

I wish to offer the following as public testimony on HB 2379—The Timber Tax Severance bill currently in the Committee.

I am encouraged to see that this subject is under consideration by the Legislature. I am from a rural county (Hood River County). We in this county are faced constantly with the outfall from reduced county revenue caused by the phasing out of the severance tax in the 1990s.

The fact that the severance tax was stopped with no increase in property tax to address the deficit means the county has had two options since that time - either provide the same county services to residents and go increasingly in debt, or cut services. We have tried some of both. Neither is a good choice. We have been through various belt-tightening measures, or at least cost-shifting, to try to make ends meet. We've spun off essential services (parks & rec, library, etc.) into special districts that are supposed to fend for themselves. We've reduced hiring so that now we have county measures with no one to enforce them. We don't even have county funds to put in a ballot box in a high-need, low-access area.

Rural counties need revenue from timber harvest like they used to get. It is time to reinstate the tax and return the bulk of it to the counties and to the special districts as property tax where the harvest occurred. Two points here -

1. We need to return the bulk of the money - not 60%, not 70%, but almost ALL of it. The concept of just funding fire preparedness or any other single service is wrong. The county needs tax money for funding of ALL services to residents.

2. We need to return the bulk of it to the counties and to the special districts. As I noted above, a lot of essential services such as Parks & Rec and our local public library have been spun off into special districts as a way to deal with the county funding deficit. They must be included in the funding restoration as well.

A final note: Some rural counties, like Hood River County, own timber land themselves as a source of revenue. What would happen if those counties' timber was cut and taxed - they might get back 60% of the severance tax? If the return of severance tax to the counties is anything less than 100%, there needs to be a protective element in the bill to ensure the county's own timber is not taxed.

HB 2379 is a step in the right direction, pending improvements such as the suggestions above. Taking the severance tax away from the counties with no suitable replacement of funds has been a terrible blow financially and needs to be righted.