



CITY OF ASTORIA

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February 23, 2021

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

The City of Astoria has owned and managed a forested drinking watershed since the late 1800s. Today, the City owns the entirety of the 3,700-acre Bear Creek Watershed. Active forest management on the property prioritizes long term water quality, quantity, and ecological resilience. The forest is managed by a professional forester to Forest Stewardship Council (FSC) certification standards in compliance with a Forest Resource Management Plan and is enrolled in a long term carbon sequestration project. With these measures in place, the City is able to financially support ongoing land management and provide modest revenue to the City's capital improvement fund.

The City generally supports reforms to forest taxation, in particular the move from flat tax rates to percentage-based severance taxes. The City of Astoria is, however, concerned by some of the reforms proposed in the current session. Forest taxation is a complex subject with the potential of many unintended consequences. This is particularly the case for municipal watersheds where harvest is severely restricted and conducted primarily to improve forest health and resilience, rather than to generate revenue. I would urge the legislature to consider an in-depth process that engages stakeholders to improve the taxation of Oregon forests.

For a municipality that relies on a forested drinking watershed, some of the following steps could incentivize better forestry:

- Provide decreased tax rates or exemptions for thinning treatments and other harvest techniques that are both expensive and remove relatively low volumes of merchantable timber.
- Exempt publicly owned forestland that is managed in compliance with a Forest Stewardship Council certified Forest Resource Management Plan.
- Return some portion of tax revenues for local education, outreach, and watershed property acquisition.

The City of Astoria has been fortunate to own and manage the Bear Creek Watershed. We would like to see other municipalities succeed as well in acquiring and managing their own drinking water source areas. Forest taxation has the ability to hamper or improve the ongoing management and ownership of forested watersheds throughout our state. We would urge the careful consideration of the impacts that tax bills will have on public watersheds such as ours, and, wherever possible, make decisions that incentivize good forestry on city owned forests.

Sincerely,

Bruce Jones

Mayor, City of Astoria