

Support SB 485-2 testimony

Chair Meek, Vice Chair McLane and Committee Members,

I am Dan Newton, a small woodland owner from Douglas County. Thank you for the opportunity to testify supporting the SB 485-2 amendment today. This is an important fix to the original estate tax legislation that was written to exclude up to \$15 million from estates with natural resource assets. The requirement for material participation, Section 1 (2) (d) may have made sense for documenting active management for farmers but is not a good fit for managing a forest. This requires that the forestland owner to document that:

- During at least **75 percent of the days** of each of the five calendar years immediately **prior to the date** of the decedent's death, the decedent or any family member of the decedent materially participates in the farm business, forestry business or fishing business; and,
- During at least **75 percent of the days** of each of the five calendar years immediately **following the date** of the decedent's death, any family member of the decedent materially participates in the farm business, forestry business or fishing business.

In total, that would require that landowners document their active management daily for 10 years. Forests have a much longer life cycle than other agricultural crops. We very actively manage when we harvest and reforest, but after 5-10 years, the need for daily or even monthly inputs is no longer necessary. After the trees become established and free to grow, there may be years and even decades when the forest will thrive and grow with infrequent checking and management inputs.

The fact that it is not necessary to make daily inputs to management does not mean we are not actively managing the forest! We do monitor our land and tend it as needed and appropriate for a particular stand, but it does not need to be a daily effort, like feeding animals as an example. Because of that, it does not make sense for small woodland owners to have to track daily activities for a 10-year period.

We ask for your support of the SB 485-2 amendment that will simply acknowledge and clarify procedures for documentation of customary silvicultural activities appropriate for the age in the forest management cycle.

Thank you for your consideration. This will be a crucial step in assuring family forests thrive for generations and will help us "keep forests as forests."