

I am submitting this testimony as a resident of Douglas County, Oregon — a region long defined by its forests, and today deeply impacted by their corporate exploitation. I write in **strong and urgent support** of HB 3489, which would reinstate a severance tax on timber harvested from public and private lands. This is not only sound fiscal policy — it is a moral obligation to the people and communities that have carried the burdens of industrial logging while reaping few of its rewards.

I. Oregon's Legacy of Timber — and Abandonment

For decades, Oregon's forests sustained families, towns, and local economies. Timber helped build this state — culturally, economically, and physically. But over the past 30 years, a quiet betrayal has taken place. In the 1990s, Oregon began phasing out its severance tax — a straightforward tool that ensured timber corporations contributed a portion of their profits back to the counties they extracted from.

This policy shift occurred **under pressure from powerful corporate lobbies**, and the consequences have been devastating. Counties were promised that lower taxes would create jobs and investment. Instead, they got **clearcuts without compensation**. They got **job losses, school closures, library shutdowns, deteriorating roads, and emergency services on life support**.

In short, we kept cutting — but we stopped sharing.

Today, logging in many counties has increased — yet county budgets are more starved than ever. In my home county of **Douglas**, where logging is intense and relentless, we've lost an estimated **\$355 million** in severance tax revenue since 1991. That figure, drawn from a joint investigation by OPB, *The Oregonian/OregonLive*, and ProPublica, is **not speculation** — it's based on rigorous, peer-reviewed data analysis.

II. Who Owns the Forest Now? (Not Us)

The timber industry that once hired our neighbors and paid into our tax base has been replaced by a new kind of entity: **Wall Street investment funds, real estate trusts, and multinational corporations**.

In western Oregon, **at least 40% of private forestland is now owned by investment groups** like Hancock Forest Management and Weyerhaeuser. These companies harvest aggressively, pay minimal taxes, and contribute little to the communities they impact. They cut younger trees — reducing carbon sequestration and habitat quality — and then flip the land or lock it behind gates.

Let's be clear: **This is not stewardship. This is a liquidation economy.**

In **Falls City**, a small timber town in Polk County, more trees are being cut today than decades ago — but the town has gone broke. The library is closed. Half the families rely on food deliveries. Public services are crumbling. And yet, millions of board-feet of timber roll down their roads each year.

The county has lost **\$100 million in tax revenue from timber** since the severance tax was phased out — far more than it lost due to federal logging restrictions. That’s a pattern repeated across **at least half of Oregon’s timber-dominant counties**. The narrative blaming the Endangered Species Act and the spotted owl alone is misleading. Yes, federal timber payments declined — but **so did the obligation of private timber companies to contribute to public well-being**.

III. The Human Cost: Disinvestment in Rural Oregon

This isn’t abstract. In counties like **Lincoln, Coos, Lane, and Jackson**, losses from timber tax cuts have outpaced federal logging losses. Entire school districts are underfunded. Sheriffs have stopped responding to 911 calls. Mental health services have been gutted.

In Lincoln County, where Penelope Kaczmarek now works as a psychiatric social worker, county leaders blame the collapse of revenue from logging for rising rates of incarceration and untreated mental illness. Kaczmarek’s father was a logger and Republican state representative who warned, back in the 1970s, that the rise of out-of-state corporate control would decimate Oregon’s forests and communities.

He was right.

Today, as voters try to fund new schools and rebuild infrastructure, they are forced to raise taxes on themselves — even while timber giants like **Weyerhaeuser pay a fraction of what ordinary residents pay**. In the Marcola School District, Weyerhaeuser pays just **\$4.60 per acre**, while one local homeowner pays **\$412 per acre**. That’s nearly a **100-fold tax disparity** — in a region whose economy was built on forestry.

IV. The Ecological Cost: Short-Term Logging, Long-Term Damage

Investor-driven logging has also devastated Oregon’s ecosystems. Forest scientists like **Jerry Franklin** and **Norm Johnson** — who *support* strategic logging on federal lands — have condemned these practices as **exploitation, not management**.

Today’s industrial clearcuts are larger, more frequent, and less regulated than at any time in modern history. Trees are cut as young as 40 years old, long before they can provide high-quality lumber or meaningful carbon storage. Streams run muddy and dry. Songbirds and salmon vanish. Pesticide spraying and drought intensify fire risk and erode soil health.

Weyerhaeuser and other timber REITs claim they practice sustainability — but their actions tell another story: they **cut fast, sell fast, and pay little**.

V. A Historical Injustice — and a Chance to Fix It

HB 3489 is not radical. It’s a **restoration** of what we once had: a system in which **those who profit from Oregon’s forests contribute to its future**.

Before the tax was phased out, counties like Lane collected **\$7.5 million per year in severance tax revenue**. Today? Just \$25,000. **We've lost billions**, while allowing corporations to externalize their costs onto taxpayers and the environment.

And while states like **Washington and California** continue to tax timber at sustainable levels, Oregon has become a national outlier — favoring profit over public good.

If HB 3489 had been in place in 2018, the state would have collected an estimated **\$130 million** in severance tax revenue. That money could fund schools, road repairs, fire stations, watershed restoration, and rural health clinics.

Instead, we charge residents to walk through forests that once belonged to the commons.

VI. Conclusion: HB 3489 is About Fairness and a Future

The timber industry will claim they are overregulated and overtaxed — but the data tells another story. They pay less than ever, employ fewer people than ever, and take more from the land than ever.

HB 3489 is not a punishment — it's an overdue realignment. It says:

- If you harvest Oregon's trees, you pay Oregon's people.
- If you degrade Oregon's ecosystems, you help restore them.
- If you benefit from Oregon's forests, you contribute to their stewardship.

This is not only policy — it is **dignity, accountability, and economic justice**.

I respectfully urge the Committee to pass HB 3489 and begin repairing the breach between Oregon's working lands and its working people. Do not let another year go by where billions in forest wealth leave this state untaxed, unaccounted for, and unrepaired.