



SIERRA CLUB

OREGON CHAPTER

Oregon State Legislature House Committee on Revenue
900 Court St. NE
Salem, OR 97301

April 23, 2025

Re: Support for House Bill 3489, Severance Tax on Timber

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the Committee,

Sierra Club Oregon supports House Bill 3489. We need a fair and common sense policy to fund wildfire response and address the needs of counties that have been struggling to provide basic services since the severance tax was eliminated in the 1990s. Reports from OPB and ProPublica demonstrate that more than \$3 billion of revenue has been lost due to the changes in how timber is taxed in Oregon, depriving rural schools, public safety, and others that need critical services. Meanwhile, increased heat and drought have been amplifying fire activity and overwhelming our fire suppression capabilities.

Millions of acres of timberlands in Oregon are owned by Wall Street investors through Real Estate Investment Trusts (REITs). These REIT landowners do not pay tax on the value of timber harvested. It's common sense for these entities to contribute their fair share for wildfire costs and for the good of Oregon communities. HB 3489 would create a graduated tax that considers the size of the timberland holdings, exempts the first 25,000 board feet harvested, and incentivizes Forest Stewardship Council-certified timber management practices. HB 3489 also includes incentives for growing trees longer, thereby reducing taxes based on that which increases carbon sequestration.

In addition to providing reliable funding for wildfire suppression programs, one third of the revenue from the policy will go towards the Oregon State Fire Marshal for community wildfire prevention and resilience, and one third of the revenue will be reserved for unrestricted use for counties where timber is harvested. By restoring a fair value tax on harvest, especially from industrial plantations, Oregon can fund needed wildfire programs and support counties with badly needed funding.

We urge you to vote yes on HB 3489.

Sincerely,

Emily Bowes, Policy Strategist
Sierra Club Oregon Chapter