



# Governor's Commission for Protecting the Chesapeake Bay through Sustainable Forestry

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**David Sutherland, Chair**  
The Conservation Fund

## General Findings and Final Recommendations Report

October 16, 2006

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Senator

**The Honorable  
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House of Delegates

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### Primary Threats to Sustainable Forestry in Maryland

- Development of forests due to uninformed local land use decisions leading to the parcelization and fragmentation of forests and conversion to non-forest uses. Estimates from the Maryland Department of Planning indicate a loss of 8,600 acres per year. Forestry cannot compete with the value of land for development, therefore forests will continue to be fragmented and converted to houses & businesses.
  - Uninformed local land use decisions by local Planning & Zoning staff result in "lock up" decisions regarding land management.
  - Development is occurring in the Wildland Urban Interface, placing more citizens and property at risk from wildfire.
- Lack of public education and awareness of the benefits of sustainable forestry and the importance of its contributions to the Chesapeake Bay's ecological and economic well being.
- Loss of Forest Health.
  - Insects and Disease (e.g. Gypsy Moth, Emerald Ash Borer, Hemlock Wooley Adelgid, Sudden Oak Death, etc.)
  - Exotic and Invasive plant species.
  - Lack of regeneration due primarily to an overpopulation of White-tailed Deer.
  - Lack of Urban Tree Canopy.
- Lack of comparable public financial incentives, including favorable tax treatment, for forest landowners to improve the management of their lands or diversify their forest holdings.
- Burdensome state and local forestry regulations (as evidenced by *A Guide to Maryland Regulation of Forestry and Related Practices* prepared by DNR in December 2001).
- Loss of forest industry due to decreasing and changing markets for forest products leads to decreasing timber values and lack of markets for non-industrial private forest landowners, which in turn leads to no alternative to land use change (e.g., loss of forest land).

- Virtually non-existent forestland conservation easement protection under the Maryland Agricultural Land Preservation Foundation (MALPF) despite clear statutory intent to the contrary.
- Lack of sufficient forestry resources/staffing, resulting in an inability to effectively manage public forests, deliver technical assistance to private forest landowners and effectively fight wildfires.
- Other Identified Threats
  - Management for short-term returns rather than long-term investing.
  - Uncontrolled and unsustainable recreation (e.g. ATVs).
  - Lack of adequate streamside forest restoration.

### **Implications Facing Maryland's Forest Community**

- Generational change of ownership, which is currently underway, that often necessitates a sale of a portion or all of the owners forest land in order to offset attendant tax liability, thereby contributing to fragmentation and parcelization.
- A declining forest products industry due to burdensome regulation, sprawl and lack of statewide support.
- Inadequate representation of Maryland's forest community within State, federal or local non profit policy forums.

### **Public Interests in Sustainable Forestry in Maryland**

- Assure a clean and healthy environment for Maryland's urban and rural citizens (e.g. clean air, and clean and abundant drinking water, etc.)
- Provide economic opportunities and stability for rural, natural resource based communities.
- Protect quality habitat for Maryland's plants and animals (including rare, threatened and endangered species).
- Maintain access to open space and appropriate outdoor recreation.
- Enhance Maryland's state security by protecting life and property from wildfire and embracing bioenergy opportunities to become more energy self-sufficient.
- Preserve Maryland's cultural and traditional heritage.
- Assume the role as a national leader in natural resource / environmental sustainability.

### **State Government's Role in Ensuring Sustainable Forestry in Maryland**

The need to retain an effective role for state government in private forest management increases every year as more and more private forestland is broken up and sold off to other private entities or otherwise fragmented and parcelized due to

land use change (a.k.a. development), thereby increasing the pressure on remaining private forestlands to provide public benefits.

