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March 26, 2019

House Committee on Natural Resource State Capitol 900 Court Street NE Salem, OR 97301

RE: Testimony on HB 2659

Chair Witt and Committee members:

Thank you for the opportunity to provide testimony on HB 2659. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

We have significant concerns about the bill as drafted. The Oregon Department of Forestry's 2018 report, Land Use Change on Non-Federal Land in Oregon and Washington, found that Oregon's land use system has successfully improved the retention of resources lands in Oregon, including agricultural, wildland forest and wildland rangelands. Because of its land use system, Oregon has maintained more private forestland, and the corresponding habitats and watersheds, than Washington state. This is because Oregon has large minimum lot sizes for forestland and strong laws prohibiting uses that are inconsistent with Goal 4 (protection of forests), such as rural subdivisions and commercial sprawl. However, to balance out the strict land use limitations on forestland, and to incentivize and protect Oregonians who live and work on our forestlands, the creators of Oregon's land use system also provided a tax structure that supports and encourages keeping forests intact and prevents conversion. This system is not perfect but, as the ODF report finds, it has effectively protected twice as much resource land as Washington state.

For those reasons we believe this bill is a sledgehammer where a scalpel is needed. Removing tax incentives from forest-zoned land will result in both large and small forest landowners reconsidering whether to keep their land in forest use and looking for ways to avoid forest zoning protections in favor of conversion for residential and other uses. Such a shift is contrary to sound climate policy, fragments intact habitat, and undermines the effectiveness of Oregon's land use system. It is also inconsistent with the Governor's recent efforts to address wildfire across the landscape (see E.O. 19-01)

1000 Friends' members, which includes small forest land owners, understand that the land use system combined with the forest tax structure, allows owners of forestland of all sizes to keep their land as intact forests. We encourage you to proceed with extreme caution when making changes that upset the balance Oregon has achieved to protect working lands and habitats through effective land use and tax regimes. Thank you for your consideration.

Russ Hoeflich Executive Director