

State Property Tax Incentives for Promoting Ecosystem Goods and Services from Private Forest Land in the United States: A Review and Analysis

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Abstract

Financial incentives provided by State property tax programs are a means of promoting ecosystem services from private forest land. Identified by this 50-State 2015 review, categories of ecosystem services frequently promoted by such programs are open space and scenic resources, conservation of soils and wetlands, protection and supply of fish and wildlife, protection and supply of water, production of timber and fiber products, recreational uses and resource preservation, and integrity and sustainability of forests. Focusing on the promotion of these services, preferential property programs required participants to meet certain conditions, including proof of legitimate ownership and use of forest land, appropriate size of parcel and forest conditions, implementation of a professionally prepared forest management plan, informing authorities of intent to harvest timber, engaging in reviews and inspections, and acceptance of the imposition of financial or procedural penalties. Implementation of these conditions required actions by various agencies in many levels of government, most frequently offices of local governments, citizen advisory committees and boards, tax review appeals and equalization boards, forestry boards and commissions, forestry divisions within State natural resource departments, and State departments of finance and revenue. In 2014, promotion of ecosystem services from private forest land involved 58 different State property tax programs enrolling nearly 210 million acres of forest land nationwide. With enrollment in any one program ranging from 400 to more than 413,000 participants, more than 3.85 million participants were the immediate beneficiaries. These participants cumulatively received more than \$1.61 billion in annual property tax reduction for purposes of promoting ecosystem services. The annual value of this reduction was an acre-weighted average of \$7.68 per acre.

Keywords: Ecosystem services, private forest land, property tax programs, tax incentives.

SUMMARY

Ecosystems are dynamic complexes that provide a wide variety of services that are important to human welfare. Forest ecosystems provide an array of benefits, including protection of soil and water resources, habitat for fish and wildlife, timber and wood fiber, aesthetically pleasing landscapes, and the storage of carbon which can help mitigate global warming. The Government often expresses an interest in promoting the production of ecosystem services through a variety of public policy tools, including property tax incentives. Administered by State or local governments, property tax programs have traditionally offered favorable property tax treatments as an incentive to promote the sustainable production of a wide range of forest-based ecosystem services. Unfortunately, information about the nature of property tax programs is neither complete nor fully understood; especially lacking is information about the type and magnitude of ecosystem benefits they promote and the degree to which landowners participate in such programs. With a focus on ecosystem services provided by private forest lands in the United States, the objectives of this review were to better understand the:

- Type and breadth of ecosystem services promoted by State property tax programs
- Structure and administration of State property tax programs
- Organizations involved in the implementation of State property tax programs
- Number of participants and area of forest land associated with property tax programs that promote ecosystem services
- Magnitude of property tax program payments made to produce ecosystem services from private forest lands.

These objectives were accomplished by:

- Gathering property tax information relevant to the promotion of ecosystem services
- Identifying ecosystem services promoted by property tax programs
- Determining the organizational structure, administrative processes, and performance requirements of property tax programs

- Estimating the magnitude of tax incentive benefits available for the promotion of ecosystem services
- Estimating the number of participants and the forest land area receiving tax incentive benefits
- Confirming the accuracy of information resulting from the review.

Key findings from this national review and assessment of property tax programs include the following:

- **State laws stipulate a variety of forest ecosystem services to be promoted by property tax programs.** They include the integrity and sustainability of forests, open space and scenic resources, conservation of soils and wetlands, production of timber and fiber products, protection and supply of fish and wildlife, protection and supply of water, and recreational uses and resource preservation. The production of timber and fiber products is the most frequently specified ecosystem service, followed by maintaining the integrity and sustainability of forests, open space and scenic resources, and protection and supply of fish and wildlife. Relatively few States have property tax laws that explicitly focus on conservation of soil and wetlands and the protection and supply of water resources.
- **Preferential property tax treatment favoring the promotion of ecosystem services implies adherence to various administrative procedures and resource management standards.** These include ownership of parcel and acceptable land use, size of parcel or group of contiguous parcels, location of parcel and condition of forest, application procedures and management plans, official agreement to tax classification standards, compliance reports and follow-up inspections, and penalties for noncompliance with procedures or standards.
- **Preferential property tax programs focused on the promotion of ecosystem services also involves the administrative engagement of many government agencies at various levels (local, State, regional, and Federal).** These may include the property tax administrative offices of local governments, citizen advisory committees and boards, tax appraisal offices and equalization boards, forestry boards and commissions, forestry divisions within State natural

resource agencies, State departments of finance and revenue, and a very limited number of Federal agencies.

- **Enrollment of forest land in preferential property tax programs is considerable.** In 2014, 3.85 million properties containing nearly 210 million acres of forest land were individually enrolled in 58 State property tax programs that promote ecosystem services on private forest lands. Program enrollment ranged from 400 to more than 413,000 properties per program. Collectively, program participants in 2014 received an estimated \$1.61 billion in annual property tax reduction, an average of \$7.68 per acre, with some programs offering as much as \$60 per acre each year. Eighteen programs provided less than \$3 per acre in annual property tax reduction, while 16 programs provided more than \$10 per acre.

The review also provided important perspectives about the broader statutory and administrative context within

which preferential property tax programs focused on private forests is implemented. For example, statutory authority focused on forests is: usually but a modest part of property tax law and rules generally, often more focused and better organized as a stand-alone law explicitly focused on forests; often replete with detailed statements of purpose and procedures or, conversely, very unclear about such requirements; often inclined to provide administrators substantial discretion in program design and implementation; often hesitant to assign implementing authority to a single agency or single level of government; and frequently modest in requiring firm connections between the amount of property tax reduction provided to program enrollees and the types, amounts, and diversity of forest-based ecosystem services actually promoted by a preferential tax classification.

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INTRODUCTION

Describing Ecosystem Services

Ecosystems are dynamic complexes that provide a wide variety of services that are important to human welfare. Recent efforts focusing discussion and analysis on benefits and associated values of ecosystem services have led to a wide variety of definitions offered to give better meaning and understanding to the role of ecosystems in human development. As concepts and definitions of ecosystem services have evolved, several important accompanying concepts have also become prominent, such as ecosystem processes, ecosystem functions, and ecosystem goods. At the risk of oversimplifying the intellectual effort that has gone into the development of these concepts, some of the more salient and evolving definitions include the following:

“... ecosystem services are the benefits people obtain from ecosystems...” (Millennium Ecosystem Assessment 2005).

“... ecosystem services are the conditions and processes through which natural ecosystems sustain and fulfill human life...” (Daily 1997).

“... ecosystem processes are the complex physical and biological interactions that underlie what is observed as the natural world ... ecosystem services are the specific results of [ecosystem] processes that either sustain or enhance human life or maintain the quality of ecosystem goods...” (Brown and others 2007).

“... ecosystem functions are the capacity of natural processes and components to provide goods and services that satisfy human needs, directly or indirectly...” (De Groot and others 2002).

“... ecosystem services are benefits derived from nature for which people can express preferences that allow tradeoffs to be evaluated...” (Wainger and others 2010).

“... ecosystem goods (such as food) and services (such as waste assimilation) represent the benefits human populations derive from ecosystem functions...” (Costanza and others 1997).

Ecosystem functions, goods, and services are of many kinds and have been broadly categorized in several ways. At present, the prevailing classification system for ecosystem services generally focuses on four types of services: (1) **provisioning services** (e.g., food and fiber, fuel, genetic resources, pharmaceuticals, fresh water), (2) **regulating services** (e.g., air quality, climate regulation, erosion control, water purification and waste treatment), (3) **cultural services** (e.g., cultural diversity, recreation, aesthetic beauty), and (4) **supporting services** (e.g., atmospheric oxygen, nutrient cycling) (Millennium Ecosystem Assessment 2003, 2005; Wallace 2007). Although these broad classifications currently prevail, many other somewhat different categories have also been suggested by others (Brown and others 2007, De Groot and others 2002, Deal and others 2012). Adding to the challenge of defining broad categories of ecological services is the reality that most ecosystems provide not one, but a very large variety of *bundled services* (Deal and others 2012, Engel and others 2008, Mercer and others 2011).

Forest ecosystems are an important component of more broadly defined ecosystem services. The former includes protected soil and water resources, high-quality wildlife habitat, wood fiber, biologically diverse plant and animal communities, aesthetically pleasing landscapes, carbon storage, erosion control, and stormwater management to name a few. Some have suggested grouping forest-based

ecosystem services as watershed services (quantity and quality, soil stabilization), recreation and tourism services (hunting and fishing, wilderness recreation), development services (timber and nontimber products), and cultural values (aesthetic experiences, heritage values) (Krieger 2001); others suggest water services, biodiversity services, carbon sequestration services, timber and wood services, and aesthetic and spiritual services (Watson 2008); while yet others suggest (for purposes of monetizing their value) forest-based ecosystem services to be sequestration services, water quality regulation services, biodiversity habitat services, and bundled services (Mercer and others 2011).

Promoting Ecosystem Services

Landowners and land managers that make decisions influencing the production of ecosystem services are often not compensated for the services they provide. Therefore, decisions that would increase those services are less financially competitive when compared to decisions that result in products that can be sold on the market (such as housing). The importance of services and functions attendant to ecosystems generally has led to greater interest in promoting and sustaining their availability, and connecting the value of ecosystem services to those that consume or benefit from such services. Embodied in most discussions of payments for ecosystem services are very straightforward propositions, namely that individuals or communities should be paid to undertake actions that lead to increases in the level of desired ecosystem goods or services; payments should be made by individuals or communities who benefit from the provision of these ecosystem services; and payments should be based on the beneficiary's willingness to pay and/or the landowner's willingness to accept payment for the additional ecosystem services provided (Klemperer 2003). Within this context, the concept of payments for ecosystem services (PES) has evolved:

“... the concept [PES] is quite simple: pay individuals or communities to manage their lands to conserve or increase the production of desired ecosystem services..., more formally, [PES] is formal and informal contracts in which landowners are remunerated for managing their land to produce one or more ecosystem service; PES transactions must consist of actual payments between at least one willing buyer and one willing seller to produce or enhance a well-defined ecosystem service or bundle of services” (Mercer and others 2011).

In most cases, PES implies the existence of a well-defined ecosystem service (such as erosion control) that is bought by a willing buyer (such as a local unit of government) from a willing seller (such as a private forest landowner). Occasionally, some sort of performance measure must be imposed to ensure that the additional services purchased have been provided. However, most PES programs only monitor compliance with the stated land use, and assume that the land use will provide the desired level of ecosystem services (Engel and others 2008).

Promoting more diverse types and quantities of ecosystem services can be accomplished in several broadly defined ways, including public production and distribution of the desired services, private contracts between providers of services and the entities demanding them, voluntary provision of ecosystem services by suppliers, and government action requiring individuals and communities to make ecosystem services more readily available (Kemkes and others 2010). Focusing more directly on forest land, governments have at their disposal various policies and programs, including landowner information and education programs, professional advice and technical assistance programs, financial incentives and enticements (cost-sharing, favorable loans, grants), legally binding easements and covenants, regulatory laws and rules requiring the production of ecosystem services (and related management practices), and various types of preferential taxation programs (Cubbage and others 2007; Ellefson and others 2004; Jack and others 2008; Kilgore and Blinn 2004; Kilgore and others 2007, 2008). As an indication of the combined magnitude of these programs, in 2007 owners of private forest land in the United States received an estimated \$1.9 billion in direct payments for purposes of promoting various ecosystem services (Mercer and others 2011). Excluded from this estimate are tax incentives made available to landowners for the same purpose.

