

April 16, 2025

Representative Nancy Nathanson, Chair  
House Committee on Revenue  
900 Court Street, NE  
Salem, OR 97301

RE: **Opposition** to HB 3489

Dear Chair Nathanson and Members of the Committee.

**We request that this letter be entered into the public record on this matter. We are opposed to HB 3489.** We have several concerns about this bill in its current form.

First, a little background about us. My wife and I are retired, and we own and manage about 101 acres of forestland in western Oregon near Estacada, which we have been doing for over 30 years. We are proud of our forest stewardship, and we were honored for our work in 2022 as Oregon's Tree Farmer of the Year. We received this honor not on account of how efficiently we can produce a forest crop, or how well we can log a forest stand; we were awarded this honor on account of our forest sustainability practices, fish habitat restoration efforts, and educational services we present on our property to students of all ages about healthy streams and forests. We actively manage our forested property for many requirements and uses, ranging from infrequent timber harvesting to wildlife habitat enhancements, recreation, carbon sequestration & storage (our property is a verified carbon reserve) and riparian restoration.

We are **opposed** to this bill for the following reasons:

1. **Severance taxes are intended to tax an extraction industry, like mining.** For decades Oregon has moved beyond that model and now recognizes timber harvesting as a sustainable cropping system using a renewable resource more like agriculture than mining. This is defined in statute. Modifications to these statutes currently in place should be studied, and we should not return to a system that was found wanting.
2. **Elimination of funding for the Oregon Forest Resources Institute (OFRI):** Many small forestland owners (SFOs), including our family, rely upon the numerous educational publications and programs OFRI produces on such topics as the Private Forest Accord, sustainable forestry, carbon, wildlife, water, and reforestation. Our harvest taxes pay for this organization and many of its resources and its presence must continue. OFRI is the only organization that SFOs can access on such a diversity of topics.
3. **Elimination of the Oregon Forest Land Protection Fund (OFLPF):** OFLPF was established by the Oregon Legislature as an "insurance fund" with the purpose of equalizing emergency fire suppression costs among the various Oregon Department of Forestry protection districts. The emergency funding system is designed to operate as an insurance policy whereby all districts contribute (pay premiums) into the fund so that money will be available to any individual district to pay fire suppression costs on emergency fires. Relatedly, the bill ignores the ongoing work of the Wildfire 35 Committee (which small forestland owners participate in) by revamping wildfire funding.
4. **Counties would not be required to spend the money they receive for fire protection.** All monies collected should be dedicated to fire protection.
5. **The proposed severance tax is a value tax versus a volume tax on timber production.** This may incentivize forestland owners to grow low value (short rotation) timber, which reduces carbon sequestration and storage and will lessen the development of a more mature forest, both of which are understood to be quite important and are achieved only by keeping trees growing as long as practicable. We are also concerned about the exclusion of the American Tree Farm

System's certification to realize a reduction in assessed tax for those that fall into this category of taxation. The Oregon Tree Farm System is currently built around the ATFS certification, which we and thousands of others across Oregon have used and currently use. ATFS should be an acceptable method of certification in addition to the proposed FSC certification for any legislation requiring such certification. We are not aware of any evidence that FSC is superior to ATFS certification.

In written testimony submitted by others in support of this bill they state, "We note favorably that HB3489 does not target small woodlot owners since it states (OLIS 2025): "(5)(a) The first 25,000 feet, board measure, of timber harvested annually by any taxpayer during each calendar year, regardless of the species or variety of the trees, shall be excluded from the total quantity of timber subject to the tax imposed under this section." This is a red herring and false. The 25,000 board foot revenue exemption is currently in law and is a very small amount for most timber harvests (the equivalent of about only eight or nine log truck loads). **Make no mistake: Small Forestland Owners and their families will be adversely affected by this bill.**

**The irony is, this ill-conceived tax structure would punish landowners who selectively harvest or thin, by making it more expensive than clear cutting.** Furthermore, the imposition of a massive new severance tax on timber harvests — increasing taxes by up to 800% for some is unprecedented. **Lastly, it is also highly likely more small forestland owners will decide to convert their lands from forests to some other use as a result of these higher taxes – obviously counterproductive to what our legislature would want, particularly in lieu of the state's climate goals and the other advantages forests provide.**

**In summary, we are opposed to HB 3489.**

Thank you.  
Sincerely,



David & Mary Ann Bugni

