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those to property tax rates, were coincidently a boon to the industry, others, such as steep drops in harvest, or severance taxes, were the direct result of timber industry lobbying efforts.

In the early 1990s, Oregon homeowners were becoming frustrated with increasingly high property taxes. They were going up, but wages weren't going up to match. This led to a series of successful ballot measures aimed at reeling those taxes in.

First, with the support of the Oregon Homeowners Association, voters passed Measure 5 in 1990. It set constitutional limits on the dollar amount that could be taxed per $1,000 of property value and made up for the loss in revenue by shifting much of the school-funding burden to the state.

Associations representing librarians, educators, firefighters and seniors, as well as then-Gov. Neil Goldschmidt and Secretary of State Barbara Roberts, all raised arguments in opposition, saying the measure would unfairly benefit businesses while causing irreparable damage to public-services funding.

They were right. In this upcoming legislative session, finding a way to replace revenue lost nearly 30 years ago is a top priority among lawmakers who are looking for a way to fix Oregon's schools.

After Measure 5 came Measure 47 in 1996, which voters passed to correct a perceived flaw in Measure 5 that was allowing property values, on which taxes were based, to continue to increase rapidly. Two years later, voters passed Measure 50 to fix problems with Measure 47.

Essentially, these two measures rolled back and froze property values at 90 percent of their 1995 assessments, and then limited annual increases to 3 percent. They also fundamentally changed the property tax system in Oregon by moving away from real market value as a base for property tax, to an assessed value for tax purposes instead.

Those in opposition to the first of these two measures, Measure 47, included a slew of politicians such as then-Gov. John Kitzhaber and State Treasurer Jim Hill, groups representing police, educators and other public employees, veterans, health providers and many others. They argued it would solidify the damage Measure 5 had already caused and put a greater strain on schools, cities and counties.

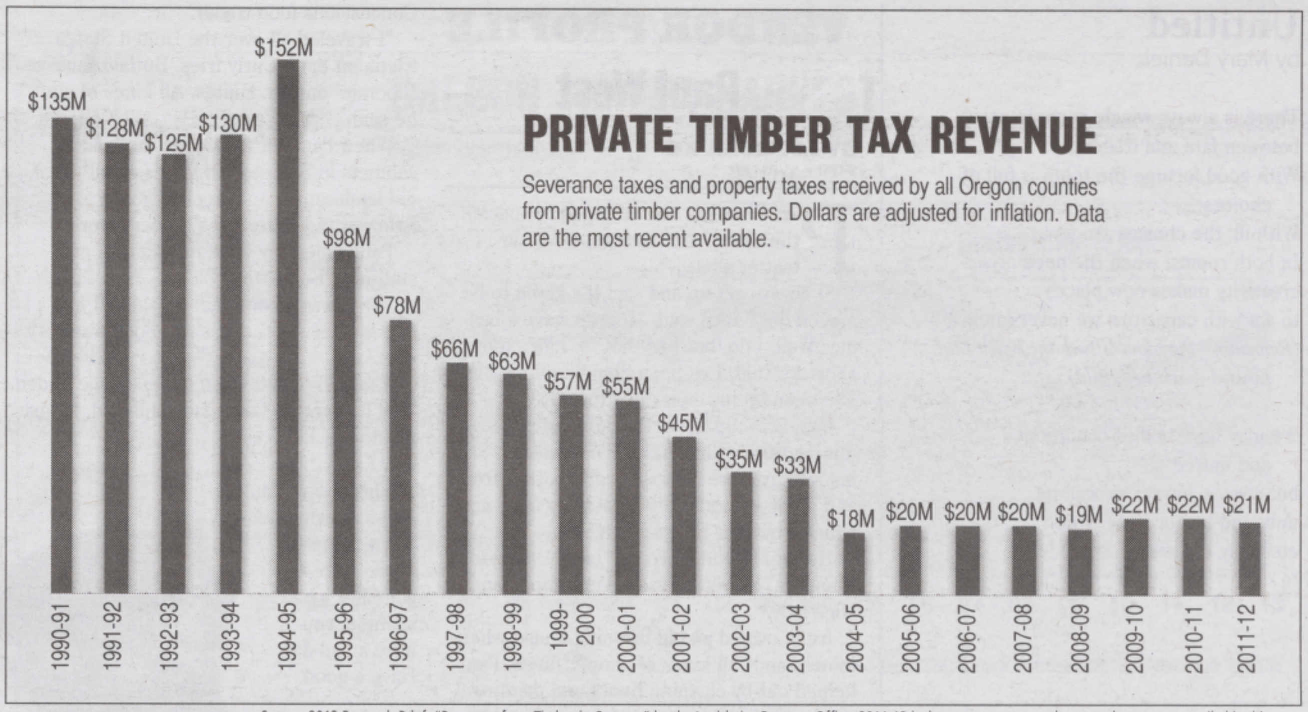
When Measure 50 came along in 1998, it garnered much wider support than Measure 47 – although most arguments in favor centered on the notion that while it wasn't great, it was better than Measure 47.

All nine "Arguments in Favor" for Measure 47 in the 1996 Oregon Voters Pamphlet were furnished by the same person: Bill Sizemore.