The owners of private forest land are subject to a variety of taxes, notably property, income, and estate taxes (Butler and others 2012, Hibbard and others 2003). Administered by State governments, or by local governments within a State, laws directing the administration of property taxes have traditionally made special provision for forest land. As for the nationwide scope of such tax programs, Kilgore and others (2007) determined that all 50 States have some type of preferential property tax program focused on forests; Butler and others (2012) observed that preferential property taxes are widely used by landowners and can be an important factor in encouraging long-term private ownership of forests, preventing fragmentation

of forest land ownership, and deterring the conversion of forests to nonforest uses; and Ellefson and others (2004) determined that tax reduction generally may not be viewed as an effective policy tool by administrators in State forest resource agencies. Unfortunately, information about the nature of property tax programs is neither complete nor fully understood; especially lacking is information about the type and magnitude of ecosystem benefits they promote, the way they are structured and administered, and the degree to which landowners participate in such programs.

OBJECTIVES OF REVIEW

With a focus on ecosystem services provided by private forest lands in the United States, the objectives of the review were to better understand the:

- Type and breadth of ecosystem services promoted by State property tax programs
- Structure and administration of State property tax programs
- Organizations involved in the implementation of State property tax programs
- Number of participants and area of forest land associated with property tax programs that promote ecosystem services
- Magnitude of property tax program payments made to produce ecosystem services from private forest lands.

INFORMATION AND METHODS OF ANALYSIS

Information gathering and data analyses undertaken to accomplish the objectives of the review are described below:

Assemble Property Tax Information Relevant to the Promotion of Ecosystem Services

An extensive search for and review of information regarding State property tax programs and its relevance to understanding the promotion of ecosystem services was undertaken. Information was gathered from various sources, including current literature, State laws and administrative rules-regulations, and from numerous Web sites, including those sponsored by State agencies (e.g., departments of revenue, State forestry agencies),

independent tax consortiums (e.g., National Timber Tax Web site), and university forestry extension services. (Excluded were property-related tax programs such as yield-severance tax programs and fire protection tax programs.) Because of the unexpected revision of State property tax laws and programs and the lag that often occurs in reporting such changes, compiling information that is both complete and current was a challenging task.

Identify Ecosystem Services Promoted by Property Tax Programs

Guided by the classification system suggested in the Millennium Ecosystem Assessment (2005), seven major categories of ecosystem services (services legally prescribed and identifiable in statutory language) were identified from the above-mentioned assemblage of laws, rules, and related information, namely the following categories which fell within four Millennium Ecosystem Assessment classifications:

Provisioning Services

1. Production of timber and fiber products.
2. Protection and supply of water.
3. Protection and supply of fish and wildlife.

Cultural Services

4. Open space and scenic resources.
5. Recreational uses and resource preservation.

Regulating Services

6. Conservation of soils and wetlands.

Supporting Services

7. Integrity and sustainability of forests.

To more clearly discern the importance that State property tax programs assign to these categories, the legal language set forth by relevant property tax law and associated rules was analyzed. Terms and phrases were identified and subsequently assigned to an ecosystem service category that best embraced the intent and purpose of the legal language being used. For some States, language describing some ecosystem service categories did not exist in law or administrative rule. These categories (or category) were judged to be unimportant as a focus for preferential property tax treatment by a State and were considered no further. In other cases, legal language clearly meant that certain ecosystem service categories were of interest and were an important and worthwhile focus for property tax reduction (“... provide for quality water and for

protection of wetlands...”). Yet in still other cases, legal language clearly and unmistakably directed that a specific ecosystem service was to be emphasized by State law (“... to ensure future crops of timber and wood fiber...”). The focus of the analysis was on legal intent as denoted by statutory or administrative language. Determining whether an ecosystem service was in fact important or emphasized in practice was not part of the review.

Determine the Organizational Structure, Administrative Processes, and Performance Requirements of Property Tax Programs

Using the above-mentioned assemblage of information regarding property tax programs, a State-by-State summary of major property tax program provisions was prepared. Special focus was on organizational structure (such as agencies engaged in program administration), administrative processes (such as eligibility requirements, including land parcel size and condition), and performance requirements (such as agency inspections and landowner reporting). Regional and national summaries were prepared using the State-by-State summaries.

Estimate the Magnitude of Tax Incentive Benefits Available for the Promotion of Ecosystem Services

For participants in property tax programs focused on the promotion of ecosystem services, estimates of the annual per acre net benefit made available to them were determined by (a) computing the annual per-acre tax liability of forest land enrolled in a preferential forest property tax program (such as a timberland productivity program), (b) computing the annual per-acre tax liability in a nonpreferential, nonforestland classification (such as an agricultural cropland program), and (c) comparing the preferential and nonpreferential tax liabilities, the difference between them being an estimate of the annual per acre net benefit (tax savings) available to participants in the preferential program. The nonforestland classification chosen for comparison purposes was the classification to which forest land would most likely be assigned if a preferential forest land classification were not available. It is important to note that the benefit estimate is not an estimate of the value of ecosystem services per se, but rather the reduction in annual property tax liability received by those participating in a preferential tax program.

Estimate the Number of Participants and Forest Land Area Receiving Tax Incentive Benefits for the Promotion of Ecosystem Services

The number of participants and forest land area receiving benefits for promoting ecosystem services was determined from (a) publicly and readily available information provided by tax administering agencies or agency personnel, or (b) by estimates made with information available from the National Woodland Owners Survey (NWOS) in combination with tax information furnished by State governments [see Butler (2008) for a description of the NWOS].

Forest land area—From the NWOS, the area in family forest (e.g., 1,155,600 acres in Massachusetts) within the eligibility requirements of a State’s property tax program (e.g., 10 or more acres in Massachusetts) and the number of owners of those acres (e.g., 27,000 owners in Massachusetts) were determined. Using this information, the average acreage per owner (e.g., 42.8 acres per owner in Massachusetts) was determined. This estimate does not address conditions where large portions of total enrolled acres is skewed toward larger ownerships, such as occurs in Washington.

Number of participants—From property tax information, readily available from State government agencies, the area (acres) enrolled in a preferential forest property tax classification was obtained (e.g., 306,000 acres in Massachusetts). Using the area enrolled (acres) and the area (acres) enrolled per person, an estimate of the total number of participants in the preferential tax program was determined (e.g., 7,150 participants in Massachusetts).

When the forest land area enrolled in a preferential property tax program was not available (e.g., in Arizona, Hawaii, Idaho, Kansas, Nebraska, Nevada, New Mexico, Utah, and Wyoming), 50 percent of the NWOS private forest area—the national average tax enrollment—was used as an estimate (e.g., total family forest area in Utah is 1,941,000 acres; 970,500 acres is estimated to be enrolled in that State’s property tax program).

Estimating the area and number of participants enrolled in preferential property tax programs focused on forest

land is challenging in many ways. For example, available information varies considerably amongst States at both the State and local government levels. Moreover, information about preferential forest land treatment is often comingled with and indistinguishable from information describing other preferential property tax programs (e.g., municipal, agriculture, industrial). Furthermore, the distinction between persons, owners, parcels, enrollees, and participants in a tax program is not always clear nor uniformly reported (an owner may enroll several separate parcels as a single property; an owner may enroll a parcel in more than one preferential program; several owners of a single parcel may benefit from a preferential program). In this review, the term “participant” is used synonymously with individually enrolled properties. Participant counts are the number of discrete properties enrolled in various tax programs, not a count of the number of individuals enrolling properties in preferential tax programs.

All the property tax program enrollment and annual property tax reduction information provided by States for estimates made here is the most current information available which, for most programs, represents conditions as of 2011–2014.

Confirm the Accuracy of Information and the Correctness of Analytical Methods

Key property tax program administrators in various government agencies (e.g., State departments of revenue and taxation, State departments of forestry, relevant county governments) were contacted (by telephone and/or e-mail) and asked to review working drafts describing various attributes of their forest property tax program (or programs) and the accuracy of estimated tax benefits and program participation rates. Program administrators in all 50 States were contacted (some multiple times). An administrator in each of 40 states responded with comments and suggestions. Although 10 States failed to respond (Arizona, California, Colorado, Illinois, Kansas, Missouri, Nevada, New York, Washington, and West Virginia), an extra effort was made to further review publicly available information describing tax programs in those States and to reexamine how estimated participation rates and benefits were calculated.

In what follows, information about preferential property tax programs promoting ecosystem services is presented both nationally and regionally. Regional presentations are in accord with the four Resources Planning Act (RPA) regions (North, South, Rocky Mountain, and Pacific Coast) as defined by the Forest Service, U.S. Department of Agriculture (fig. 1) (see <https://www.fs.fed.us/research/rpa/regions.php>).

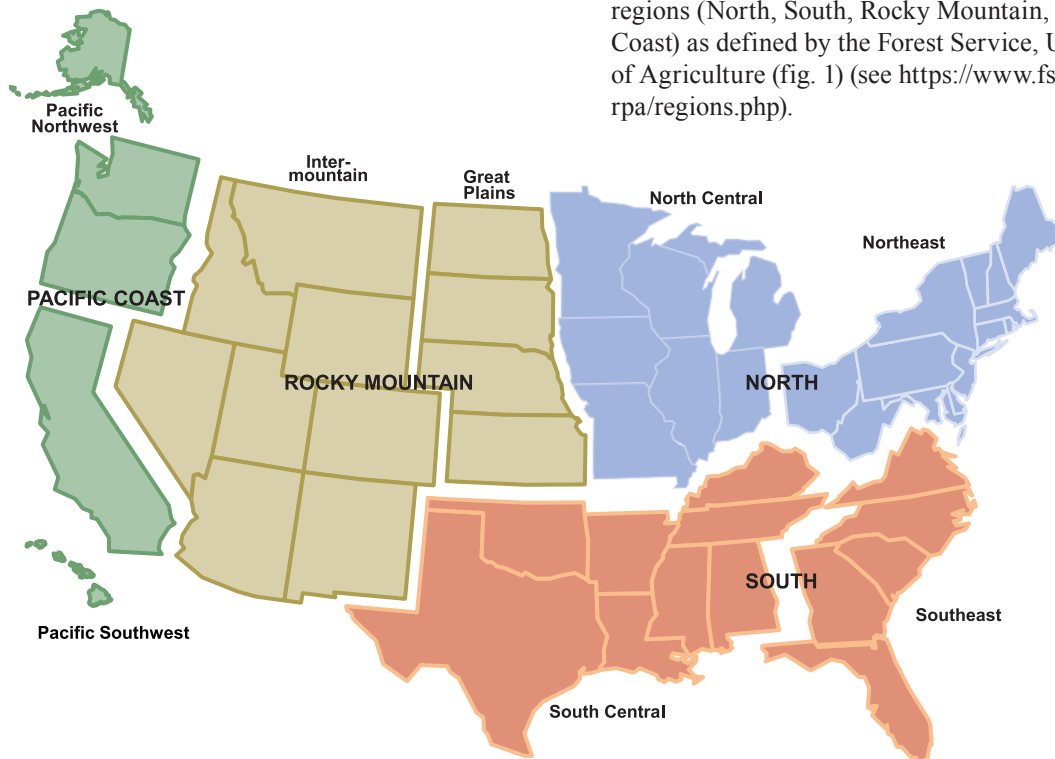


Figure 1—Resources Planning Act Regions of the United States.

RESULTS OF REVIEW

Property Tax Program Types

Classifying property tax programs focused on forests can be challenging for several reasons, including extensive nationwide variation in their fundamental structure and administration and the wide variation in the language (and meaning) used to identify different types of property tax programs (Chang 1996, Hibbard and others 2003, Hickman 1992). For purposes of this review, property tax programs that promote the production of ecosystem services from private forests are categorized as follows (Hickman and Greene 2015):

Exemption. Property tax programs that remove forest land from property tax rolls, either permanently or for a specified number of years.

