

April 9, 2021

Chair Nathanson, Vice-Chairs Pham and Reschke, and Members of the House Revenue Committee,

I am writing in support of HB 2379 as a voter living in a rural community. I am also a member of Indivisible Sisters, a non-partisan grassroots organization affiliated with the Consolidated Oregon Indivisible Network and the national Indivisible movement. Indivisible Sisters is dedicated to “*championing democracy by building community through conversation and action.*”

HB 2379 can be the long overdue remedy for the harm to rural counties caused by the sharp reduction in tax revenues that occurred when Oregon’s timber severance taxes were eliminated nearly thirty years ago. This sudden loss of revenue was supposed to be replaced by increased property taxes; but, that didn’t happen. And, as a result, these rural counties have lost the resources needed to pay for local services such as roads, libraries, and law enforcement.

Much of the private industrial timber land in Oregon is owned by out-of-state interests through Real Estate Investment Trusts and Timber Investment Management Organizations. These REITs and TIMOs (and their investors) pay little to no corporate, personal, or excise tax to Oregon while cutting timber on a short harvest rotation cycle that is bad for forest health, limits carbon sequestration, and degrades water quality. The profits from these harvests are then removed from the community with no share reserved for local needs and services.

HB 2379 would reinstate the timber severance tax. But to be optimally effective, it must be amended to address the needs of the local stakeholders and their communities.

- First, the interests of small lot timber owners (those with fewer than 2500 acres) must be protected as the tax burden should be borne primarily by large, corporate and investment timber owners.
- Second, tax incentives for climate-smart and resource-protecting forestry practices must be included. This can be done via incentives that promote longer harvest rotation cycles and encourage improved forest health that fosters increased carbon sequestration, water quality and quantity, soil quality, species diversity, and improved fire management.
- Finally, while the timber severance tax can fund some needed wildfire management costs, a considerably larger portion of the revenues must be allocated to the local communities so that they can begin to restore the services that have been cut over the past decades of disinvestment.

Madam Chair and members of the Committee, we now have the opportunity to move Oregon forward with a bill that does not put Oregon at a competitive disadvantage – because our neighboring states already impose a timber severance tax as we used to. HB 2379 is a bill that, if amended as I and others like Tax Fairness Oregon have suggested, would provide badly-needed tax revenues to rural counties and would encourage better forest management practices, benefitting all Oregonians.

Please seize this opportunity to fix problems that have been decades in the making and urgently need to be addressed now!

Sincerely,
Mary Chaffin
Sisters, OR