

HB 2161 A STAFF MEASURE SUMMARY

House Committee On Agriculture, Land Use, Natural Resources, and Water

Action Date: 03/09/23

Action: Without recommendation as to passage, with amendments, and be referred to Tax Expenditures by prior reference. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Boice, Gamba, Hartman, Helm, Levy B, Marsh, McLain, Owens, Scharf

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/7, 3/9

WHAT THE MEASURE DOES:

Changes calculation provisions on the allowable amount of small forestland owner tax credit from: standing timber in a portion of the forest conservation area to all standing timber in a no-harvest buffer; and from one-half the certified stumpage value of retained timber in certain dry channel areas to the certified stumpage value of all retained timber in those areas. Removes multiplier for stumpage value in the event a small forestland owner is barred from using the minimum option by the horizontal lineal feet limitation applicable to fifth field watersheds.

ISSUES DISCUSSED:

- Effect of the Private Forest Accord on small forest landowners
- Cost of beaver damage to small forest landowners
- Purpose of the tax credit

EFFECT OF AMENDMENT:

Removes provisions applying the Private Forest Accord to certain activities on land within an exclusive farm use (EFU) zone, and removes provisions that modify penalties in EFU zones.

BACKGROUND:

Senate Bill 1502 (2022) created a tax credit for a small forestland owner who elects to adopt large forestland owner riparian area prescriptions when conducting timber harvest. The tax credit amount is equal to the sum of the certified stumpage value of the specified standing timber not harvested in the conservation area, the cost of establishing the stumpage value, and if applicable, one-half of the certified stumpage value of retained timber in a dry channel area adjacent to the forest conservation area.

House Bill 2161 A would modify calculation methodology for the small forestland owner tax credit.