Flat tax. Property tax programs that tax forest land at a predetermined fixed rate per acre, regardless of the land's value.

Modified Rate-Assessment. Property tax programs that assess forest land like other forms of property, but use different tax rates to compute tax; or programs that assess forest land differently from other forms of property (highest and best use, current use value) and apply tax rate accordingly.

Nationwide, modified rate-assessment tax programs are most common, followed by flat tax and exemption programs (table 1). In some cases, States (all of which are in the North) have tax programs that fall into more than one type of property tax. Examples include Delaware (exemption and modified rate-assessment), Ohio (flat tax and modified rate-assessment), and Rhode Island (exemption and modified rate-assessment). Modified rate-assessment property tax programs are absent in only seven States (Alaska, Arizona, North Dakota, Michigan, Missouri, New Hampshire, and Wisconsin).

Ecosystem Services Promoted

Property tax incentives are created with the intent of promoting ecosystem services provided by forests. Determining the exact nature of these ecosystem services from language in State laws and administrative rules can be challenging (Krieger 2001, Watson 2008). For example, statutory intent to promote a particular ecosystem service may be very clear and transparent (e.g., "... purpose is to ensure reforestation necessary to produce future crops of timber...") "... purpose is to provide for quality water through the application of best management practices..." or may be quite vague and ambiguous, yet reasoning would suggest promoting ecosystem services is an intention (e.g., "... promote sustainable forest management on private forest lands..." "encourage landowners to make long-term commitments to sustainable forests...").

A clearer vision of the ecosystem services promoted by property tax programs required a concerted review of the language contained in property tax laws and rules. Structured around four Millennium Ecosystem Assessment classifications (Millennium Ecosystem Assessment 2005), the results of the 50-State review suggested that the following seven categories of forest-based ecosystem services most consistently embrace the wide variety of ecosystem services identified by the language in property tax laws and rules (see appendix B for statement examples for each category):

- Integrity and sustainability of forests
- Open space and scenic resources
- Conservation of soils and wetlands
- Production of timber and fiber products
- Protection and supply of fish and wildlife
- Protection and supply of water
- Recreational uses and resource preservation.

Table 1—Fundamental types of property tax programs that promote ecosystem services from private forest lands in the United States, by Region, 2014

Property tax type	North	South	Rocky Mountain	Pacific Coast	Total States
<i>number of States</i>					
Exemption	3	0	0	1	4
Flat tax	7	0	2	0	9
Modified Rate-Assessment	16	13	10	4	43
Total	26	13	12	5	56

Source: Appendix tables E.1–E.50.

As the categories suggest, ecosystem services provided by forests can be very wide ranging. Which categories (possibly all) are to be promoted by preferential property tax reduction is determined by the economic, political and forest resource conditions within a State. Analyzing the language contained in property tax laws and administrative rules indicates that States tend to (a) direct property tax reduction at a range of categories considered *important* to accomplishing State interests, or (b) direct property tax reduction at a single category (or group of important categories) considered to be especially noteworthy and thus to be *emphasized*. For purposes of this analysis, *important* infers categories worthwhile and meaningful to State interests, while *emphasized* infers categories central or dominant to accomplishing State interests. In no State does a property tax program focus on all seven categories (table 2).

Important ecosystem services—The production of timber and fiber products dominates as an *important* ecosystem service to be promoted nationwide by property tax programs (table 2). In 2014, 47 States had State laws and administrative rules that clearly specify such. Following in frequency of importance is maintaining the integrity and sustainability of forests (26 States), open space and scenic resources (21 States) and protection and supply of fish and wildlife (20 States). Ecosystem service categories considered important, but with the fewest

States directing property tax programs toward them, are conservation of soils and wetlands (six States) and the protection and supply of water (13 States).

Regionally, the statutory and administrative rule statements directing focus on forest-based ecosystem service are like the pattern for all 50 States (table 2). In the North Region, nearly all States (19 of 20 states) consider production of timber and wood fiber as an important focus for their property tax programs, while a similarly high proportion of States in the South Region (12 of 13 States) also consider the same ecosystem service to be important. Although secondary to production of timber and wood fiber, open space and scenic resources as a category is important to more than half the States (11 States) in the North Region, but recognized as an important tax program focus for less than one-third of the States in the South Region. Although the number of States in the Pacific Coast Region are few (five States), the focus of ecosystem service importance for property tax programs is not markedly different from other Regions in that production of timber and fiber products and the integrity and sustainability of forests dominate as important ecosystem service categories (five of five States for each category). Notably, four of five States within the Pacific Coast Region consider protection and supply of fish and wildlife as an important focus of their focused property tax programs.

Table 2—Ecosystem services promoted on private forest lands by State property tax incentives as specified in State law or administrative rules in the United States, by Region, importance, and emphasis, 2014

Major ecosystem service category	Region, importance, and emphasis placed on major ecosystem category ^a									
	North		South		Rocky Mountain		Pacific Coast		Total States	
	Imp.	Emph.	Imp.	Emph.	Imp.	Emph.	Imp.	Emph.	Imp.	Emph.
	<i>number of States</i>									
Integrity and sustainability of forests	11	4	3	1	7	3	5	1	26	9
Open space and scenic resources	11	3	4	1	3	0	3	0	21	4
Conservation of soils and wetlands	3	0	2	0	0	0	1	0	6	0
Production of timber and fiber products	19	12	12	11	11	9	5	4	47	36
Protection and supply of fish and wildlife	9	0	3	0	4	0	4	0	20	0
Protection and supply of water	5	1	4	0	2	0	2	0	13	1
Recreational uses and resource preservation	8	0	1	0	3	0	2	0	15	0

Imp. = Important; Emph. = Emphasized.

^aIndividual States may focus on more than one ecosystem service category.

Number of States in region: North: 20, South: 13, Rocky Mountain: 12, Pacific Coast: 5.

As for individual States, property tax programs consider an average of three different ecosystem service categories as an important focus, with Washington and Wisconsin focusing on six categories (app. tables A.1–A.4). Least diverse in terms of ecosystem service categories recognized by State law or administrative rule as being important are 10 States that direct attention to only a single category, namely Arizona, Arkansas, Iowa, Kentucky, Louisiana, Mississippi, Nebraska, North Carolina, South Carolina, and South Dakota. Very few States—only six—consider conservation of soils and wetlands to be an important focus of their property tax programs, with no State in the Rocky Mountain Region being so focused. The six State exceptions are Indiana, Massachusetts, and Ohio in the North Region; Georgia and Virginia in the South Region; and Alaska in the Pacific Coast Region.

Important to note is that certain ecosystem services were not cited by State law as a focus for preferential property tax reduction involving forests. Among ecosystem services currently recognized, the following were not cited by any State as services to be promoted or emphasized by property tax reduction focused on forests: food and nutrition products (other than fish and wildlife); biochemical and pharmaceutical supplies; decorative and ornamental products; quality air and atmosphere; carbon sequestration and storage; human disease prevention; plant and insect infestations; pollinator habitat and environment; and spiritual and religious interests (Millennium Ecosystem Assessment 2005). To a certain extent, lack of reference to these ecosystem services reflects the fact that existing property tax laws were established before such services were widely recognized as important. A good example is carbon sequestration to mitigate climate change, an ecosystem service that became widely acknowledged in the 1980s and 1990s, after most forest property tax programs were already in effect (U.S. Department of Agriculture 2012).

Emphasized ecosystem services—The language in property tax law focused on forests was also analyzed to determine which ecosystem services are to be *emphasized*. The analysis determined that while States may consider several ecosystem service categories to be important, certain categories are to be legally emphasized by property tax reduction programs. For example, Colorado considers four ecosystem service categories to be important (out of four possible), yet the language presented in Colorado law and administrative rules clearly indicates that from among the four important categories mentioned therein, the production and supply of timber is to be given special emphasis by the State's property tax program. Similarly, Maine considers five ecosystem categories to be important, yet the objectives and policies set forth in the

State's laws and rules compel a special emphasis on open space and scenic resources. Other examples of statutory language that define in noticeable detail the major, but not exclusive, ecosystem service category that is to be emphasized by a preferential property tax program are as follows:

- *Alabama*: “declared policy of the state to encourage reforestation of cutover lands and timber culture generally...,” “[focus on] all real property used for harvesting or for the growing and sale of timber and forest products...”
- *California*: “... [purpose is to] encourage the continued use of timberlands for the production of trees for timber products, and provide for restricting the use of timberland to the production of timber products...”
- *Connecticut*: “... [purpose is to] prevent the forced conversion of... forestland to more intensive uses as a result of economic pressures caused by the assessment of property tax values incompatible with the preservation of forestland...”
- *Indiana*: “[focus on][forest plantation] land growing a good stand of timber producing trees... at least 400 timber producing trees per acre of any size but well-established...,” “native forestland must contain 40 square feet of basal area per acre or 1,000 timber producing trees per acre...”
- *Louisiana*: “... [focus on] land stocked by forest trees of any size and species, or formerly having such tree cover within the last three years and not currently developed or being used for nonforest purposes, and devoted to the production, in reasonable commercial quantities, of timber and timber products, and timberland under a contract with a state or federal agency restricting its use for timber production...”
- *Maryland*: “... [purpose is to] prevent flooding of land and the loss of the State's soil...,” “... encourage the preservation or development of land for productive woodland purposes...,” “... provide wooded areas for the use and enjoyment of all individuals in the State...”
- *Minnesota*: “Promote sustainable forest resource management on the state's private forestlands...,” “healthy and robust forest land provides significant benefits...,” “encourage state's private forest landowners to make long-term commitment to sustainable forest management...”
- *Rhode Island*: “... [focus on] open space land and contiguous tracts of undeveloped land [that serves to enhance] land in its natural state and conserves forests, enhances wildlife habitat or protects ecosystem health...”

- *Washington*: "... state's policy to encourage forestry and restocking and reforestation of such forests so that present and future generations will enjoy the benefits which forest areas provide in enhancing water supply, in minimizing soil erosion, storm and flood damage to forests or property, in providing a habitat for wild game, in providing scenic and recreational spaces, in maintaining land areas whose forests contribute to the natural ecological equilibrium, and in providing employment and profits to its citizens and raw materials for products needed by everyone..."
- *West Virginia*: "[focus on] timberland meaning any real property not less than ten acres which is primarily forested and which has sufficient number of commercially valuable species of trees to constitute at least forty percent normal stocking well distributed over growing site..."
- *Wyoming*: "... [focus on] land being used for an agricultural purpose, including production of timber products..."

The assessment determined that the rankings of the frequency with which States are compelled to consider an ecosystem service *important* versus to be *emphasized* are very similar. The three ecosystem service categories with the largest number of States are dominated by both measures (table 2). In this respect, the assessment reinforced the notion that while State property tax laws may focus on a menu of ecosystem services to be promoted, they consistently focus on certain ecosystem services to be considered.

The absolute number of States aligned with important versus to be emphasized categories of ecosystem services changes dramatically for certain ecosystem service categories. For example, 47 States consider the production of timber and fiber products to be an important focus of their property tax programs, yet in only 36 of the 47 States is such an ecosystem service to be emphasized (table 2). Notably, the integrity and sustainability of forests as an ecosystem service category drops sharply from 26 States where the category is defined as important to only nine States where statute or administrative rule implies the category to be emphasized. Similarly, there were dramatic drops in the number of States aligned with important versus to be emphasized categories with the protection and supply of fish and wildlife (20 States have it as an important focus, no States consider it to be emphasized), open space and scenic resources (21 States have it as an important focus, four States to be emphasized), and recreation uses and resources preservation (15 States have it as an important focus, no States consider it to be emphasized). Changes in State-by-State patterns are consistent with the national pattern (app. tables A.1–A.4).

