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The Maryland House of Delegates
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Delegate Dana Stein Testimony in Support of HB 1146

The Woodlands Incentive Fund (WIF) is an innovative fund enacted 34 years ago to provide a stable funding source to support a variety of beneficial forestry activities in Maryland.

WIF was enacted in recognition of the many benefits of Sustainable Forestry practices. The primary uses of WIF have included cost-share reforestation and timber stand improvement, preparing Forest Stewardship Plans for forest owners, and covering some DNR administrative costs (e.g., partial coverage of salary for program administrator).

Other allowable uses have been authorized, [1] but the fund has never been sufficient to do these activities on an ongoing basis.

The main funding mechanism for the WIF was tied to the revenues generated from woodland properties themselves - specifically those woodland properties that were enrolled in an Agricultural / Woodland Use Tax Assessment - but then were removed from that Tax Assessment category via a land sale.

Current law says that transfers of entirely wooded parcels would support the WIF. But the law has been strictly interpreted as "100% wooded parcel," so the WIF has been underfunded.

The reality is that there is a significant distinction between a parcel that is "entirely wooded" and a parcel that is "100% wooded" - they are NOT interchangeable things, although that's the way they've been treated.

For example, a parcel that is for all intents and purposes "entirely wooded" - but has an entrance road to access the property, or any structure at all, such as a

residence or a storage shed, DOES NOT qualify as “entirely wooded” - even though the parcel DOES qualify for the Agricultural / Woodland Use Assessment

This has resulted in only a very small number of properties being categorized as contributing to the WIF.

In the past, two workgroups were established to refine the application of the law and to change its administration. Despite a consensus among the stakeholders that the interpretation of the law needed to be changed, nothing has happened.

This bill proposes to change the threshold for a land transfer that benefits WIF from entirely wooded to 80% wooded. This meets the intention of the law, which is to fund the WIF with revenues that comes from properties that are - in reality - wooded properties.

It also proposes to increase the funding cap so that the WIF can potentially gain enough revenue that it can be relied upon to implement all of the various beneficial forestry purposes it was supposed to accomplish - there are 18 specific allowed uses listed in the law that the funding can be used for - but it hasn't been able to do so, due to unreliable and low funding levels since it was established.

These changes will help us advance forest management in the State, important to both health of the Chesapeake Bay and fighting climate change.

For these reasons, I urge a favorable report on HB 1146.

[1] Other recently authorized allowable uses include: providing grants to Forestry Boards (this has occurred once to-date); establishing an Emergency Forest restoration fund to address sudden widespread threats to forest health (does not yet exist); establishing an Urban & Community Forest program; supporting a Utilization & Marketing program (currently consists of one half-time position); establishing Ecosystem Market credit trading program (not yet established).