

Levi Beelart

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The Honorable Members of the Oregon State Legislature

900 Court St NE

Salem, OR 97301

RE: Opposition to House Bill 3489 – Severance Tax on Timber Harvests

Dear Members of the Oregon Legislature,

I am writing to express my strong opposition to House Bill 3489, which proposes the reintroduction of a severance tax on timber harvested from both public and private lands in Oregon. Our companies collectively employ over 70 skilled workers in Oregon's rural economy and have operated responsibly in the state's forests for decades. If enacted, HB 3489 would increase our tax liability by approximately 800%, raising our quarterly tax burden to nearly \$600,000 — an unsustainable cost that would ultimately force us to file for bankruptcy and cease operations.

According to the Oregon Department of Forestry (ODF) and the U.S. Forest Service (USFS), 50% of wildfires in Oregon are caused by human activity. The other 50% are caused by lightning, yet these natural ignitions are responsible for the vast majority of burned area—accounting for approximately 75% of all wildfire acreage. Yet under HB 3489, the state would generate revenue from a severance tax on harvested timber (where there are loggers, there are virtually zero wildfires) and allocate funds as follows:

- 40% to a Wildfire Management Fund
- 40% to county general funds
- 10% to the State Forestry Department Account
- 5% to the Forest Research and Experiment Account
- 5% to the Watershed Conservation Grant Fund

A Broader Concern: Fiscal Oversight and Accountability

The proposed allocation of 40% of HB 3489's revenue to Oregon's General Fund raises significant concerns, especially in light of recent **fiscal mismanagement**. A prime example is the ongoing

Oregon State Capitol renovation, which after nearly **nine years of construction** has ballooned to a staggering **\$595 million investment** — far exceeding original cost estimates by over \$200 million.

This massive overrun has occurred with minimal public scrutiny and virtually no accountability. Late-session budget bills quietly absorbed the increased costs, with little to no mention in committee hearings, official communications, or public testimony. Taxpayers are footing the bill for these unchecked expenditures — a clear demonstration of how financial decisions tied to the General Fund can go awry without proper oversight.

When lawmakers approve drastic tax increases like those proposed in HB 3489 and funnel large portions into the same General Fund used for projects like the Capitol renovation, Oregonians deserve assurances that these funds will be managed responsibly. Unfortunately, recent history shows the opposite — a troubling lack of transparency, accountability, and consequences when budgets are exceeded.

This lack of transparency and accountability in managing substantial public funds is troubling! It underscores a pattern where significant financial decisions are made without adequate public scrutiny, leaving taxpayers to bear the burden of unforeseen costs. The absence of mechanisms to hold decision-makers accountable for such overruns further exacerbates public distrust.

Conclusion

We respectfully request that you oppose HB 3489 and consider a more balanced, economically viable approach to forest taxation policy — one that sustains the industry while protecting the environment, jobs, and communities that depend on it. Additionally, we urge the implementation of stricter oversight and accountability measures for the allocation and management of public funds to prevent future fiscal mismanagement.

Thank you for your consideration.

Sincerely,

Levi Beelart

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