Program Structure and Administration

Preferential property tax classifications—Property tax programs are often structured to provide landowners with a variety of preferential tax classifications. Which classification is applicable is determined by criteria such as size and location of the parcel, type and condition of the resources occupying the parcel, and ability of the parcel to produce specific ecosystem services. In most cases, the land classification is given preferential tax treatment, the amount of which is determined by how important the classified property is to a program's interest in promoting certain ecosystem services. This interest is expressed by different (favored) tax rates and different property valuation and/or assessment standards applied by the taxing jurisdiction. Examples of State preferential property tax classifications that have implications for promoting ecosystem services involving forests are as follows (appendix C):

- *Arizona*: General Property Tax Classification
- *Arkansas*: General Property Tax Classification
- *Delaware*: Preservation Classification, Plantation Classification
- *Georgia*: Conservation Use Classification, Environmentally Sensitive Classification, Forestland Protection Classification
- *Idaho*: Forestlands and Products Classification
- *Maine*: Farmland Classification, Open Space Classification, Tree Growth Classification
- *Michigan*: Commercial Forest Program Classification, Qualified Forest Property Tax Classification
- *Nebraska*: Agriculture and Horticulture Classification
- *New Hampshire*: Forestland Classification, Conservation Restriction Classification
- *New Jersey*: Farmland Assessment Classification
- *New York*: Forestland Classification, Conservation Easement Classification
- *North Carolina*: Forestry Present Use Classification
- *Ohio*: Agricultural Use Classification, Forest Tax Law Classification
- *Oregon*: Forestland Classification, Small Tract Forestland Classification
- *Rhode Island*: Forestland Classification, Open Space Classification

- *South Carolina*: Agricultural Use Classification
- *Tennessee*: Forestland Classification, Open Space Classification
- *Texas*: Eligible Timberland Appraisal Classification, Ineligible Timberland Appraisal Classification, Restricted Use Timberland Classification
- *Utah*: Farmland Greenbelt Classification
- *Washington*: Designated Forestland Classification, Open Space Timber Classification
- *West Virginia*: Managed Timberland Classification, Timberland Classification
- *Wyoming*: Agricultural Rangeland Classification

The number of property tax classifications dedicated to promoting ecosystem services involving forests exceeds 80 nationwide, an average of slightly more than 1.6 classifications per State (table 3). The North Region has the most classifications per State (2.1), while in the Rocky Mountain Region all States except for Nevada (two

classifications) have only one classification. Nationwide 43 States have two or fewer classifications, while of the six States with three tax classifications each all are in the North or South Regions. Only one State (Massachusetts) has the four property tax classifications that involve forest resources. As for classifications grouped by major titles (e.g., Florida—Agricultural Land Classification, Utah—Greenbelt Classification), nearly three quarters (36 States) have titles suggesting a major interest in timberland and forest products, forest and woodland, or open space and conservation.

Preferential classifications can also be grouped by similarities in the actual or inferred titles (or labels) assigned to a classification (table 4). Doing so provides some indication of what a classification is attempting to promote, although such does not necessarily identify an ecosystem service (e.g., production of timber and fiber products as an ecosystem service may, or may not, be the focus of a classification labeled “agriculture and horticulture”). With this qualification in mind, when grouping the 82 classification titles into six different categories, the forest and woodland, timberland and forest

Table 3—Number of preferential property tax land use classifications focused on private forest land per State in the United States, by Region, 2014

Region	Tax classifications				Total States	Total classifications
	One classification	Two classifications	Three classifications	Four classifications		
	number of States					
North	4	11	4	1	20	42
South	9	2	2	0	13	19
Rocky Mountain	11	1	0	0	12	13
Pacific Coast	2	3	0	0	5	8
Total	26	17	6	1	50	82

Source: Appendix C.

Table 4—Preferential property tax land use classifications focused on private forest land in the United States, by classification title and Region, 2014

Region	Classification categories						Total classifications
	Timberland and forest products	Agriculture and farmland	Open space and conservation	Forest and woodland	General ad valorem	Other categories	
	number of classification titles						
North	10	4	13	12	0	3	42
South	6	3	1	4	2	3	19
Rocky Mountain	2	7	1	2	1	0	13
Pacific Coast	3	0	0	3	2	0	8
Total	21	14	15	21	5	6	82

Source: Appendix C.

products, and open space and conservation categories account for nearly 70 percent of the total. Regionally, the North has the highest proportion—31 percent—of its classification categories with titles labeled open space and conservation, while the South has the largest proportion—32 percent—labeled timberland and forest products. This corresponds to the fact that the North has the highest proportion of States that include open space and scenic resources as important and emphasized ecosystem services, and the South has the highest proportion of States that emphasize production of timber and fiber products as an ecosystem service (see section on Ecosystem Services Promoted on page 6). In the Rocky Mountain Region, agriculture and farmland dominates as a classification label, while in the Pacific Coast Region the timberland and forest products and the forest and woodland classification categories are equal in frequency.

Eligibility criteria and administrative procedures—

Property tax programs are grounded in a variety of criteria and administrative procedures that give them the structure necessary to be applied uniformly, while at the same time promoting various ecosystem services. As set forth in State laws and administrative rules, these criteria and administrative procedures range from when and how landowners apply for preferential tax treatment, the various conditions that landowners or their property must meet in order to be eligible for special tax treatments, and the need for evidence of landowner commitment to the standards required for continued eligibility, to the assignment of penalties for failure to meet such standards including penalties for failure to fully implement an agreed-to management plan or to keep the property in a land use required by the assigned property tax classification. A synopsis of these statutory and rule-based criteria and procedures is provided below and in table 5 and app. table A.5 (note: rules and procedures established by a taxing jurisdiction within the framework of State law and administrative rule are not included).

Ownership and use of parcel—State law and administrative rules often set forth minimum standards for ownership and land use which must be met for a parcel to be eligible for preferential tax treatment (table 5). However, nationally only 11 States explicitly specify eligible ownership categories (e.g., partnerships, foundations, corporations), the presumption being that private property owners are the exclusive focus of property tax programs. More common is the granting of property tax exemptions for certain individuals and organizations (e.g., veterans, nonprofit organizations). As for land uses, all States make explicit land use requirements for receiving preferential tax classification, namely forest-based uses that range from timber production to wildlife

habitat and from scenic landscapes to the production of maple syrup. Thirty States also specifically identify uses that are unacceptable for preferential treatment, including residential dwellings, agricultural crops, and ornamental nurseries. As for public access for recreational use as a condition of eligibility, only 15 States address the subject directly as being required, not required, or conditional. A significant portion of States nationally (30) make special provisions for unique or special forest resource conditions such as certain wildlife habitat, scenic landscapes, and circumstances in which forest resources can contribute to open space interests. Regional patterns requiring consideration of ownership type are similar to the national pattern, namely that relatively few States have such requirements (app. table A.5).

Size of single separate and multiple contiguous parcels—

Parcel size as a condition of eligibility for preferential tax treatment tends to focus on multiple contiguous parcels of forest land (table 5). Nationwide, more than two-thirds of all States specify a minimum or maximum area for a combination of parcels considered in close proximity, namely adjacent or connected in some fashion. Very few States (six) specify minimum or maximum sizes for a single parcel of land; even fewer (three) have no limitations on parcel size. The latter condition is primarily associated with parcels that involve conservation easements and open space conditions. Requirements of parcel size at the regional level deviate somewhat from national patterns (app. table A.5). Minimum or maximum area for a combination of contiguous parcels is most common in the North and Pacific Coast Regions.

Forest conditions and location of parcel—As a condition for preferential tax treatment, participants in a preferential tax program must often demonstrate that a parcel of land is occupied by trees having certain characteristics and/or growing conditions (table 5). Nationwide, almost half the States (22) specify forest type and composition standards while a similar number (23) require evidence of a parcel's ability to produce timber or wood fiber at a certain minimum level. The forest composition standards generally involve specification of acceptable tree species, number of trees per acre, or tree sizes of a given diameter or larger, while timber production capability is specified in terms of cubic feet per acre per year. Very few States require demonstration of an acceptable location as a requirement for preferential tax treatment. Only seven of 50 States exclude a parcel because of its topographic features (e.g., tidal marsh, wetlands, high elevation, unstable or rocky soils); even fewer States (six) establish standards for ease of access to a parcel (e.g., proximity to roads and trails).

Table 5—Resource and management eligibility criteria and administrative procedures for preferential property tax classification for private forest land in the United States, 2014

Conditions used to determine eligibility for a preferential tax classification	Condition explicitly stated or implied by State law or administrative rule ^a	
	States	Percent
<i>Ownership and use of parcel</i>		
Ownership type (individual, partnership, corporation, foundation)	11	22
Tax exempt status (nonprofit organizations, veterans and dependents)	18	36
Use of forest land (specifically designated):		
• Acceptable uses (timber production, wildlife habitat, scenic landscapes, open space, maple syrup, natural Christmas trees)	50	100
• Unacceptable land uses (residential dwellings, ornamental nurseries, agricultural crops, forage and grazing)	30	60
Special resource and land use conditions:		
• Public access for recreation activities (required, not required, conditional)	15	30
• Provisions for special resources (water, wildlife, fisheries, scenic landscapes, open space)	30	60
<i>Size of single separate and multiple contiguous parcels</i>		
Single separate parcel (minimum, maximum acreage)	6	12
Multiple contiguous parcels (minimum, maximum acreage)	34	68
Single or multiple parcels of any size (easements, open space)	3	6
<i>Forest conditions and location of parcel</i>		
Forest type and composition (number of trees, sizes and species of trees)	22	44
Timber and wood fiber production capability	23	46
Location and accessibility (roads and trails, isolated and remote)	6	12
Topography and landscape conditions (tidal marshes, wetlands, unstable, rocky, high elevation)	7	14
Uniqueness among regional landscapes (distinct character and features)	1	2
<i>Evidence of preferred managerial actions</i>		
Application of sustainable forestry practices (best management practices)	10	20
Conformity with State environmental and forest practice regulatory standards	5	10
Enrollment in State or Federal conservation program (cost-share, land retirement, designated easement)	8	16
<i>Application, evaluation, and legal recording</i>		
Agency receiving application (county assessor, state forester, revenue agency, natural resource agency, authorized private agency)	50	100
Documents accompanying application (certificate of ownership, parcel location and description, plan for parcel's use and management)	23	46
Agency review and evaluation (general overview, second-party consultation, onsite inspection)	19	38
Legal recording of approved tax classification:		
• Local government (county assessor, county auditor)	48	96
• State government (revenue agency, natural resource agency)	7	14
<i>Commitment to preferential tax classification</i>		
Termination of preferential tax treatment:		
• Discretion of landowner	12	24
• Occurrence of disqualifying conditions	11	22
Length of commitment to tax classification:		
• Indefinite (open-ended, automatic continuous renewal)	21	42
• Specified period of time (one or more years)	21	42
• Special conditions (ownership change, land use change)	8	16
Agency authority to legally enforce agreed-to conditions	1	2

(continued)

Table 5 (continued)—Resource and management eligibility criteria and administrative procedures for preferential property tax classification for private forest land in the United States, 2014

Conditions used to determine eligibility for a preferential tax classification	Condition explicitly stated or implied by State law or administrative rule ^a	
	States	Percent
Compliance with requirements of preferential tax classification		
Agency (State) program-wide reviews (summary of participation rates, compliance with rules, consistency among governments, estimates of fiscal impacts)	8	16
Agency (local, State) onsite inspections:		
• Authority to enter private land	26	52
• Inspection schedules (initial, renewal, periodic, specified interval)	31	62
• Optional elective inspections	4	8
Landowner-initiated reports (documented affirmation of consistency with requirements of tax classification and forest management plan)	10	20
Penalties for unauthorized withdrawal from preferential tax classification		
Penalties not imposed	6	12
Penalties waived for transfers between eligible classifications	1	2
Types of penalty:		
• Forfeiture of preferential tax classification	32	64
• Retroactive payment of taxes (rollback tax)	36	72
• Fixed amount, interest payment(s)	23	46

^aCondition clearly stated or convincingly understood to be the case. In some States, law or rule may make no reference (not specified) to certain conditions of eligibility and therefore do not appear in the table (not specified). Although a State may have multiple tax classifications with many prerequisite conditions, recorded only once for a State is the occurrence of a specific condition (for example, in a single State “authorized to enter private property” may occur multiple times as a condition for various classifications yet is recorded here as occurring only once in a State.)

