

Testimony in OPPOSITION to House Bill 2379

House Committee On Revenue
April 8, 2021

Good afternoon Chair Nathanson, Vice-Chair Pham, Vice-Chair Reschke, and Committee Members,

My name is Eric Farm and I live in Coos County, Oregon. I'm a consulting forester with over 17 years of forestry experience in rural Oregon. The way this bill was crafted indicates no understanding of how the forest industry actually works. Each of the ideas proposed is full of loopholes and unintended consequences that will hurt small and medium family forestland owners. **I OPPOSE House Bill 2379.**

I have two main concerns with this bill.

1. This bill uses tax policy to punitively set Oregon's private forest, wildfire and conservation policy. By setting different tax rates based on the landowner's management plan will lead to outcomes that minimize taxes and not necessarily maximize environmental outcomes.
2. Why is this bill that will have a tremendous impact on one of Oregon's largest economic sectors being shoved down our throat with seemingly zero input from the industry itself. I am offended that my entire profession is being treated like bad actors.
3. Severance taxes are for non-renewable resources. Timber and agriculture are renewable should not be put into this same category as oil and gas.
4. Timber, like other economic engines of the state, generates income and creates jobs that sustain households. We can't forget that if we make it uneconomical to manage timber for profit, it will turn into unmanaged, fire prone parks like we see with the Federal forests in Oregon.
5. Setting a sliding tax rate may seem like a good way to protect small landowners, but likely the bigger companies that this bill is aimed at will just break their ownerships up into very small entities to reduce their tax bill. This will hurt medium sized family forestland owners that don't have the resources to hire teams of accountants just to minimize their taxes.

6. Calculating the tax based on pond value arbitrarily penalizes landowners that own forests with steep slopes. The cost to harvest these steeper lands is twice that of flat land. These landowners would be paying a much higher effective tax rate than someone who owns flat timberland.
7. Do not dissolve the Oregon Forest Resources Institute. This is a very useful organization that is centered on public education. Please let the Secretary of State complete their audit before making any changes to OFRI.

If you want to raise taxes, do it broadly and fairly across all industries in Oregon. If you're trying to set forestry policy through the state tax code, stop now. Forestry and natural resources are very complex and require a thoughtful conversation before setting major conservation strategies.

Thank you for the opportunity to provide testimony on this bill.

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