

Submitter: Brian Rabe
On Behalf Of:
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB485
Testimony in Support of SB 485-2

Good Morning Members of the Senate Committee on Finance and Revenue,

My name is Brian Rabe and my wife and I own timbered acreage (Certified Tree Farm) in Baker County, Oregon, and have since 2007. Our children were young when we purchased the property and we have involved them in management activities since the beginning. Our eastern Oregon forests do not produce nearly as much merchantable timber as western Oregon forests, whether measured in terms of volume or in terms of the time it takes to reach merchantable size. Coupled with the declining access to markets as a result of mill closures, more often than not the price of logs at the mill does not cover the cost to get them to the mill (logging, transportation, and harvest taxes). As a result, it is getting increasingly difficult to maintain positive cashflow for the Tree Farm over time.

Like many farmers and ranchers with large dry acreages, small woodland owners are often "land poor" whereby the annual cashflow from managing the land is very small in comparison to its current value. For many, the estate tax burden can only be satisfied by harvesting timber. If there is little or no timber of merchantable size, or the price of logs is too low to generate positive cashflow, then many would be forced to sell the land. For those who have poured their hearts and souls into improving the health and condition of the land over their lifetime alongside their parents and/or grandparents, this takes a significant emotional toll.

The provisions in SB 485 with the -2 amendments seeks to address some of the unique circumstances faced by small woodland owners compared to the owners of other resource lands eligible for at least a partial exemption from estate taxation. We appreciate the consideration offered by this bill and hope that you will support it with a "do pass" recommendation to the full Senate.

Respectfully submitted,

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