Source: Appendix tables E.1–E.50.

Regionally, forest condition and location requirements for preferential tax treatment are relatively common in the North and in the Pacific Coast Regions (app. table A.5). Requirements for a parcel meeting certain standards for timber production are more common in the South, Rocky Mountain and Pacific Coast Regions, whereas fewer States in the North Region have such requirements. Few States impose parcel accessibility requirements. Oregon is the only State that gives preference to participants whose property will enhance forest ecosystem uniqueness among different regional landscapes.

Evidence of preferred managerial actions—The granting of preferential tax treatment may require evidence that the parcel in question and the resources thereon have been (or are being) subject to managerial actions (e.g., land management practices) considered evidence of a participant’s intent to provide certain ecosystem services. Such management actions might include the application of sustainable forestry practices as called for in a forest certification program, conformity with the rules and regulations established by a State’s environmental and forest practices regulatory law, or enrollment in a State or Federal conservation program (cost share, land retirement,

designated easement). Nationwide, only a very modest number of States require such evidence (table 5). For each of the aforementioned management categories, 10 or fewer States require such evidence. Regionally, only in the North does evidence of managerial actions occur among States with any frequency (app. table A.5). In the South, evidence of enrollment in a Federal or State conservation program as a condition for preferential tax treatment occurs in a modest number of States (4 of 13 States).

Application, evaluation, and legal recording—

Landowners seeking preferential property tax treatment for a forested parcel for the first time must apply to a local or State government authority (renewal of enrollment status is automatic in some States). Nationwide, all 50 States require that the application be made to authorities such as the county assessor, State forester, State revenue agency, or an authorized private organization (e.g., a foundation administering an open space program) (table 5). The laws and rules in nearly half the States (23 of 50) specify that certain documentation accompany the application such as a certificate of ownership, parcel’s location and description, and a plan for the parcel’s use and management. Upon receipt of the application and

accompanying documentation, the taxing jurisdiction proceeds to review and evaluate the application. State law or administrative rule in only 19 States specifies how such reviews and evaluations are to be conducted. In those States, the reviews may entail a perfunctory general overview of an application, consultation with a second party (State agency review at request of local jurisdiction), or an onsite inspection of the parcel by the governing agency (often to be accompanied by the landowner). If an application for preferential property tax treatment is approved, the tax classification is—in 48 of 50 States—legally recorded by a local government agency (e.g., county assessor, county auditor, county register of deeds) and in some cases by a State government agency (e.g., natural resources agency, tax or revenue agency).

Regional patterns for application, evaluation, and recording of preferential tax treatments deviate only modestly from the nationwide picture (app. table A.5). The North dominates in terms of specifying the nature of documents that must accompany an application for a parcel's preferential tax treatment and in legally stated requirements for review of an application, while in the South and Rocky Mountain Regions these requirements are modest. Except for the Pacific Coast Region, all States in other Regions require that the preferential tax classification assigned to a parcel be legally filed with a local government entity.

Commitment to preferential tax classification—

Participant commitment to a preferential tax classification is assumed by the taxing jurisdiction that grants such a preference. However, State laws and administrative rules in 12 States permit a landowner to freely withdraw from the preferential classification at any time, although doing so may result in a monetary penalty (table 5). Dissolution of a preferential tax agreement can also occur because of a disqualifying event. Regarding the latter, laws in 11 States require that a land parcel be removed from preferential tax treatment if a participant fails to report a change from a qualifying to a non-qualifying land use (e.g., open space to residential or commercial use), fails to satisfactorily implement a required forest management plan, or fails to comply with a State's forest practice rules requiring advance notification of a timber harvest.

The period to which a landowner must commit a parcel of land to a preferential tax classification can range from a legally specified number of years (21 States) to an indefinite open-ended period involving automatic continuous renewal by a taxing jurisdiction (also 21 States) (table 5). Legal requirements in eight States set forth special provisions whereby a change in ownership or a change in land use may allow continuation of preferential tax treatment. Such provisions include ownership changes

wherein the new owner agrees to abide by requirements being applied to the parcel of the current owner, or a change in land use from one preferential classification to another qualified classification (for example, from a forest land classification to an open space classification).

Regional differences in patterns of commitment to a preferential tax classification are modest with a few exceptions (app. table A.5). The South and Rocky Mountain Regions are notable in that a relatively high portion of their States allow automatic or continuous assignment of a parcel to a preferential tax classification, but few States in these Regions have law or rule statements addressing the termination of a favored tax rate. In the South Region, only one State addresses disqualifying conditions as grounds for termination and in the Rocky Mountain Region only two States address landowner discretion as a basis for termination. Half the States in the North Region require a specified time commitment (one or more years) to a preferential tax classification, while two-thirds of States in the Rocky Mountain Region have similar requirements.

Compliance with requirements of preferential tax classification—

Ensuring that the requirements of a preferential property tax classification are being met may entail a variety of actions by a taxing jurisdiction (table 5). In eight States, nationwide, laws and rules require program-wide reviews by a State agency/agencies. Such reviews usually involve analyses and subsequent preparation of reports that summarize overall participation rates, compliance with procedures and program requirements, consistency among governments, and estimates of fiscal impacts on government programs generally. In addition to government-initiated reports, 10 States require participants to annually (or periodically) submit to the proper taxing jurisdiction documented evidence (affirmation) of consistency with requirements of a preferential tax classification and with a forest management plan (if required). To further ensure compliance with a preferential tax classification, taxing jurisdictions may conduct onsite inspections of an enrolled or to-be-enrolled parcel. Nationwide, more than half of States (26) have laws and rules granting government agencies the authority to enter private land for such purposes; 16 of these state a specific time when such inspections are to occur (e.g., upon initial application, at time of renewal, at specified intervals). In very few States (four States) are onsite inspections viewed as a means of ensuring compliance with the requirements of a tax classification. In the latter case, the production of wood products may be the only ecosystem service whose promotion on preferentially tax-treated forest land is verified.

Program-wide reviews of preferential property tax programs are most common among States in the North Region (six States of 20), although such reviews are not called for by the laws and rules of any State in the South or Pacific Coast Regions (app. table A.5). All the relevant taxing jurisdictions in the Pacific Coast Region have authority to enter private land for purposes of making onsite compliance inspections, while four of the Region's five States have laws or rules that schedule when such inspection are to occur. As in the Pacific Coast Region, the North has a similarly high proportion of States with laws and rules that allow representatives of government agencies to enter private land (10 States of 20). The North Region has a similarly high proportion of States (18 of 20) that are authorized to set the scheduling of such inspections. In the South Region, only three States specifically authorize access to private land by government agencies, yet in more than half the States the inspections are authorized, presumably with the voluntary agreement of a landowner.

Penalties for unauthorized withdrawal from preferential tax classification—A participant's unauthorized withdrawal from a preferential tax classification may result in the imposition of certain penalties. Nationwide, taxing jurisdictions in nearly two-thirds of the States (32) are authorized by law or administrative rule to cancel eligibility of favored property tax treatment (table 5). In most cases (36 States), cancellation of eligibility is accompanied by mandatory retroactive payment of taxes (rollback tax or retroactive tax) which is usually equal to the amount by which taxes were reduced over the years during which a parcel received favorable tax classification (an upper limit on years is usually specified). Although a retroactive payment is common, nearly half the States (23 States) impose a fixed dollar amount as a penalty or require payment of interest on the amount of money forgone by a taxing jurisdiction. In some States, a parcel's preferential classification simply reverts to a non-preferential classification with no penalty imposed (e.g., Kentucky, Mississippi, North Dakota), while in six States law and administrative rule are silent on the need for penalties (e.g., Alaska, Arkansas, Kansas, Montana, Nebraska).

A regional perspective indicates that States have ample authority to impose penalties for noncompliance with provisions of the tax program and/or remove the forest land from a preferential tax classification. Of the five States in the Pacific Coast Region, four are authorized by law to impose rollback taxes, while in the North Region 16 of 20 States may levy a similar penalty (appendix D).

Management plan requirements—A forest management plan is often a precondition for enrollment in a preferential property tax classification focused on promoting ecosystem services (plans are identified by many labels, including sustainable forestry plan, multiple-use plan, forest stewardship plan, open space plan). The intent of a plan is to give a landowner a sense of direction considered necessary for continued preferential tax treatment of a forested parcel, and to give a taxing jurisdiction a measure against which to judge if continuation of the favored tax treatment is in the public's best interest. Although a forest management plan is not legally required in many States, requirements for a plan are often referred to by State law or administrative rule as a condition for the granting of, or continuation of, favored property tax treatment. Examples of forest management plan requirements associated with preferential property tax programs are as follows:

- *Illinois*: Forest management plan is required, but plan need not be prepared by a professional forester; plan must be approved by State's Department of Natural Resources.
- *Maine*: Landowner must comply with a required forest management plan and every 10 years submit a sworn statement from a licensed professional forester that the parcel follows the plan. Once every 10 years and for parcels larger than 10 acres, a landowner is eligible for a \$200 State income tax credit for the cost of preparing a forest management plan.
- *Minnesota*: Required forest management plan must be in accord with harvest and management guidelines established by the Minnesota Forest Resources Council.
- *Missouri*: Preparer of required plan must demonstrate experience and ability to prepare the plan; State forester must approve the plan.
- *New Hampshire*: Considered eligible as an alternative to a required forest management plan is parcel's certification of conformance with standards of the New Hampshire Tree Farm Committee or standards set forth by the Sustainable Forestry Initiative (SFI) or the Forest Stewardship Council (FSC).
- *New York*: Required plan must be prepared by a graduate of a school of forestry recognized by the Society of American Foresters, or by a person possessing equivalent qualifications.
- *North Dakota*: Forest management plan is not required but may be adopted and implemented at the discretion of a landowner.
- *Ohio*: County has the option to require development and implementation of a forest management plan.

- *Pennsylvania*: At county assessor discretion, application for preferential classification may require supporting evidence (timber productivity of parcel) and supporting documents (conservation plan, forestry management plan).
- *Utah*: Plan is not required, although existence of a harvest or a forest management plan may be used as evidence that the parcel being considered for favored tax treatment is forest land.
- *West Virginia*: Required plan is to be prepared by a professional forester or a landowner attesting to an understanding of sound principles of forest management.
- *Washington*: Required plan is to be prepared by a professional forester or by any person with adequate knowledge of timber management practices.

