

# Skyline Rural Watch Newsline



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February 9, 2019

## Proposed legislation would impact Oregon forest landowners

HB 2152 is a bill that would sunset all the special forest tax assessments utilized by Oregon Small Woods Association (OSWA) members to be able to afford to manage their forests as forests under Oregon's land use laws. OSWA's Governmental Advisory Committee recommends that all OSWA members immediately email and write your legislator in opposition of HB 2152 and cc your comments to the Chair of the House Revenue Committee, Nancy Nathanson and Chair of Environment & Energy Committee Ken Helm.

Following is an explanation of HB 2152 with talking points and a list of the special tax assessments that would sunset if passed along with the anticipated tax revenue to be paid by forest owners. It would also add the value of a landowner's timber to the value of the property for tax purposes, a taxing structure changed over 40 years ago when Oregon's land use laws were passed. Also a list of members of the House Revenue and Environment & Energy Committees. Some committee members may be a member's legislator. Be sure to mention your address so they know you are a constituent.

Information provided by Jim James, Exec. Dir., Oregon Small Woodland Association. For more information, contact [jimjamesoswa@yahoo.com](mailto:jimjamesoswa@yahoo.com)

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### **HB 2152 – Ends personal and real property tax exemptions in future years.**

Legislators need to hear from you about how this bill would impact your ability to own timber land in Oregon! Small woodland owners simply cannot afford to lose tax special assessments that give families certainty from one generation to the next.

**Use this link to find your representative:** <https://www.oregonlegislature.gov/FindYourLegislator/leg-districts.html>

**Your message will have greater impact if you personalize it and use some**

**real-life examples based on your tree farm management. Feel free to include financial information if you chose. It will be more effective to explain what you will be forced to give up (retirement saving, education for grandchildren, long term care saving, habitat restoration) rather than just say it will cost you more money. Remember, the Governor and legislative leaders have made raising more revenue for the state one of their highest priorities, so just stating it will cost you more money maybe an incentive for them to pass the bill.**

**Here are some key points to use in your message.**

- Encouraging shorter forest rotation by taxing the value of standing timber annually would jeopardize the environmental benefits created by longer timber rotations enjoyed by all Oregonians.
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- Oregon's privately-owned timber lands provide clean water, clean air, recreational opportunity and wildlife habitat, all while also sequestering carbon.
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Forcing forest owners to cut their timber at a younger age to reduce their tax burden could result in fewer forests with longer rotations that could not only impact any ecological values of having a variety of forest ages but will also be inconsistent with the motives of the Clean Energy and Jobs bill.

- HB 2152 is contrary to some of the principal goals in Oregon's proposed Clean Energy & Jobs bill
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The proposed tax structure of HB 2152 will take away any incentives to pursue longer rotations

- Oregon's land use system requires me to use my land as forestland therefore I am not allowed to use my property for other uses. Without the forestland use special assessment in sections 59-61 of the bill my land would be taxed at its highest and best use which may not be forest use.
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- If you pass this bill to tax my property at its highest and best use, it would only be fair to also repeal the provisions which prevent me from using the land for its highest and best use.

Example may include sub-divisions for housing, event venues and RV parks

Forest land converted to agriculture or other uses would pay less tax but not provide the public benefits of forests including carbon sequestration.

- Including the value of standing timber in the assessed value of property would incentivize landowners to harvest their timber at the youngest possible age.

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The Oregon tax expenditure report makes the following statement:

“Presumably, the purpose is to improve the financial viability of timber production by eliminating the property tax burden and to lessen the incentive to prematurely liquidate immature timber by decreasing the holding costs of keeping the timber on the stump and growing... Before 1977, both land and timber were taxed as property. In some cases, this led to premature harvesting to lower property tax burden. To encourage holding timber to longer rotation ages, the property tax on the value of the timber was eliminated”

- Landowners have plenty of economical and logistical reasons to harvest their forests at a young age without this bill, it would be a mistake for the state to create taxation incentives also.

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The demand for large logs from older age timber has decreased due to the retooling of most sawmills. In addition, the workforce and infrastructure required to harvest and ship large logs has become difficult to find.

- Oregon’s Land Use Laws recognize the public value of keeping forests as forests. The current tax structure for forest owners is designed to allow them to keep forests as forests. HB 2152 would take away the incentives to keep a forest as a forest. Current tax laws tax the forest owner at time of harvest when revenue to pay the tax is available. HB 2152 would tax a forest owner when there is no forest income to pay the tax. To reduce tax burdens a landowner can either harvest timber early to reduce the value of the property for a lower tax, convert the forest to a use with less tax burdens, or convert the forest to a different use that has a value equitable to the tax burden. None of these options facilitate land

use goals to keep forests as forests.

The following Oregon statutes are in the bill. They are provided for your use and not intended to be included in your message to your legislator. Revenue Impact figures are derived from the Oregon Index of Tax Expenditures by Tax Program, years 2017-2019.

