

Opposition to HB2379 and -5 amendments
April 7, 2021

Chair Nathanson and Committee Members,

We are writing today as residents of Lane County and small forest owners to express our displeasure and opposition to HB2379 as amended. This bill is such bad governance it is hard to enumerate its many problems since it covers taxation, fire protection, eliminating our commodity commission, among others. The motives seem clear, and it is hard for us to see HB2379 as anything but spiteful. We will highlight a few of our concerns to keep our comments succinct.

In the fifty years or so it takes to grow timber ready to harvest we pay considerable property taxes. For decades we pay expenses to establish and maintain our forest. Hopefully at harvest time we will show a profit and then pay income taxes. HB2379 would increase taxes due the state on our harvested timber by seven-times!

The harvest of timber from our family forest is renewable. We replant and grow sustainably to provide wood products for future generations. A "severance tax" on timber is no more applicable than it would be for harvesting hazelnuts or green beans. Further, HB2379 is without precedent, proposing a severance tax on the value of delivered logs without deduction of production costs. It is inequitable to tax in this form as it fails to recognize differences in costs of harvesting and delivery. The bill proposes the notion that different tax rates are appropriate for landowners of varying acreages. It also shows favoritism to a selected "certification standard" for which there is no justification. The amended section 1 language as previously described is bad tax policy and discriminatory to our family business.

HB2379 seeks to dismantle Oregon's unique and successful Emergency Fire Funding program. These changes would increase fire suppression costs and complicate the cooperation and collaboration between the existing public-private partnership that makes Oregon's system highly effective in combating wildfire. Wildfire is a most critical concern for our state and now is not the time for "tinkering" with a program that works well.

The Oregon Forest Resources Institute has been the forest sectors' commodity commission for about 30 years. Forest Products Harvest taxes paid to fund OFRI have been a sound investment. One of OFRI's valuable programs has been landowner education. Seminars, programs, and tours sponsored by OFRI have provided valuable training in scientific forestry techniques and understanding of Oregon's Forest Practices laws for thousands of small forest owners. HB2379 would eliminate OFRI. It would be a mistake to silence OFRI and its mission to promote forestry and wood products in Oregon.

Oregon is the nation's largest producer of dimension lumber for building. Our forests provide renewable and sustainable building products as well as clean water, wildlife habitat, recreation and open space while giving us family-wage jobs. It is not helpful for the legislature to continually propose punitive measures that undermine the competitiveness of Oregon's forestry sector.

HB2379 is an unbelievably bad bill that will harm our family business and handicap our efforts to pass it along to the next generation. We ask you to oppose HB2379.

Sincerely,
Gordon and Gail Culbertson
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