



HB 2161: It's too soon for modifications to the Private Forest Accord

House Committee On Agriculture, Land Use, Natural Resources, and Water – Josie Koehne – 2.7.2023

[HB 2161](#) modifies the recently passed (2022) Private Forest Accord bill concerning Small Forest Owner rules in order to receive a tax credit.

In the current rules, when there a timber harvest, the small forestland owner may apply for an income tax credit if they chose to adopt the wider “standard practice” No-Harvest riparian buffer zones rules that large landowners (over 5000 acres) are required to follow for, rather than the smaller minimum option buffer zones required of small forest owners. No trees may be cut in these areas for a period of 50 years, including for heirs and property buyers, which is recorded in the deed. The costs of the appraisal, deed filing and recording costs are included in the credit amount. Under current rules, “A small forestland owner may apply for a forest conservation tax credit for an amount that **is one half of the stumpage value** (at time of harvest) retained between the inside edge of the small forestland owner minimum option and the edge of dry stream channel.” For an example, for Types I and II areas), in western forests with fish-bearing streams, the buffer is between 50-100’ for large forest owners, whereas the small forest owner buffer requirement is between 50-100’ from the stream edge, with similar stream type , stream size and tree type classification (based on regional soil quality).

This bill would double the value of the credit to the **full stumpage value** at the time of harvest in *all* of the retained area, and eliminates certain watershed restrictions. In addition, forest riparian buffer zones would not be applied on land that is designated exclusively for farm use. There are a number of exemptions in current law to “exclusive farm use.” Law violations penalties on these farm lands (beaver, wildlife) would be reduced by half. In addition, the credit would apply for **all** timber retained at harvest, not just the trees in the area *between* the standard and minimum option, which is quite an increase in the amount of the credit!

It is hard to assess whether this tax credit is too generous or not enough until the program is in full swing. Our advice is to conserve state revenue and not double the credit amount until it proves necessary to encourage wider buffer zones. The rules can be modified at a later date. It seems the difference between the standard practice and small forest owner minimum option is not very much in terms of stream distances and the number of trees retained in those areas. We think it is best to leave the credits alone that have been worked out through careful compromise and in great detail by those timber and conservation teams that took part in the Private Forest Accord negotiations. There is no explanation in the bill about why the tax credit should be doubled, so we see no need to tamper with the rules reached through year-long deliberations.

So, in other words, if it ain't broke, don't fix it.

We read the bills and follow the money

