

Submitter: Barbara Kahl
On Behalf Of: Our town's backbone of forestry
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB3489

I strongly oppose House Bill 3489, as it introduces a redundant and counterproductive timber tax that conflicts with the Private Forest Accord (PFA), jeopardizes affordable housing, threatens forest sustainability, and risks accusations of gubernatorial malfeasance.

Below, I outline the key reasons for my opposition:

***Direct Conflict with the Private Forest Accord (PFA):**

The PFA, signed into law in 2022, represents a historic compromise between Oregon's timber industry and conservation groups, providing tax credits and regulatory stability for 50 years to support sustainable forest management and habitat conservation. HB 3489's proposed additional timber tax undermines these incentives by imposing new financial burdens on forest landowners. This contradicts the PFA's goal of fostering collaboration and economic certainty, potentially destabilizing the agreement and reigniting divisive "Timber Wars."

***Undermines Affordable Housing by Increasing Timber Prices:**

HB 3489's tax would increase timber production costs, directly raising lumber prices at a time when Oregon faces a housing affordability crisis. Higher timber costs inflate construction expenses, making it harder to build affordable homes. The National Governors Association notes that housing shortages are a national issue, and policies increasing construction costs exacerbate this problem. Imposing taxes that drive up material costs contradicts efforts to address housing shortages and burdens low-income families the most.

***Decreases Forest Sustainability by Deterring Harvesting:**

The proposed tax disincentivizes timber harvesting by increasing costs for foresters, many of whom already operate on thin margins. The PFA encourages sustainable management practices, but HB 3489's financial penalties could deter landowners from harvesting, leading to overgrown forests at higher risk of wildfires and reduced biodiversity. Sustainable forestry, as outlined in the PFA, relies on active management, not punitive taxation that stifles production.

***Risks Accusations of Gubernatorial Malfeasance:**

By introducing a tax that conflicts with the PFA's long-term commitments, HB 3489 sets the stage for accusations of gubernatorial malfeasance. The PFA was a signature achievement of Governor Kate Brown, and undermining it with contradictory legislation could be perceived as a breach of trust with stakeholders who negotiated in good faith. This risks legal challenges and public backlash, further

eroding confidence in state governance.

***Redundant Taxation on an Already Taxed Industry:**

Oregon already levies timber harvest taxes, including those funding the PFA's habitat conservation plan, which raise \$5 million biennially with a \$10 million state match. HB 3489's additional tax is unnecessary and duplicative, placing an undue burden on an industry critical to Oregon's economy. Existing taxes are structured to balance conservation and production; further taxation disrupts this equilibrium without clear justification. Repealing the PFA only causes lost trust, and loss of timber tax credits awarded over 50 years.

In conclusion, HB 3489 is a poorly conceived policy that contradicts the PFA's collaborative framework, exacerbates housing costs, threatens forest sustainability, and risks accusations of malfeasance. I urge you to reject this bill and prioritize policies that align with Oregon's commitments to sustainable forestry and affordable housing.

Thank you for considering this perspective.

Sincerely,

Dr Barbara J Kahl DVM

Yamhill, Oregon

Forestry Supports our Community

Oregon taxation is actively bankrupting our community

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