More than half the States nationwide (26) specify in law or rule that a forest management plan is a prerequisite for a favored tax classification (table 6). In these States, a management plan may be required upon application for favorable tax treatment or may be required after the granting of such treatment. In seven States a management plan is considered optional, or is prepared by a government agency at the request of a landowner. A landowner may propose an alternative arrangement as a substitute for a plan, including a parcel's certification by a nationally recognized certification program or a plan required by a State's forest practice regulatory rules. Only three States nationwide authorize acceptance of such alternatives.

The content and scope of a forest management plan is defined by law or administrative rule in 17 States, among which notable requirements are specification of

Table 6—Management plan and timber harvest notification as conditions of eligibility for preferential property tax classification for private forest land in the United States, 2014

Management plan and timber harvest notification as conditions applied to determine eligibility for preferential tax classification	Condition explicitly stated or implied by State law or administrative rule ^a	
	States	Percent
Management Plan as Condition of Enrollment		
Required (upon application, subsequent approval)	26	52
Optional (discretionary, request of landowner)	7	14
Acceptable alternative (conservation easement, plan required by regulatory rules, certified by recognized certification program)	3	6
Content and scope (management goals, forestry prescriptions, harvest schedule)	17	34
Duration and updating (periodic, specified years, time of renewal of eligibility)	22	44
Implementation (affirmation by landowner, general agency oversight, onsite inspections)	23	46
Qualification of Preparer or Approver of Required Plan		
Preparer or Producer of Management Plan:		
• Landowner or Experienced Manager (life knowledge, proficiency through experience)	6	12
• Forest Resource Professional (public or private, licensed or certified)	26	52
Approval of Management Plan:		
• Public Official (professional, licensed or certified, State or local)	16	32
• Private Official (delegated agency authority)	4	8
Timber Harvest Notification		
Agency-required approval and supervision (local, State)	14	28
Unique resource conditions (high elevations, sensitive wildlife habitat, scenic landscapes)	1	2
Public Agency Notification Required by:		
• Management Plan (timing, amount, methods)	7	14
• Forest Practice Regulatory Rules (timing, amount, methods)	7	14
Harvest by Qualified Timber Harvester (certified, accredited, licensed)	7	14

^a Condition clearly stated or convincingly understood to be the case. In some States, law or rule may make no reference (not specified) to a requirement for a plan or timber harvest notification and therefore do not appear in the table (not specified). Although a State may have multiple tax classifications, each with a requirement for a management plan and harvest notification, the occurrence of these conditions is recorded only once for a State.

Source: Appendix tables E.1–E.50.

management goals and objectives, documentation of forestry prescriptions to be applied, and a schedule of when and where various management activities are to be undertaken, including a timetable for the harvest of timber and how it will be accomplished (table 6). As for implementation of a management plan, 23 States are guided by legal requirements, including a landowner's affirmation that a plan is being implemented, an agency's periodic onsite inspections to determine on-the-ground consistency with a plan's intent, or vague and general oversight by a taxing jurisdiction. Nationwide, nearly half (22 States) are authorized to set time limits on how long a forest management plan can remain in effect. Limits on the duration of a forest management plan may include a specification of a certain number of years, an abstract notion of a periodic need for updating, or a requirement for a plan revision at the time a request is made for a parcel's continued eligibility for preferential tax treatment.

The way a forest management plan is developed and the processes used to secure its careful review can be crucial to a plan's relevance and successful implementation. Nationwide, law or rule in more than half of the States (26 States) requires that a plan be prepared by a forest resource professional affiliated with either a public or private organization (table 6). The professional must be registered or possess certified credentials in some States, although in six States the preparer of a plan may be the landowner or a manager experienced with the preparation of forest management plans (lifelong knowledge or proficiency gained through experience). As for approval of a plan, nearly one third of States (16 States) have laws or rules specifying that the approver must be a public official (State or local).

Preferential property tax treatment in nearly all property tax jurisdictions in the Pacific Coast Region (four of five States) has laws or rules requiring an up-to-date forest management plan, specification of how such a plan is to be implemented, and the use of a forest resource professional qualified to prepare forest management plans (app. table A.6). In the North Region, such requirements are followed by a similarly high proportion of States: 16 of 20 States require a plan, 15 of 20 States require plan implementation, and 11 of 20 States require a qualified professional to prepare the plan. Only a small number of States in the Rocky Mountain and South Regions have laws requiring a management plan as a condition for preferential property tax rates (e.g., Colorado, Idaho, North Carolina, Tennessee, Virginia).

Timber harvest notification—Laws and rules in some States require that State and local taxing jurisdictions be notified of a participant's intent to harvest timber on forest land given preferential tax treatment. Such is the case in 14 States nationwide (table 6). The timing of the notification may be prompted by the content of a management plan or by notification requirements of a State's forest practices regulatory program. However other States may require notification of timber harvest through other laws or regulations not related to property tax treatment; for instance, Virginia requires loggers to notify the Virginia Department of Forestry within three days of commencing a commercial harvest operation on any tract regardless of its qualification for preferential property tax treatment. Only noted are those States for which notification is a condition of preferential tax. Additionally, seven States require that a timber harvest on preferentially treated forest land be carried out by a certified, accredited or licensed timber harvester. Regionally, more than half the States in the North (11 States of 20) require advance notification of intent to harvest timber. In the Pacific Coast Region four of five States require harvest by a licensed timber harvester, and four of five States require notification of harvest intentions by both a management plan and by rules embodied in their forest practice regulatory programs (app. table A.6). None of the States in the South Region have laws or rules requiring notice of intent to harvest timber as a condition of preferential tax treatment.

Organizations Engaged in Program Implementation

Preferential property tax programs focused on forest resources often require the administrative engagement of multiple agencies at various levels of government (local, State, regional, and national). Such agencies can include local tax assessor and appeals offices of local government; State boards, councils, departments, and court systems of State government; and federal resource agencies (Ellefson and others 2002, 2003) (see examples in appendix D).

National and regional perspective—Viewed from a national perspective, an average of 5.4 agencies per State are engaged in the administration of property tax programs that have implications for the use and management of forests (table 7 and app. A.7; appendix D). The regional distribution of agencies is as follows: North—5.0 agencies per State (100 total agencies), South—5.3 agencies per State (67 total), Rocky Mountain—5.7 agencies per State (68 total), and Pacific Coast—6.0 agencies per State (34 total)

Table 7—Government organizations engaged in managerial or supporting roles in the administration of preferential property tax classifications for private forest land in the United States, 2014

Government agencies and offices engaged in property tax program administration focused on forests	Government organization explicitly identified by State law or administrative rule ^a	
	States	Percent
Property tax administrative offices:		
• Assessor, Appraiser, Examiner, Auditor	50	100
• Recorder of Documents	8	16
• Appeals and Equalization	15	30
Planning and development offices (board, commission)	2	4
Other offices (treasurer, board of commissioners)	12	24
Advisory committees and boards (citizen, resource, land use)	15	30
Boards, councils, commissions, offices and committees:		
• Real Estate Appraiser Boards	4	8
• Tax Review, Appeals and Equalization Boards	14	28
• Forestry Boards and Commissions	13	26
• Tax Program Implementation Commissions	5	10
• State Forest Service and Offices of State Forester	8	16
• Stewardship and Conservation Committees	5	10
• Other councils and commissions (development, property valuation, public service)	6	12
Departments		
• Agriculture Department		
◦ Forestry Division	7	14
◦ Other Divisions (conservation, wetlands)	6	12
• Natural Resources Department		
◦ Forestry Division	20	40
◦ Other Divisions (recreation, State lands)	0	0
• Environment Department		
◦ Forestry Division	4	8
◦ Other Divisions (parks, water, land use)	2	4
• Fisheries and Wildlife Department	2	4
• Forestry and Forest Resource Department	3	6
• Commerce Department (economic development)	2	4
• Finance and Revenue Department (treasury, taxation, revenue)	39	78
• Assessment and Valuation Department	2	4
• Local government services department (finance, assistance)	2	4
Comptroller of Public Accounts and Disbursements	2	4
Colleges and Universities	4	8
Other government organizations (courts, commissions, departments, offices)	4	8
U.S. Department of Agriculture		
• Extension Service	1	2
• Forest Service	2	4
• Natural Resources Conservation Service	7	14
Private organizations (foundations, lending agencies)	1	2

^a Agency clearly stated or convincingly understood to be the case. In some States, law or rule may make no reference (not specified) to administering agency and therefore do not appear in the table. Although a State may have multiple tax classifications each administered by the same agency or type of agency, the occurrence of the agency or office is recorded only once for a State. Source: Appendix tables E.1-E.50.

(app. table A.7). Frequency of agencies per State ranges from three in Kansas to nine in California. Federal agencies focus almost exclusively on providing various types of information that are supportive of State and local government efforts to implement tax programs (e.g., soil productivity measures, timber product prices, general patterns of land ownership). In this respect, seven States (four in the South Region, two in the Rocky Mountain Region) are recognized as seeking the services of the Natural Resources Conservation Service, and two use services offered by the Forest Service (both agencies in the U.S. Department of Agriculture).

State and local organization—At the State and local government levels, the most frequent types of agencies engaged in property tax program administration are the property tax offices of local governments (table 7 and app. table A.7). In all 50 States, such offices, variously titled assessor, appraiser, examiner, or auditor, are so involved. Also important but of lesser frequency are local offices of appeals and equalization (15 States), namely offices where landowners can seek relief from property tax decisions they consider unfair. Advisory committees are also frequent in their appearance in local or statewide role in property tax administration (15 States). Also notable are a variety of stand-alone statewide entities known by various names such as boards, councils, commissions, and offices. Most common among this group are tax review, appeals and equalization boards (14 States), and forestry boards and commissions (13 States). Examples of the latter are the Georgia Forestry Commission and the California Board of Forestry and Fire Protection. Independent State forest services and offices of the State Forest Service are modestly represented (only eight States, examples of which are the North Dakota State Forest Service and the Texas A&M Forest Service).

State executive-level departments are important players in the administration of property tax programs focused on forests (table 7 and app. table A.7). Nine department-level entities are known to be so involved, including departments of agriculture, natural resources, commerce, fisheries and wildlife, and finance and revenue. Finance and revenue departments are especially significant in that they are engaged in property tax administration in 39 States nationwide. Within some departments, certain divisions have both resource management and property tax administration responsibilities. For example, in 20 States divisions of forestry within departments of natural resources are so involved. Such a forestry representation regarding property taxes at the divisional level also exists in other departments, notably seven States with forestry division property tax responsibilities that occur within departments of agriculture and four forestry divisions that are in departments of the environment where they engage in property tax matters involving forests. In three States, stand-alone forestry or forest resource departments are involved in property tax program implementation (examples are the Oregon Department of Forestry and the Virginia Department of Forestry).

Participation and Financial Benefits

Program participation—Property tax programs that promote ecosystem services on private forest lands enrolled nearly 210 million acres of land nationwide in 2014 (table 8, fig. 2). Enrollment ranged from 33,000 acres in Delaware to nearly 36 million acres in Alaska, with an average State enrollment of nearly 420,000 acres. Six property tax programs had at least 10 million forest acres enrolled, all but one of which were in the South Region. As for nationwide participation in preferential property

Table 8—Enrollment and annual property tax benefit associated with State property tax programs promoting ecosystem services from private forest land in the United States, by Region, 2014

Region	Number of participants	Area enrolled <i>acres</i>	Average annual tax benefit <i>\$ per acre</i>	Total annual benefit <i>\$ for region</i>
North	831,214	32,517,096	15.14	492,328,789
South	1,817,730	112,010,500	7.76	869,453,436
Rocky Mountain	285,830	12,228,447	7.94	97,062,230
Pacific Coast	919,304	53,087,856	2.89	153,605,485
National	3,854,078	209,843,899	7.68	1,612,449,940

Source: Tables 9–12

In certain regions, States were excluded because information was not available.