Sizemore, a two-time Republican candidate for Oregon governor, has been credited with the overhaul of Oregon's property tax system in the 1990s and as the leader of the Oregon tax revolt.

Years later, in 2011, he pleaded guilty to felony state tax evasion and was sentenced to 30 days in jail and 36 months' probation.

According to The Oregonian, the charges stemmed from a 2002 lawsuit the teachers unions filed against him, alleging his initiative petition operations amounted to racketeering. The teachers won. At a later court hearing, it was revealed that Sizemore spent hundreds of thousands of dollars from a nonprofit under his control for personal use.



Source: 2013 Research Brief: "Revenues from Timber in Oregon," by the Legislative Revenue Office. 2011-12 is the most recent year these numbers were compiled in this way.

Willer likes to point out that Measure 47 was passed with just 54 percent of the vote. And because voter turnout was low that election, 22 percent of Oregon's voters "radically transformed the property tax regime in Oregon," he said.

These property tax laws have come under fire in Portland in recent years, as property owners across the city shoulder vastly different property tax burdens that have more to do with what part of the city they live in than the real value of their home. While housing prices skyrocket, the assessment values do not. And a key element of Measure 50 is that the maximum assessed value stays with a property, even when ownership changes.

But how does this affect the timber industry?

When the property tax overhaul came about, logging counties were relying on a two-tiered tax system to garner forestry tax revenue.

In 1977, Oregon Legislature exempted the value of standing timber from property tax rates, imposing a "severance" tax on that timber when it was severed from the land, or harvested, instead. That money, like property taxes, would be returned to local taxing districts.

When a tax is placed on standing trees, landowners are incentivized to cut them down to avoid paying taxes on them, so taxing the trees at the time of harvest makes more sense. It also makes more sense for small forest owners, who are more likely to have the money to pay those taxes when they harvest.

But bidding wars between counties, in some cases, led to even lower property evaluations as a way to entice timber companies into bringing jobs to their jurisdictions.

So when Measures 47 and 50 locked in property values, the assessed property values they locked in for timberland were artificially lower.

This meant, explained Jaime McGovern at the nonpartisan Legislative Revenue Office, that the property taxes being charged were also very low.

In Oregon, the assessed value of forestland added up to $2.3 billion while the real market value was $11.5 billion during the 2017-18 fiscal year, according to Oregon Department of Revenue data.

We took a look at the property taxes Weyerhaeuser paid per acre on five properties in timber-rich Douglas County. The tax burden per acre fell between $2.09 and $4.87 in our random sample, with the price varying depending on the state's evaluation of the timberland quality.

When we ran these numbers by Willer, he pointed out that Weyerhaeuser paid about $30,000 per year in property taxes for a plot of land the size of Beaverton in one of the examples we sent to him.

According to Weyerhaeuser's most recent quarterly report, it did $3.9 billion in sales during the first six months of this year, with profits of $586 million.

Severing the severance tax

Not long before voters overhauled property tax rates and the Northwest Forest Plan overhauled public lands management, the Oregon State Legislature was changing the severance taxes that companies paid when trees are cut from the land.

In 1992, lawmakers considered three taxing options, and all three were proposed by Oregon Forest and Industries Council – the trade association representing private timber companies in Oregon.

The winning option lowered the severance tax from 6.5 percent of the cut timber's value to 3.2 percent in Western Oregon and to 1.8 percent in Eastern Oregon. It also phased-out the additional tax on reforestation lands, according to a Legislative Revenue Office research report on Oregon's timber-tax history.

Seven years later, in 1999, the legislature passed a bill outlining a new system for taxing forestland, which phased out the severance tax paid by larger timber companies altogether over the course of three years. Again, Oregon Forest and Industries Council was at the table, helping the Oregon Department of Revenue to write the new tax law, according House Revenue Committee records.

Between 1995 and 1999, the state had collected an average of $41 million in severance taxes each year. But by 2003-04, that number had scaled down to less than $4 million, while logging volume remained relatively steady, according to the Legislative Revenue Office's 2017 financial report.

Foresters belonging to the voluntary Small Tract Forestland program still pay the severance tax, amounting to a total of $560,000 to the state during the 2016-17 tax collection year. In exchange for paying a severance tax when they harvest, members of this program pay only 20 percent of their property taxes.

Meanwhile, all timber harvesters pay a "Harvest Tax," which is often confused with the now-mostly-obsolete severance tax, but this money only goes to pay for programs that benefit the wood products industry, such as forestry programs at Oregon State University, fire fighting and prevention on forestland, and the Oregon Forest Resources Institutes.

Forestland owners, however, still get the property tax discount. Their land assessments are based on what someone would be expected to pay for a piece of land if the intent is to grow timber, not develop it, minus the value of the trees.

According to the Oregon Department of Revenue, forestland owners continue to get this property tax discount to encourage them to keep the land in timber production and slow urban sprawl, because as development encroaches on their land, it becomes more valuable.

The shakedown

While statewide property taxes are frozen and capped, local governments can increase regional property taxes if they can get voters to approve a local option on the ballot.

But in poorer, rural timber counties, that's not so easy.

"Let's face it," McGovern said, "if you

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