

Please stop HB 2379

HB2379 proposes a 5% severance tax that is an 8x increase in harvest tax, and will break the back of my family's woodland ownership. HB 2379's severance tax copies a Washington tax, however Washington has a very different forest taxation structure than Oregon, and thus is not at all a comparable situation.

Like agriculture, woodlands management is a challenging endeavor, with each harvest cycle involving a long list of tasks and expenses. Most of the proceeds pay for; road construction, logging, hauling, consultants, slash piling/burning, site-prep herbicide spray, seedling planting/protection, and two spring/fall herbicide sprays. Outside of this, there are also ongoing expenses for; invasive species control, pre-commercial thinning, fuels reduction, hardwood control, and road/bridge maintenance. We also invest untold blood, sweat, and tears, equipment hours, and vehicle miles to manage these events.

All expenses and unpredictable losses have to be paid from a harvest that occurs once every 40 to 60 years, in unpredictable markets, optimistically hoping that there will enough net income left to provide a legacy for our grandchildren. Tree farming is always tenuous due to unpredictable events such as last summer's wildfires and this year's Valentine's Day ice storm, which coated tree branches with a 1-1/2 inch thick layer of ice, with the added weight toppling or severely tilting 30 to 50% of our trees, most of which are unsalvageable. While we've dealt with the damage from two previous ice storms in the past 20 years, last week's ice storm was truly overwhelming. We are now in the midst of an enormous cleanup effort to clear and rebuild our roads. In addition, if we're able to clear all of the debris and replant, we will face risks from animal damage, poor seedling survival, as well as the ever present risks from drought, wind/ice damage, bug infestation, and fire.

We work full time without pay on our tree farms, harvesting an average of 1% of the land each year, and what margin we have eked out has yet to show a net profit after taxes and equipment costs. However, after last week's ice storm, we will be at significant deficit for the foreseeable future. Adding HB2379's 5% severance tax on top of this will be truly devastating, as we have no idea where the money to pay this tax will come from.

If enacted, small woodland ownership and Oregon's nation leading timber-products industry would become untenable. This runs contrary to the 2-10-2020 MOU between Oregon timber companies & environmental groups, with the goal of creating business certainty for the timber-products industry.

HB 2379 would also remove OFRI's commodity commission funding, which was set up to ensure that the industry's communication needs to the public were met. OFRI provides objective and unbiased Oregon forestry information to urbanites, visitors, and newcomers. HB2379's proposed 5% severance tax is a blatant attempt to replace this essential industry-sponsored fund with an unbearable severance tax that would go to unrelated government purposes, wholly removed from industry input as to how to best serve Oregon forestry.

Restarting a severance tax will dramatically impact the industry's competitiveness and jobs in Oregon's forest industry. It will make woodland ownership unfeasible and dramatically increase the risk of more wildfires. It will also encourage the conversion of forestland to other uses, such as residential development that do not provide environmental benefits like carbon capture and storage, wildlife habitat, clean water, and recreation.

HB 2379 is an irresponsible attack on Oregon's forest industry, the industry-sponsored commodity commission, and OFRI, which provides exceptional value. It seeks to replace the current harvest tax with an unbearable 5-fold higher severance tax that would go to unrelated government programs.

Please vote down HB 2379.