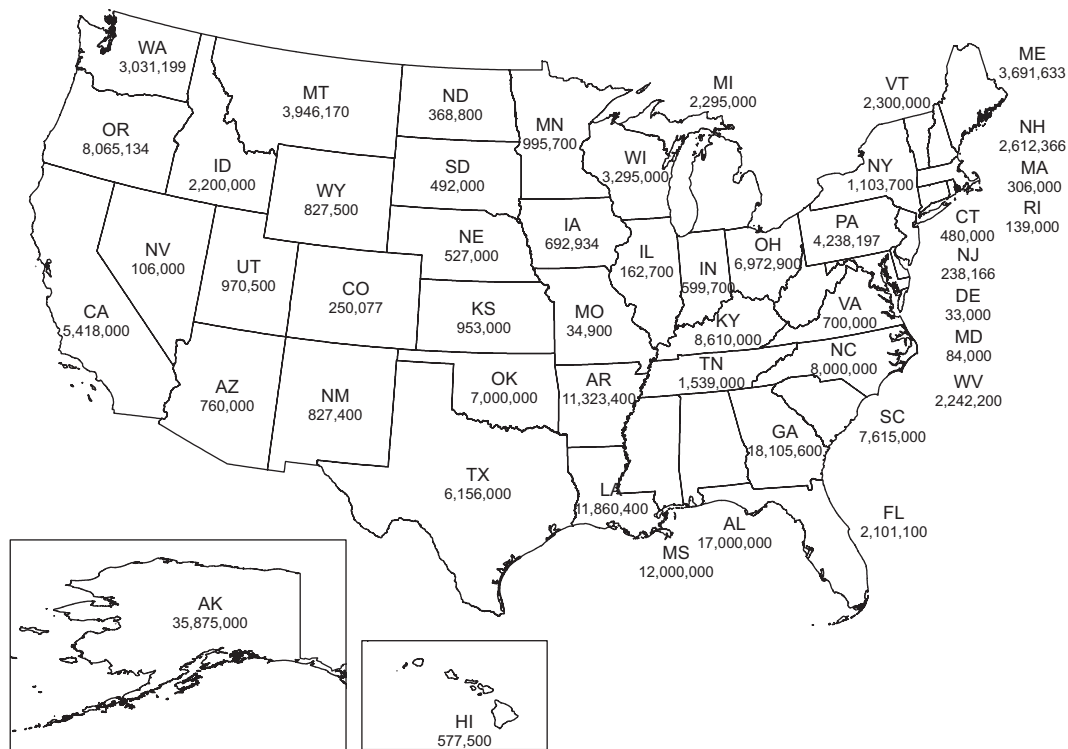


Figure 2—Forest land area (acres) enrolled in State property tax programs promoting ecosystem services from private forest land in the United States, by State, 2014.

tax programs, an estimated 3.85 million participants were so engaged in 2014 (table 8, fig. 3). Rates of State participation ranged from 400 in Delaware to over 413,000 in Arkansas. Averaged nationwide, the participation rate was over 77,000 per State.

Program financial benefits—Participants in preferential property tax programs focused on private forests in 2014 collectively received an estimated \$1.61 billion in property tax reduction intended for the promotion of ecosystem services (table 8, fig. 4). Nationwide, the acre-weighted average annual reduction was \$7.68 per acre, although in some cases exceeding \$60 per acre (Kansas). Sixteen programs provided more than \$10 per acre in annual tax reduction (e.g., Indiana, Mississippi, California), while 18 programs provided less than \$3 per acre in tax reduction (e.g., Maine, Louisiana, Wyoming). These large differences among States may occur for various reasons, including differences in land value, taxable value, and mill rates applied. For example, although Oklahoma and Kansas are bordering States and share similar forest and forest landowner characteristics, the estimated average benefit of Kansas's preferential tax program is \$60.28 per acre while Oklahoma's is \$1.34 per acre (app. tables E.29 and E.37). The difference is explained by the assumed

use-assessed value of the land enrolled in each State's preferential tax program. Oklahoma's program reduces land value by \$137 per acre (from \$1,609 to \$1,472), while Kansas reduces land value by \$1,538 per acre (from \$1,700 to \$162). Furthermore, the taxable value of land in Oklahoma ranges from 11 percent to 13.5 percent, whereas in Kansas the established rate is 30 percent, making the difference between enrolling and not enrolling even larger.

North Region—Twenty-five property tax programs recognize the production of ecosystem services generated by private forests in the 20 States within the North Region (see app. tables E.1–E.20). Five states offer two property tax programs each for such purposes (Massachusetts, Michigan, Minnesota, Ohio, and Wisconsin). In 2014, an estimated 32.5 million acres were enrolled in the Region's preferential tax programs, with the area enrolled per State ranging from 33,000 acres (Delaware) to 7 million acres (Ohio) (table 9). The Region's programs engaged as few as 400 participants (Delaware) to over 405,700 participants (Ohio). Annual property tax reduction provided by the Region's preferential tax programs averaged slightly more than \$15 per acre per year, with one of Ohio's programs, current agricultural use value (CAUV), providing reduction of nearly \$36 per acre per year (fig. 5).

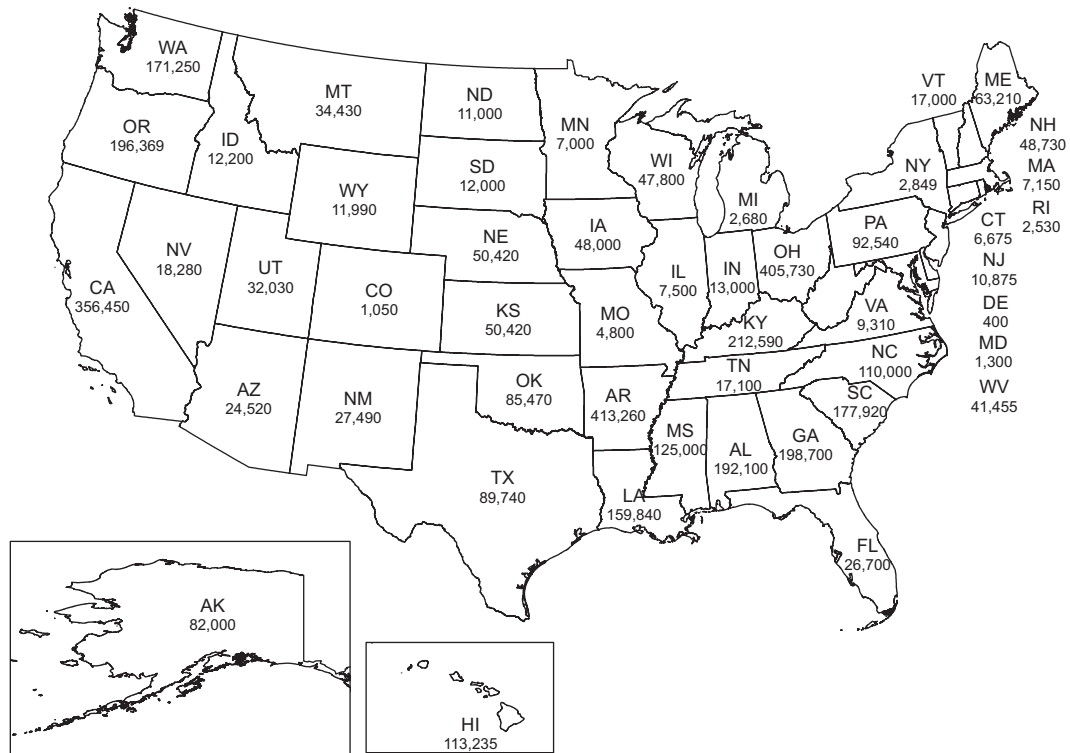


Figure 3—Participants in State property tax programs promoting ecosystem services from private forest land in the United States, by State, 2014.

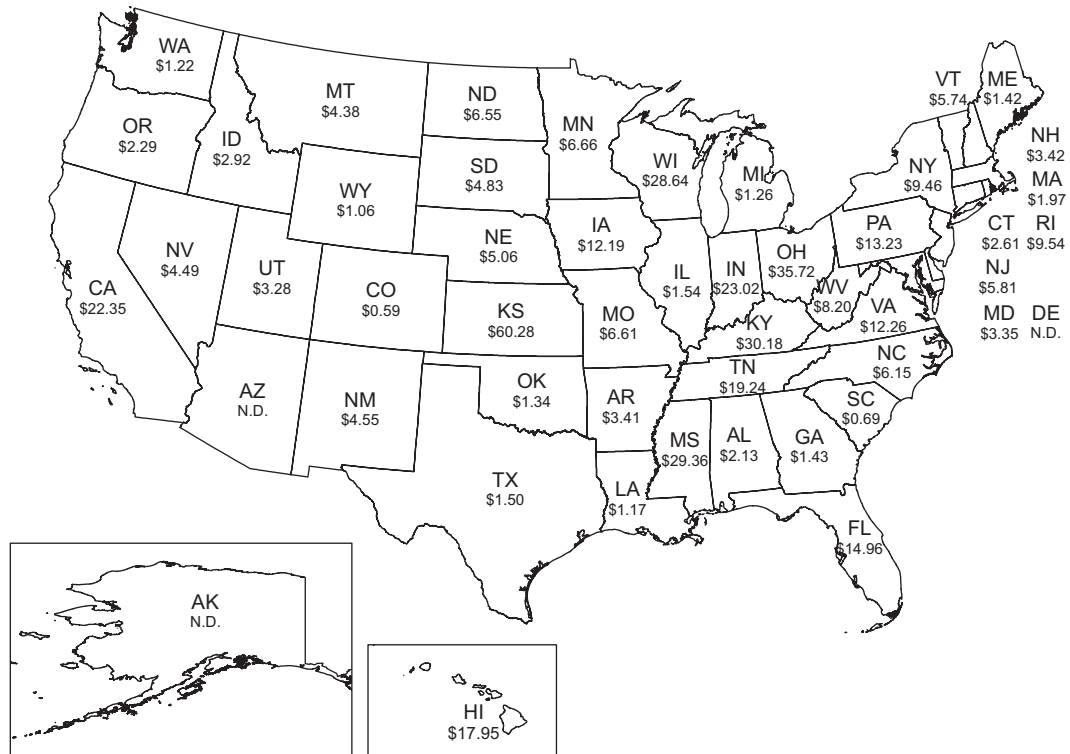


Figure 4—Average annual property tax reduction (dollars per acre) provided to participants in State property tax programs promoting ecosystem services from private forest lands in the United States, by State, 2014.

