

House Ways and Means Committee
February 27, 2020
Testimony on HB 1146 - SUPPORT
Forest Conservation – Mel Noland Woodland Incentives Fund – Distribution of
Agricultural Land Transfer Tax Revenue

Alberto Goetzl, Chairman
Maryland Sustainable Forestry Council

My name is Alberto Goetzl. My wife and I own a small farm in Frederick County. It is 112 acres, about 40 of which is woodland. On most of the rest, we board horses and grow hay.

I am also currently Chairman of the Maryland Sustainable Forestry Council. The Sustainable Forestry Council (SFC) is an advisory group established by the Sustainable Forestry Act of 2009, a landmark piece of conservation legislation enacted to ensure the stewardship of Maryland forests. The SFC has representatives from a cross-section of stakeholders – from industry, from county government, from NGOs and private landowners. While we have varying backgrounds and vocations, our common interest is to keep forests as forests, and maintain them as productive as possible. The issue this legislation addresses is something that the Sustainable Forestry Council has been discussing almost since its formation. However, I want to make it clear that the Council has not had the occasion to review, as a group, this specific piece of legislation nor has the Department asked the Council for its advice about it. I personally favor it.

Under current practice, Agricultural Transfer Tax money collected on sales or transfers of woodland are provided to the Mel Noland Woodland Incentive Fund, a source of cost-share funding for planting trees, urban and community forestry projects, landowner outreach, writing forest stewardship plans and addressing forest health issues on private woodlands. The annual amount is capped at \$200,000, with any surplus going into the Agricultural Land Preservation Fund. However, the Transfer Tax contribution to the Mel Noland Woodland Fund only applies for properties that are 100 percent woodland. Sales of farms that are partially forested or even 80 or 90 percent forested, and are subject to the Agricultural Transfer Tax, make no contribution to the Woodland Incentives Fund. A forested property with a house lot is not designated woodland for the purpose of the Incentives Fund contribution.

This legislation would make modest changes to the formula so that the Transfer Tax on sold properties that are mostly forested – 80 percent – would augment the Woodland Incentives Fund. That seems reasonable to do and will provide a little more emphasis to maintaining forests as open space in addition to overall farm preservation. The bill would also raise the cap to \$500,000, also a reasonable modification that serves the same purpose. The current cap has been in place for over 30 years.

This legislative proposal represents a modest change to the existing allocation formula for the Mel Noland Woodland Incentives Fund. I urge the Committee to review it favorably.