbiased information? We don't have a trade organization, but OFRI is the closest we have. Instead of supporting OFRI, HB 3489 proposes to send my harvest tax to 4 non-forestry organizations, plus my county's general fund. I have to pay, but I would have no input or control over how the money is spent. I'm not sure if I or Oregon forests would benefit from my taxes being sent to such non-forestry organizations and my county's general fund. This could easily become a bureaucratic slush fund without tax-payer direction or recourse for malfeasance.

Greg Peterson