



Coos - Curry County Farm Bureau

87518 Davis Creek Lane, Bandon, Oregon 97411

February 1, 2022

Senator Jeff Golden, Chairman
Senate Natural Resource and Wildfire Committee
Oregon State Capitol
Salem, Oregon

RE: Senate Bill 1502

Dear Chair Golden and members of the Senate Natural Resource and Wildfire Committee:

The Coos-Curry Farm Bureau appreciates the opportunity to comment on Senate Bill 1502. A large portion of our membership is not only agriculture producers but small forestry owners. We have discussed this tax credit option and are having problems with how it could actually benefit SFO's.

The following needs to be address or are concerns of our small forestry owners:

1. Tax credits require income to be useful.
2. The proposal appears to determine a "stumpage value" (see Section 4) which will be the amount of tax credits the SFO can receive. They don't appear to take into consideration the value of money over time. Giving a SFO \$10,000 of tax credits for use is not the equivalent of them netting \$10,000 from the sale of timber and putting that money in the bank or investing it where it will grow. Also, tax credits can't be used to pay for immediate needs such as a down payment on a house, paying for education expenses and so on.
3. Allowing unused tax credits to be used to offset estate taxes only works in Oregon if the value of the estate exceeds \$1,000,000.
4. The deed restriction for 50 years is too long a period of time. Under Section 3(3)(a), it requires the small forestland owner "sign and record in the deed record for the county where the eligible forest conservation area is located an **IRREVOCABLE deed restriction prohibiting the owner and the owner's successors in interest from conducting a harvest or otherwise removing trees within the forest conservation area for which a credit has been claimed**". This is a major contradiction as well as there are other significant contradictions in this bill's language. The other issue is that unmanaged timberland becomes hazardous. Trees rot, blow down, and can develop disease over a period of time becoming a wildfire hazard. Riparian management is essential to reduce unintended consequences including trees falling into the streams and during flooding events creating a hazard for road infrastructure such as bridges and culverts due to blockage.
5. Section 3 (3b): There is no purpose to this section as providing written documentation to the Department of Revenue upon request throughout the period during which a harvest restriction applies, which is forever, is a ridiculous paperwork requirement.
6. Section 4 (4): Cost, including the cost of an appraisal and cost of filing and recording a deed restriction needs to be changed to "**shall be included in the credit amount.**"

7. There are questions as to nonresident's tax credit. A nonresident shall be allowed a credit however how can that be utilized if the nonresident does not have Oregon income and pays taxes annually? This needs some clarification.

Coos-Curry Farm Bureau encourages you to review the bill and correct those areas that are contradictions. If you want to do something for SFO's, you need to have them at the table. Assuming Mr. van Dyl's Forest Accord Summary is somewhat accurate, the loss of 10 million acres of timberland will have drastic impact to the economics of Oregon, jobs, and SFO's.

Again, thank you for the opportunity to bring forth some of our issues and this legislation needs work and therefore should be moved to the 2023 full legislative session.

Respectfully,



Marc Van Camp, President