

Enactment of State Legislative Forestry Issues

We were successful in supporting a number of enacted statutes related to our industry since October 2015.

- ✿ The state tax bill approved as part of the 2016-2017 State Budget included provisions to expand the current agricultural sales tax exemption to include equipment and material used in commercial timber operations. This provision will go into effect July 1, 2017. The definition includes 'All operations prior to the transport of the harvested product necessary for removal of timber and forest products from the site, in-field processing of trees into logs or chips, complying with environmental protection and safety requirements applicable to the harvest of forest products, loading of forest products onto highway vehicles for transport to storage or processing facilities and post-harvest site reclamation, including those activities necessary to improve timber growth or ensure natural or direct reforestation of the site.'
- ✿ The 2016-17 State Budget passed by the legislature in July included a ten percent increase for the Hardwoods Development Council, expanding its line item to \$385,000.
- ✿ The state fiscal code for 2016-17 includes a provision to expand the payment in lieu of taxes on most state forest lands from the current \$3.60/ac to \$6.00/ac beginning on July 1, 2017.
- ✿ The conflict between the General Assembly and Governor continued for more than ten months past the due date for the July 1, 2015 State Budget. In the end, the Governor agreed to release the full amount of the \$350,000 that was approved for the HDC.
- ✿ PFFA continued to oppose the creation of a gas severance tax which could include additional taxation on timber harvesting.
- ✿ The legislature created a Forestry Task Force in the Joint Conservation Committee to explore the impacts of the DCNR State Forest Management Plan; the impacts of invasive forest pests; the relationship between industry and municipalities; and the decline of timber harvesters in the state.
- ✿ Legislation to amend the state's Clean and Green Program was approved and signed by the Governor in July, which would ensure that the values for Clean and Green forest and ag lands did not exceed the assessed values of the land, if enrolled in Clean and Green.

DCNR Releases the State Forest Resource Management Plan

The 230 page document outlines the administration of forestry and recreation on the State Forest System. The annual harvest goal is 14,776 ac.

Governor's Green Ribbon Task Force on Forest Products, Conservation and Jobs

This document, expected to be released at the end of October, may include as many as 15 major recommendations on job creation, conservation and workforce development.

Working to Expand Timber Production on ANF

We have been working with DCNR, the PA Department of Agriculture and the ANF to find ways to get more timber off of the Allegheny National Forest. Part of this will require a revision to the DCNR statute to allow for state money to be used on the ANF.

Representing the Industry in Harrisburg

PFFA continues to represent the industry on more than a dozen state agency advisory committees. PFFA staff also participated in 10 of 13 meetings on the SFRMP and 26 meetings on the Governor's Task Force.

PA WoodMobile Continues to Shine

Through mid-September, the new WoodMobile has participated in 61 events over the course of 92 days, with a total attendance of 83,001. This includes 7,503 students and 757 teachers. By the end of the year, the WoodMobile is expected to attend a total of 82 events over 123 days in 31 counties. Since the program's inception more than 1.5 million have visited the Pa WoodMobile, including more than 172,000 students.

TimberPAC

From October 1, 2015 to September 15, 2016, TimberPAC raised \$12,310 and spent \$11,040 on state legislative election campaigns. Our cash balance on September 15, 2016 was \$13,786. We have made 26 contributions to legislators so far in 2016, and anticipate making more contributions in October.

Financial Report

The balance in the PFFA General Operating Account was \$154,017. For the period October 1, 2015 to September 15, 2016, revenue to the unrestricted general operating account was \$453,455 and expenses were \$368,359 resulting in a net profit of \$85,096. The balance in reserve/restricted accounts was \$364,738.

The balance in HLMA Educational Inc was \$30,621. Revenue for HLMA Ed. Inc. was \$1,034 and expenses were \$4,565, for a net loss of \$3,531.

Membership Report

On September 15, 2016, PFPA membership included 276 companies, individuals and organizations. Since October 1, 2015, PFPA has added 31 members and lost 21 members, for a net gain of 10 members.

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