

**Re: HB 2379; Timber Severance Tax Bill – Support with modifications**  
**Comments submitted: Thursday, April 8, 2021**  
**By: Diana Wales, 215 La Donna Lane, Roseburg, Oregon 97471**

**The issue:**

Rural counties suffered a steep reduction in timber tax revenue for rural counties when severance taxes were eliminated in mid 1990's. The severance tax was supposed to be replaced by increased property taxes, but in fact, property taxes were capped. This led to a significant reduction of services in rural counties with loss of revenue to pay for roads, libraries, law enforcement, water protection, etc.

Much of the private industrial timber land in Oregon is owned by REITs (Real Estate Investment Trusts) and TIMOs (Timber Investment Management Organizations). REITs and TIMOs cut timber on a short harvest rotation cycle which is bad for forest health, carbon sequestration, and water quality. REITs and TIMOs earn profits for investment shareholders (primarily outside of Oregon) at the expense of communities where the logging occurs.

**A remedy:**

I support HB 2379 reinstates the severance tax, but would like to see the bill improved as follows:

- More revenue is needed to help counties rather than predominantly for wildfire management.
- Large profitable corporate and investment timber land owners need to pay significantly more taxes than small individual woodland owners.
- The legislation should create tax incentives for climate-smart and resource-protecting forestry practices.

**I support and want a Timber Severance Tax bill that will address the following:**

1. REITs and TIMOs should pay their fair share of taxes, as they pay no corporate or personal income tax, or excise tax, in Oregon.
2. Small woodland owners (<2500 acres) should be minimally impacted
3. Incentive to reduce tax with Forest Stewardship Council (FSC) certification or other requirements to ensure:
  - Longer harvest rotation cycles.
  - Promote forest health for carbon sequestration, water quality and quantity, soil quality, species diversity, fire management.
  - Significant percentage of revenue should be distributed directly to timber counties to be used as they see fit: roads, law enforcement, libraries, mental health care, water protection, etc.
  - Percentage of revenue directed to watershed protection