



F.H. STOLTZE LAND & LUMBER COMPANY

Lumber Manufacturers

Box 1429 Columbia Falls, MT 59912
Phone (406) 892-7005 Fax (406) 892-1612
www.stoltzelumber.com

March 17, 2011

Chairman and Members
House Appropriations Committee



Good for you. Good for our forests.

Member Company

Re: HB 610, Generally revise certain fees to implement House Bill No. 2

Dear Mr. Chairman and Committee Members,

Please accept the following comments of concern on HB 610 on behalf of F.H. Stoltze Land & Lumber Company. Stoltze is the oldest family owned sawmill and timberland company in Montana. We own and sustainably manage 38,000 acres of forestland in northwestern Montana.



Member Since 1966

We certainly understand the need to reduce spending and avoid potential deficits in the Montana State budget. However the proposal in HB 2 to reduce the General Fund funding of the DNRC Fire and Aviation Budget by \$1.893 million, and then to backfill that "cut" by increasing taxes on a small number of forest landowners is not the answer.

The direct impact on Stoltze would be an increase in our annual forest fire protection assessment of nearly \$6,300, a **68% increase**. The last thing a company in the forest products industry or private forest landowner needs right now is a substantial increase in taxes.

Moreover, the greater issue at hand is one of equity in the system. Currently only forest landowners within a forest protection district pay the special assessment for protection. Only about 4.1million acres of mostly private forestland pay this assessment. The current DNRC fire and aviation bureau provides varying levels of protection and assistance for protection on over 50 million acres of land. HB 610 asks 8% of the land base to pay nearly 50% of the budget for wildland fire protection. **This is unfair and inappropriate.**



Charter Member

Forest landowners have a long history of being willing to pay our fair share of the cost of protection from wildfire. In the past, as recently as 2009, forest landowners have agreed to increases in the assessment rates as budget needs arose. This is not

the case now. What you are asking us to do is simply pay more for the same service, while 92% of the lands that receive wildland fire protection service continue to pay nothing!

The 1/3rd cap on the proportion of the budget to be funded by assessment was not an arbitrary number, but rather a carefully negotiated and calculated share. This share is not only representative of the additional service provided to private lands within a protection district, but also representative of the "in kind" contribution by actively managed forestlands to the fire suppression effort. This "in kind" contribution is in the form of treated fuels and managed forests, improved access, early detection and reporting and the collaborative suppression actions that generally occur on these private lands. The 98% success rate of the DNRC initial attack program is due in part to the advantages mentioned above found on private, managed forestlands.

We do not disagree that how we fund fire protection and wildfire suppression is an issue that needs to be addressed. However, for the legislature to implement the proposed change as a response to short term budgetary decisions without any comprehensive review of the entire issue is irresponsible. This issue deserves further review and involvement of the stakeholders to develop well designed long term solutions.

We urge you to delete sections 5,6 and 7 of HB 610. Furthermore, we urge you to reconvene the interim fire committee to deal with the funding issue in an open and constructive manner. I assure you that forest landowners will participate and are more than willing to continue to pay our fair share. We are not willing to bear a disproportionate share of the burden. Raising taxes is NOT cutting the budget.

Thank you for the opportunity to comment and we look forward to your deliberation of this issue.

Sincerely,



Paul R. McKenzie C.F.
Lands & Resource Manager