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Date: January 24, 2013

To: Senator Casperson, Chairperson, Senate Natural Resources, Environment and Great Lakes Committee
Senate Natural Resources, Environment and Great Lakes Committee Members

From: Rebecca Park, Governmental Relations

Re: Testimony on SB 51-59

Thank you for the opportunity to provide comment in support of SB 51-59 which create changes to the Nonindustrial Private Forestland program. I appreciate the leadership and dedication from all the sponsors as this package has been in process for over 2 years.

The package of bills takes a new look at the benefits and value of land in Michigan. The basic premise behind the bills is that an educated landowner is more likely to conduct active management on the land they own. Many landowners today aren't sure where to start when looking at "what could be" on their property. There also seems to be a lack of understanding that land can have more than one use. That parcel up north, for example, can work equally well for snowmobiling or hunting opportunities, as well as timber management and, in fact, many times managing the timber will enhance those other opportunities.

The package looks at the Michigan Agriculture Environmental Assurance Program (MAEAP) as the process model. MAEAP has existed for a number of years but was codified into law last session. Using this process, conservation district technicians are utilized to visit farms and conduct a risk assessment. The package before you today would allow technicians to not only look at the risks on the farm but also the value or other benefits to the land. This program is meant for all land, not just farms.

By tying tax incentives to the land, as long as future owners of the land continue in the program, they will be exempted from the pop-up tax, or when the assessed value and taxable value equalize. This move will help keep the land under family ownership and avoid further splitting of parcels. Most would agree that larger blocks of land under common ownership are easier to manage and have a tendency to be more productive than several 5- or 10-acre parcels with different owners.

The funding mechanism in the bills essentially takes the 18 mill exemption and splits it into a 16 mill exemption and a 2 mill funding of the program. Buildings and structures on the property would not be eligible to receive the millage reduction. With all of the funding models debated, this version is the best at being a proportional funding mechanism. Future participants would pay a \$50 fee to enroll in the program and be subject to following the approved management plan.

Finally, the bills allow for the combination of two programs, the new Qualified Forest Program and the current Qualified Agriculture Program. Combining the two programs makes it more advantageous for agriculture landowners who, due to topography, may not have 50% of the parcel in agriculture, to manage their woodlot in conjunction with the agriculture portions of their land.

Farm Bureau policy has multiple places where it asks for forestry to be treated as a component of agriculture. Therefore, Farm Bureau urges support of SB 51-59. Thank you for your consideration.