

To: House Committee on Revenue
Rep. Nancy Nathanson, Chair
Rep. E. Werner Reschke, Vice-Chair
Rep. Jules Walters, Vice-Chair
Members of the Committee

From: Susan Watkins, small forest landowner
13440 SW McCabe Chapel Road, McMinnville, Oregon 97128

Re: SB 485A

I SUPPORT this measure.

In 1992, my husband and I purchased 55 acres of nearly clearcut forestland outside McMinnville. During the 30+ years we have owned the property, we have worked hard to create a sustainable, healthy forest where trees are free to grow and wildlife abounds.

In 2002, I became a Master Woodland Manager through Oregon State University College of Forestry Extension. MWMs are asked to "give back" to their community, and I did so by helping to write the succession planning tool *Ties to the Land*, which helps landowners work with succeeding generations to plan for the future of their forests. Because trees are a long-lived "crop," one generation may not see the fruits of their labors in the forest. Passing the woodland on to their children is a way for aging owners to feel confident that the forest they've nurtured will thrive and survive.

Estate taxation can be a very real barrier to multi-generational forest management. The Legislature recognized this in 2023 by adopting the natural resource estate tax exemption in SB 489. Unfortunately, this exemption has proven difficult to implement for small forest owners.

SB 485A is a big step toward reducing that barrier. SB 485A recognizes that forest management is not quantifiable in terms of days spent in the woods on an annual basis, but, rather, in terms of active management activities like planting, release, pruning, thinning, road maintenance, salvage of downed logs, and debris dispersal. Landowners who engage in these activities are most likely to produce healthy, sustainable forests.

SB 485A does NOT change the inheritance tax exemption amount (\$15 million). The measure merely makes it possible for forest owners to take advantage of the exemption, as the legislature originally intended.

Encouraging the passing of forest land down to subsequent generations is a win-win for Oregon and family forest owners. Many small forest families offer recreational activities like hunting, hiking, and birding on their land. Healthy forests provide habitat for a wide variety of wildlife. On our very small tree farm, we have elk, deer, hawks, owls, snakes, salamanders, pollinators, and more.

Please support forest families. Vote YES on SB 485A.