

Simple proposal won't solve complex problem

The U.S. Senate is not likely to pass legislation privatizing public lands. This suggests that Rep. Peter DeFazio's proposal to essentially privatize a portion of Oregon O&C forest lands is a nonstarter. Even if it became law, it would do little to resolve the problems facing rural counties. A statewide summit is needed to devise comprehensive solutions.

That's the feedback I got from interviews with county commissioners and other officials from O&C counties. These jurisdictions face myriad revenue, employment and social problems, I was told. Cutting more timber on O&C lands might generate a little more revenue for a few counties, but it is mostly "sticking a finger in the dam," to quote one commissioner. It does not address their fundamental problems and, as a few officials said, it might undermine future economic progress.

One reason DeFazio's proposal fails to hit the mark is because of the way the problem is described.

The congressman calls Oregon's O&C counties "timber-dependent," implying that more timber will solve their problems. Most of these counties, however, are not timber-dependent, and have not been for many years.

State Employment Department data show that in Lane County, forestry, logging and wood products employed just 4 percent of the work force in 2012. By comparison, manufacturing employed 8 percent of the work force, professional and business services 11 percent, and education and health services 19 percent.

In Douglas County, logging and forestry employed 3 percent of the work force; manufacturing 4 percent; transportation, warehousing and utilities, 5 percent, and leisure and hospitality 9 percent.

Similar patterns can be found in other O&C counties. Many officials said their economies are now diverse, not timber-dependent. Characterizing the counties more accurately might focus efforts on strengthening their entire economic mix, not just forestry and logging.

Complex problems rarely have a single cause, or a single solution. Instead, troubles result from many factors, and a number of interconnected strategies are needed to resolve them.

Low property tax rates are a primary problem facing O&C counties. The property tax rate in Josephine County is the lowest in Oregon, at 59 cents per \$1,000 of assessed value. Douglas County is at \$1.11, and Lane County's rate is \$1.28.

In contrast, Marion County's property tax rate is \$3.02 per \$1,000 of property value. In the rural Eastern Oregon counties of Wheeler and Sherman, the rate averages just over \$8.50.

Property taxes in O&C counties are extremely low because of the taxpayer revolt of the 1980s and early 1990s, which came at a time when those counties were flush with revenue because of high timber harvest levels on federal lands. This allowed them to keep their tax rates exceedingly low.

When the Northwest Forest Plan reduced the cut, county revenue dropped as well. However, their property tax rates were already locked in, leaving them unable to raise rates to the levels of other counties.

Low property taxes in O&C counties attract retirees and others living on limited or fixed incomes, who often oppose local option tax increases.

The state Legislature added to the problem in 1997 by significantly reducing property taxes on private forestlands, and again in 1999 by cutting private land timber harvest taxes. Millions in revenue were lost.

Though county revenues have dropped, expenses have not. A number of officials mentioned that counties are required to provide free space in their courthouses for the state Circuit Court. The state also requires the counties to collect property taxes, but most of the revenue goes to other jurisdictions. Officials cite many examples of costs imposed on counties that they can no longer cover.

In addition, rural areas typically lack higher education, high-speed Internet and easy access to major transportation routes, all of which constrain business and job creation.

These and other factors induce young people to move to Portland and other urban areas to obtain education and jobs. A demographic problem has resulted: Rural counties are losing population, and an increasing percentage of residents are elderly people living on transfer payments.

DeFazio's proposal might help with some of these quandaries, but a number of officials told me that a big increase in logging on O&C lands runs the risk of undermining tourism, recreation, fishing, agriculture and other industries that are holding their own or expanding. Losses in these sectors might diminish future economic opportunity.

Single-issue fixes such as increasing the cut on O&C timberlands will clearly do little to address counties' many problems.

That's why one commissioner proposed convening the governor, the Legislature and the state's congressional delegation in a major summit on the problems facing rural counties. Others endorsed this idea, and it sounds like a positive step forward.

Bob Doppelt of Eugene is executive director of The Resource Innovation Group, which is affiliated with the Willamette University Sustainability Institute, where he is a senior fellow.