**Applies to property tax years beginning before July 1, 2026**

- 1           ORS 307.827 Environmentally sensitive logging equipment &  
2           307.831 Skyline and swing yarders (Section 52 & 53)  
3           Revenue Impact: \$ 5,800,000
- 4           ORS 308A.362 Riparian Habitat Land (Section 56)  
5           Revenue Impact: \$ 300,000
- 6           ORS 308A.300 Open Space Lands (Section 55)  
7           Revenue Impact: \$1,500,000
- 8           ORS 308A.415 Wildlife Habitat Special Assessment (Section 57)  
9           Revenue Impact: \$1,600,000
- 10          ORS 308A.456 Conservation Easement (Section 58)  
11          Revenue Impact: \$800,000
- 12          ORS 321.354 Special Assessment of Western Oregon Forestland  
13          (Section 59)  
14          Revenue Impact: \$90,900,000
- 15          ORS 321.722 Small Tract Forestland Program (Section 60)  
16          Revenue Impact: \$22,600,000
- 17          ORS 321.833 Special Assessment of Eastern Oregon Forestland  
18          (Section 61)  
19          Revenue Impact: \$10,000,000
- 20          ORS 321.272 Western Private Standing Timber (Section 59)  
21          Revenue Impact: \$449,900,000
- 22          ORS 321.829 Eastern Private Standing Timber (Section 61)

29 Revenue Impact: \$24,600,000

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## House Revenue & Environment and Energy Committees 2019

Capitol Address: 900 Court Street NE, Salem, OR 97301

Add room number to address for each representative

### House Revenue Committee

Chair Nancy Nathanson Email: Rep.nancynathanson@oregonlegislature.gov H279

Vice Chair Lynn Findley

Vice Chair Pam Marsh

Diego Hernandez

E. Werner Reschke

Greg Smith

Barbara Smith Warner

### House Energy and Environment Committee

Chair Ken Helm Email: Rep.kenhelm@oregonlegislature.gov H409

Vice Chair E. Werner Reschke

Vice Chair Sheri Schouten

Lynn Findley

Andrea Salinas

Janeen Sollman

Marty Wilde

Anna Williams

Jack Zika

FROM [SKYLINE RIDGE NEIGHBORS WEBSITE - SRNPDX.ORG](http://www.srnpdx.org)

### SKYLINE VOICES:

<http://www.srnpdx.org/>: Local author's essays, opinions, ponderings and musings. We welcome anyone in the neighborhood to submit a blog post. Submit to: [web\\_edit@srnpdx.org](mailto:web_edit@srnpdx.org)

CLASSIFIED AD and [SRN FORUM](http://www.srnpdx.org):

[srnpdx.org](http://www.srnpdx.org) - Find It!

### EVENTS:

[srnpx.org](http://www.srnpx.org) - Calendar: <http://www.srnpx.org/calendar1.html>

[Resource Directory:](#)

As a service to neighbors, SRN publishes a listing of local government agencies and businesses in the Skyline Resource Directory. Follow the links in this section to view its contents and learn how to add a business or agency listing.

Listing of organizations and businesses herein does not imply any endorsement of SRN nor does it imply a lack of endorsement for similar organizations or businesses not included.

COMMUNITY LINKS:

Skyline Grange: <http://www.srnpx.org/skyline-grange-894-0>

Forest Park Conservancy: <http://www.forestparkconservancy.org/>

Linnton Community Center: <http://www.linnton.com/lcc.asp>

Linnton Neighborhood Association: <http://linntonna.org/>

West Multnomah County Soil and Water Conservation District:  
<http://wmswcd.org/>

Skyline School: <http://www.pps.k12.or.us/schools/skyline/>

Lincoln High School: <http://www.pps.k12.or.us/schools/lincoln/>

About the Newsline: Skyline Rural Watch Newsline is a part of Skyline Ridge Neighbors (SRN) and has been produced since June 1994 as a means to communicate neighborhood information. The Newsline is produced by Laurel Erhardt (editor) with help from Miles Merwin, Libby Merwin, and Sen Speroff

The Newsline depends on you as a source of accurate information about local crimes, upcoming events, and other news pertinent to the area. If you have information you would like considered for the Newsline, you may do so by e-mailing the information to [newsline@srnpx.org](mailto:newsline@srnpx.org), or leaving a message at

[\(503\) 621-3501](tel:5036213501). Urgent, timely items (crimes, lost pets) should be emailed to [alert@srnpx.org](mailto:alert@srnpx.org).

If you would like more detailed information about any item on the Newsline, request that information & SRN will e-mail it to you if available.

You can subscribe to the Newsline at the [Skyline Ridge Neighbors Website, SRNPDX.org](http://www.srnpx.org). Tell your neighbors about this free Newsline service.

About Skyline Ridge Neighbors: SRN is a neighborhood association serving much of unincorporated northwest Multnomah County and some adjacent areas within the city of Portland. SRN is registered as a neighborhood association within Multnomah County, registered as a non-profit public benefit corporation with the State of Oregon and approved as a 501(c)(3) non-profit organization under the IRS Code. SRN is operated by volunteers and with donated funds entirely.

If you would like to donate to SRN in support of its activities, such as this free Newsline service and the publication of its quarterly Skyline Ridge Runner, send your donation to "Skyline Ridge Neighbors", c/o John Eskew, 15604 NW Rock Creek Rd, Portland OR 97231 or donate with credit card thru PayPal - [http://www.srnpx.org/](http://www.srnpx.org) Contributions are tax deductible to the extent allowed by law.

