



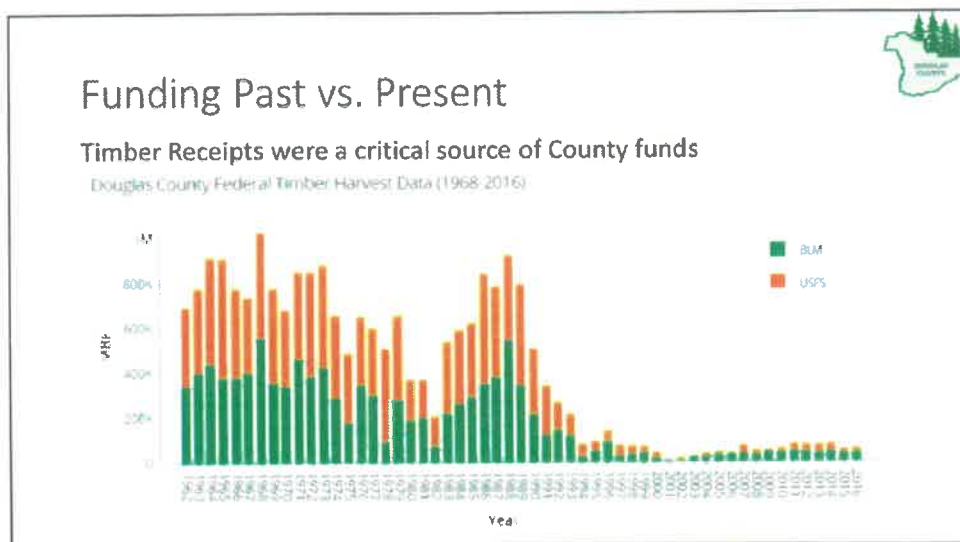
February 19, 2024

Senator Mark Meek  
 Chairman  
 Senate Committee on Finance and Revenue  
 Oregon State Senate  
 Salem, OR

Dear Chairman Meek and Members of the Committee:

I am writing on behalf of Douglas Timber Operators (“DTO”) to express my opposition to SB1593 (Golden) and the associated Amendment -1. DTO is a non-profit association consisting of forest products manufacturers, timberland owners, Indian tribes, loggers, truckers and supportive community members. DTO has been advocating for sustained yield forest management practices since 1968.

I grew up in Douglas County and witnessed the dramatic decline in federal timber harvest and the associated loss of federal revenues that funded essential public services in counties with extensive federal land ownership. The chart below illustrates the devastation inflicted on Douglas County’s budget from the reduction in federal timber harvest:



Sen. Golden's bill wrongly seeks to blame –and then increase taxes on-- private landowners for this predominantly federal problem. Large, costly and destructive wildfires in southern Oregon almost always start on federal lands. Massive amounts of dead wood is then left on federal lands posing increased fire risks and costs for future generations.

Sen. Golden is partially correct in stating that the costs of these federal-origin wildfires should not be a burden upon rural communities. But I strongly disagree that the solution is to increase taxes on private forestlands. I strongly oppose even the bill's amendment to study the effectiveness of implementing a severance tax on timber in Oregon. The "study" would be nothing more than a thinly veiled, pre-ordained, slow dance to the same outcome.

A severance tax is fundamentally unsuitable for taxing timber, a renewable resource. Unlike non-renewable resources such as coal and fossil fuels, timber is sustainably replanted and regrown. Considering the implementation of a severance tax fails to recognize the unique characteristics of timber harvesting and could have adverse repercussions on Oregon's forestry industry.

A comprehensive, publicly-available analysis by Ernst & Young reviewed the aggregate forest industry tax burden. Their analysis for that the Oregon forest sector pays more than one-and-a-half times more on average than other Oregon businesses.

Introducing a severance tax could undermine the competitiveness of Oregon's forestry sector, which is already competing against other states and countries with far more business-friendly tax structures than Oregon. Increasing taxes on timber production will result in job losses and diminished economic activity in rural communities that rely heavily on the industry, such as here in southern Oregon. New taxes could impose an undue financial burden on these landowners, making it increasingly challenging for them to manage their forests sustainably.

Sen. Golden's bill or the amendment under consideration would do nothing to reduce the threat of wildfire to Oregon's forests and communities. I urge the committee to reject this legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Hill", with a long, sweeping flourish extending to the right.

Matt Hill  
Executive Director