- Advance a bioenergy policy for the 21<sup>st</sup> Century which capitalizes on Maryland's abundance of biomass fuels derived from forestry residues that is consistent with and responsive to the Governor's 10% renewable energy procurement goal for Executive Branch Agencies.
  - The 10% goal should be focused on promoting in-State sources compared to out-of-state sources and the utilization of biosolids to promote woody biomass production (e.g. hybrid poplar).
- Maryland's Congressional Delegation, encouraged by the Ehrlich Administration, should take requisite steps to ensure the new federal Farm Bill is more inclusive of funding and like-opportunities for forestry as well as agriculture.
- Provide technical and financial assistance, along with a variety of incentives, to assist private forest landowners and communities in keeping their forest ecosystems healthy and intact.
  - The promotion of more forest stewardship plans on privately owned lands – a recommendation consistent with the recommendation advanced in December 2000 by the Gubernatorial appointed Maryland Forestry Task Force.
- Dedicate the staffing and funding necessary to provide leadership in non-biased technical and educational program delivery about the benefits of trees and managed forests as well as networking with interagency groups to ensure that forests are managed and sustained to provide ecosystem goods and services.
- Promote public policy, based on the best scientific forestry research available, that ensures healthy forests.
- Demonstrate proper forest stewardship on public land for multiple-use consistent with the Governor's March 29, 2004 EXECUTIVE ORDER [01.01.2004.21 – *Enhanced Forestry Management on the Department of Natural Resources-Owned Forest Lands*] and encourage private landowners to follow scientific forestry principles and best management practices consistent with the State's leadership.

## **Recommended Strategies and Actions to Address Forest Threats**

- **Strategy 1 - Landowners Encouraged to Keep Forests in Forests**
  - **Financial Assistance for Landowners**
    - Recommend to the Bush Administration and Maryland's Congressional Delegation that they work together to secure additional funds in the next Farm Bill for forestry-related projects and programs that are consistent with the intent and purpose of the Chesapeake Executive Council's report entitled 2007 Federal

Farm Bill: Chesapeake Bay Region Concepts for Conservation Reform signed on November 29<sup>th</sup>, 2005.

- Advance legislation to expand upon the financial incentives available to private forest landowners intended to help encourage retention over development conversion while simultaneously working with appropriate parties to help mitigate existing regulatory burdens.
  - State/local income tax credits to offset the costs of developing State-approved Forest Stewardship Plans;
  - Abatement of State/local property taxes for forest lands subject to Forest Stewardship Plans;
  - Clean water quality credits that can be traded in the evolving renewable energy market (RECs – renewable energy credits) where forests are well-managed and protected against development via conservation easements and/or Forest Stewardship Plans;
  - Income tax credits for the sale and/or donation of perpetual conservation easements on forest lands;
  - Mitigation of existing regulations imposed upon Maryland's forest products industry.
  
- Encourage Maryland Agricultural Land Preservation Foundation (MALPF) to provide parity between agriculture and forestry in terms of land conservation – consistent with existing State law
  - Rename the MALPF to the Maryland Agricultural and Forestry Land Preservation Foundation.
  - Encourage Maryland's agriculture boards to cooperate with Maryland's forestry boards in the allocation of MALPF dollars for forest land conservation.
  
- Introduce legislation to eliminate the \$200,000 funding cap on the Woodland Incentive Program (WIP) and earmark 100% of all forest-related agricultural transfer tax proceeds to WIP.
  
- Request a performance and/or fiscal compliance audit by the Office of Legislative Audits within the Maryland General Assembly's Department of Legislative Services for purposes of reviewing how the Agricultural Land Transfer Tax is assessed on converted timber land and allocated to the Woodland Improvement Fund.
  
- Reward landowners for sustainable forest management, the sale of conservation easements, the sale of forestlands that will be sustainably managed and/or conserved, and the sale of sustainably harvested timber.
  - Increase the amount of allowable tax credit for donations of working forest easements.

- Make tax credits for donations of forest easements refundable for landowners that cannot take full advantage of tax credits in a given year.
- Provide greater incentives for managing forests under sustainable forest management plans.
  - Property tax forgiveness on wooded acreage.
  - Tax credits for the cost of sustainable forest certification, the additional cost of BMPs and management needs required by the plan.
- Provide disincentives or penalties for the conversion of forests to development, such as a targeted land conversion tax, with revenue going toward forest land protection.
- **Technical Assistance for Landowners**
  - More aggressive funding for State and Private Forestry agencies from the USDA Forest Service or the Maryland DNR. Forestry threats cannot be addressed without adequate forestry staffing. The Maryland DNR Forest Service staff has been reduced by approximately 35% over the past five years.
    - Without adequate staffing to deliver technical assistance there is diminished capacity of addressing threats to Maryland's forests. Not being able to fill vacancies over long periods of time is a legacy that will have very long-term consequences.
    - Younger workers are not being hired to replace older workers as they retire or go to other jobs. As Forest Service staff continues to be reduced the state has less and less institutional capacity to deal with threats.
- **Strategy 2 - Increase Public Awareness through Education of Forest Values / Threats to Sustainability**
  - Create and fund partnerships between Department of Business and Economic Development, Department of Natural Resources, Maryland Department of Agriculture, Maryland Department of the Environment and private non-profits to educate and inform the public of the importance, benefits and challenges of sustainable forestry and sustainable agriculture within the State of Maryland and the benefits to the Chesapeake Bay.
  - Ensure the designation of "forestry", as previously indicated in December 2000 by the Maryland Economic Development Commission, is realized as a "growth industry" comparable to agriculture for preferential treatment via DBED's financial assistance programs.
  - Better education of the general public and developers on the impacts of invasive and exotic species.

