



## DOUGLAS COUNTY BOARD OF COMMISSIONERS

**TOM KRESS    TIM FREEMAN    CHRIS BOICE**

1036 SE Douglas Ave., Room 217 ✦ Roseburg, Oregon 97470

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February 16, 2021

Chair Witt & Honorable Committee on Agriculture and Natural Resources Members,

As Douglas County, a small, rural community in Southern Oregon, we wish to express our opposition to HB 2070, HB 2357, HB 2598, HB 2430, HB 2389, and HB 2379.

After the devastating fires this fall, the private landowners are reeling from the catastrophic losses they have incurred. To impose a severance or harvest tax on them now would seem to be cruel by any measure. Timber jobs and businesses are the economic backbone of rural Oregon – the industry provides over 60,000 family wage jobs in Oregon. In 2020, these communities have endured massive layoffs and the worst wildfires in Oregon history. A new tax on timber will eliminate jobs and businesses in rural communities that are already suffering multiple extreme hardships. 64% of Oregonians oppose new taxes and regulations on businesses struggling to recover from the economic devastation of the pandemic.

However, the bigger question would be why we would want to penalize an industry for being productive while not pushing for better management of our Federal timber lands. Fixing large fire in Oregon requires actively managing our federal forests with proven tools like thinning, logging and controlled burns, not increased costs on those who have suffered from the fires. Instead of focusing on pennies on the dollar on the private tax, we should be focused on increased harvests of Federal timber. The amount of monies generated by even a small increase in Federal harvests, dramatically helps local governments.

Reinstating a severance tax encourages conversion of forestland to other uses (residential, industrial, agricultural) that do not provide environmental benefits like carbon capture and storage, wildlife habitat, clean water, and recreation. Severance taxes are for “severed resources” like coal and crude oil, not a crop that is planted and cultivated over time. State law requires harvested timber be replanted – on average four trees are planted for every one that is harvested. For tax purposes, forest landowners are treated like all other landowners in Oregon. Forestland is taxed at its real market value: as land primarily used to grow and harvest timber, just like agriculture land is taxed as its use for growing crops and residential and commercial property is taxed accordingly. When trees are harvested, processed, and sold, income is generated and taxed. Up-front costs (planting, thinning, pest and fire prevention) aren’t recouped for 40 years or more, provided trees aren’t destroyed by mother nature before then.

HB 2379 eliminates the Forest Products Harvest Tax, imposes a 5% severance tax on harvested timber and reallocates revenue from the tax.

HB 2598 maintains the Forest Products Harvest Tax but de-funds the Oregon Forest Resources Institute by redirecting the portion of the tax that funds it to the Oregon Forest Land Protection Fund AND assesses an additional 3-8% severance tax on the value of harvested timber, punishing landowners who clear cut and harvest at younger rotation age with higher taxes.

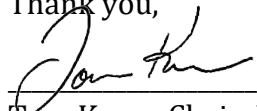
HB 2389 makes the Forest Products Harvest Tax rate permanent and fixes it to inflation.

HB 2070 and HB 2430 Extends Privilege taxes on merchantable forest products harvested on forestlands.

HB 2357 Eliminates Oregon Forest Resources Institute and Oregon Forest Resources Institute Fund.

Douglas County urges you to vote NO on these bills.

Thank you,

A handwritten signature in black ink, appearing to read "Tom Kress", written over a horizontal line.

Tom Kress, Chair, Douglas County Board of Commissioners