- Increase FireWise and community planning for wildfire fuel reduction projects and support of state and volunteer fire preparedness.
- **Strategy 3 - Strengthen Forest Industry at All Levels**
  - Increase funding for Maryland Agricultural and Resource Based Industry Development Corporation (MARBIDCO) commensurate with the demand for increased financial assistance that would result in better retention/conservation of Maryland's forest lands.
  - Promote the development of new markets and the retention of existing markets for both traditional goods and environmental services.
    - Advance a bioenergy policy for the 21<sup>st</sup> Century which underscores the importance of capitalizing on forestry to promote domestic, renewable production of "green" energy.
    - Create partnerships to develop, demonstrate and utilize technology that promotes renewable energy production that furthers the enhancement and protection of our rural based economies.
    - Encourage the utilization of biosolids – a growing concern given Maryland's expanding population growth and commitment to upgrade wastewater treatment facilities under the Chesapeake Bay Watershed Restoration Fund of 2004 -- for the production of woody biomass that can be converted into biomass for energy production purposes.
    - Examine ways by which water quality credits can be created for open market trading purposes where forest land retention, conservation and protection are realized.
  - Create equity of forestry and agriculture practices within state and local regulations.
    - Improve comprehensive planning at the county and municipal level relative to the economic and ecological importance of forestry through enhanced state level guidance during the Land Preservation, Parks and Recreation Plan process.
    - Clarify language in Article 66b of Maryland Annotated Code relative to treatment of working forests within county and municipal comprehensive plans.
    - Encourage greater integration of programs designed to protect working land protections within various state agencies with the goal of improving forestland land management and stewardship.
- **Strategy 4 - Increased Emphasis on and Funding for Forest Health**
  - Establish a contingency fund for forest health purposes (e.g. insects, disease, fire and wind, etc.), funded by proceeds derived from the conversion of forest lands via the imposition of the agricultural transfer tax and/or revenues derived from enhanced management on DNR-owned lands.

- **Strategy 5 - Coordination of Forest Management at a Landscape Scale / Across Ownerships**
  - Strengthen forestry representation on all public boards and policy forums whose focus and mission relates to land use within the State of Maryland.
  - Assess existing programs, projects and policies whose focus and mission relates to land use within the State of Maryland.
  - Take a “Lead by Example” position with the Chesapeake Bay Executive Council on promoting the environmental and economic benefits attendant to pro-forestry policies.
  - Creating or maintaining public policy in other regards, which supports private ownership and sustainable management of forests, e.g., policies on the Right to Practice Forestry.
  - Long-term attitudes towards development must be changed to ameliorate the threat of development of Maryland’s forests.
  - Training / education for planners.
- **Strategy 6 - Improved Forest Inventory and Monitoring**
  - Support the new Sustainable Forestry Assessment of Needs (Resource Lands Assessment) strategy that delineates the best of Maryland’s forestlands worthy of conservation, strategies predicated upon public input and the most advanced technology available to the State.
  - Support and enhance forest resource inventory statewide through the US Forest Service Forest Inventory and Analysis (FIA).
  - Support and enhance more detailed forest resource inventory on State lands through the Continuous Forest Inventory (CFI).
- **Strategy 7 – Potential Funding Mechanisms**
  - Re-direct State-side Program Open Space funding to the Maryland Park Service to relieve their dependence on State Forest timber sale revenue for operational, maintenance and other costs, thus freeing up this revenue stream for greater use by the Maryland Forest Service in support of sustainable forestry.