Table 9—Annual financial benefits provided by State property tax programs promoting ecosystem services on private forest lands in the United States, North Region, 2014

State	Number of participants (or parcels, plans, contracts)	Total area enrolled <i>acres</i>	Average annual net tax benefit ^a <i>\$ per acre</i>	Total annual tax benefit (savings) <i>\$ for State</i>	Comment
Connecticut	6,675 ^b	480,000	2.61	1,252,800	—
Delaware	400 (parcels)	33,000	N.D.	N.D.	—
Illinois	7,500 (plans)	162,700	1.54	250,558	Forest Development Tax Program
Indiana	13,000 (parcels)	599,700	23.02	13,805,094	—
Iowa	48,000 (parcels)	692,934	12.19	8,446,865	—
Maine	63,210 ^b	3,691,633	1.42	5,242,118	Excludes 7.5 million acres in Unorganized Territory
Maryland	1,300	84,000	3.35	281,400	—
Massachusetts	7,150 ^b	306,000	1.97	602,820	Title 9: Chapter 61A and Chapter 61B
Michigan	2,680 ^b	2,295,000 ^b	1.26 ^c	3,831,250	Commercial Forest Tax Program, Qualified Forest Property Tax Program
Minnesota	7,000 ^b	995,700 ^b	6.66 ^c	6,652,520	Sustainable Forest Tax Incentive Program, Managed Forest Land Tax Program
Missouri	4,800	34,900	6.61	230,689	—
New Hampshire	48,730 ^b	2,612,366 ^b	3.42 ^c	9,210,275	With and without documented stewardship
New Jersey	10,875 ^b	238,166	5.81	1,383,744	—
New York	2,849 (parcels)	1,103,700	9.46	10,441,002	—
Ohio	405,730 ^b	6,972,900 ^b	35.72 ^c	246,039,131	Current Agricultural Use Value Program, Forest Property Tax Law Program
Pennsylvania	92,540 ^b	4,238,197	13.23	56,071,346	—
Rhode Island	2,530 ^b	139,000	9.54	1,326,060	—
Vermont	17,000 (parcels)	2,300,000	5.74	13,202,000	One mile or less from road
West Virginia	41,445 ^b	2,242,200	8.20	18,386,040	—
Wisconsin	47,800 ^b	3,295,000 ^b	28.64 ^c	95,671,700	Forest Crop Tax Program, Managed Forest Tax Program

N.D. = not determined.

— = no applicable comment.

^aDescriptions of the calculations and methodology used to estimate the annual per acre benefit of each program can be found in appendix tables E.1–E.50.^bEstimates based on Butler and others (2015), Oswalt and others (2014).^cWeighted average

South Region—The South’s 13 States have 14 property tax programs that promote ecosystem services from private forests, with Georgia being the only State that offers two property tax programs for such purposes. In 2014, 112 million acres were enrolled in the region’s preferential property tax programs, with individual program enrollment extending from an estimated 700,000 acres in Virginia to 17 million acres in Alabama (table 10). In the Region’s preferential tax programs, the number of participants varied from over 7,500 (Georgia FLPA)

to over 413,000 (Arkansas). Across the Region, annual property tax reduction averaged an estimated \$7.76 per acre, although the tax reduction provided by individual programs ranged from as much as \$30 per acre (Kentucky) to less than \$1 for each acre enrolled in South Carolina (fig. 6). Two programs provided approximately \$30 per acre per year in property tax reduction, yet half of the region’s programs provided less than \$3 per acre per year in tax reduction.

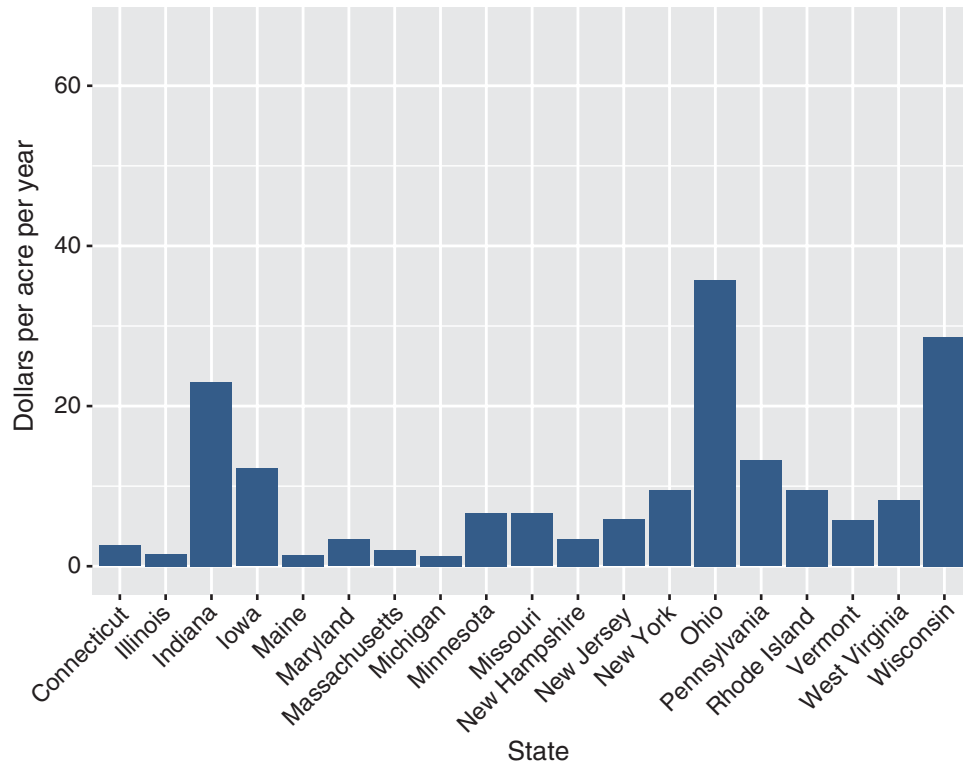


Figure 5—Average annual benefit per acre to participants in State property tax programs promoting ecosystem services from private forest land in the North Region, 2014. Note: Delaware not included in figure because no data on benefit per acre exists.

Table 10—Annual financial benefits provided by State property tax programs promoting ecosystem services on private forest lands in the United States, South Region, 2014

State	Number of participants (or parcels, plans, contracts)	Total area enrolled <i>acres</i>	Average annual net tax benefit ^a <i>\$ per acre</i>	Total annual tax benefit (savings) <i>\$ for State</i>	Comment
Alabama	192,100 ^b	17,000,000	2.13	36,210,000	—
Arkansas	413,260 ^b	11,323,400	3.41	38,612,794	—
Florida	26,700	2,101,100	14.96	31,432,456	Ten counties only
Georgia	198,700 ^b	18,105,600 ^b	1.43 ^c	25,891,008	Conservation Use Program and Forest Land Protection Program
Kentucky	212,590 ^b	8,610,000	30.18	259,849,800	—
Louisiana	159,840 ^b	11,860,400	1.17	13,876,668	—
Mississippi	125,000	12,000,000	29.36	352,320,000	—
North Carolina	110,000	8,000,000	6.15	49,200,000	—
Oklahoma	85,470 ^b	7,000,000	1.34	9,380,000	—
South Carolina	177,920 ^b	7,615,000	0.69	5,254,350	—
Tennessee	17,100	1,539,000	19.24	29,610,360	—
Texas	89,740 ^b	6,156,000	1.50	9,234,000	—
Virginia	9,310 ^b	700,000	12.26	8,582,000	—

— = no applicable comment.

^aDescriptions of the calculations and methodology used to estimate the annual per acre benefit of each program can be found in appendix tables E.1–E.50.

^bEstimates based on Butler and others (2015), Oswald and others (2014).

^cWeighted average.

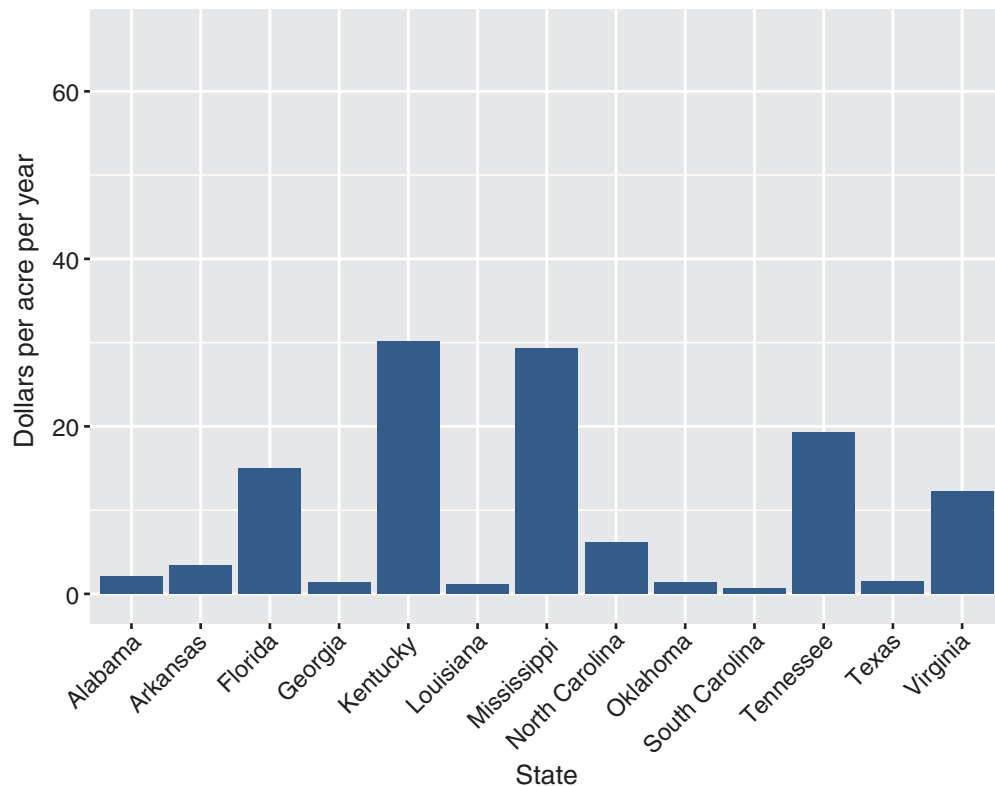


Figure 6—Average annual benefit per acre to participants in State property tax programs promoting ecosystem services from private forest land in the South Region, 2014.

Rocky Mountain Region—An estimated 12.2 million acres were enrolled in preferential property tax programs in 2014 in each of the 12 States within the Rocky Mountain Region. The Region’s 12 programs (one in each State) had enrollment that ranged from a low of 106,000 acres in Nevada to a high of more than 2.2 million acres in Idaho. As for the number of participants per program, the Region’s program average was nearly 24,000, with as few as a 1,000 in Colorado to over 50,000 each in Nebraska and Kansas (table 11). Regionwide, the annual property tax reduction provided by preferential property tax programs averaged an estimated \$8 per acre per year (fig. 7). Kansas provides participants in its preferential tax program more than \$60 per acre annually in tax reduction, with no other program in the region providing an annual benefit greater than \$7 per acre per year. The smallest tax reduction was provided by Colorado’s tax program, which offered participants less than \$1 per acre per year.

Pacific Coast Region—The five States within the Pacific Coast Region collectively offer seven property tax programs that recognize the promotion of ecosystem

services from private forests. Both Oregon and Washington each have two such programs. Across the Region in 2014, more than 53 million acres were enrolled in the Region’s seven programs, with enrollment in an individual program ranging from an estimated 35 million acres in Alaska to 121,000 acres in Washington’s Open Space Timberland (OST) program (table 12). The number of participants in the Region’s property tax programs was nearly 920,000, with individual program participation ranging from 14,300 in Oregon (Small Tract Forestland Program) to 356,400 in California. The property tax reduction provided to participants in five of the Region’s seven programs averaged \$2.89 per acre per year (no estimates were available for Alaska or for Washington’s OST Program) (fig. 8). Within the Region, California’s program provided property tax reduction of \$22.35 per acre per year—the most within the Region. Hawaii provided nearly \$18 per acre per year in tax reduction, while the remaining three programs provided tax benefits of no more than \$5.20 per acre per year.

Table 11—Annual financial benefits provided by State property tax programs promoting ecosystem services on private forest lands in the United States, Rocky Mountain Region, 2014

State	Number of participants (or parcels, plans, contracts)	Total area enrolled <i>acres</i>	Average annual net tax benefit ^a	Total annual tax benefit (savings) <i>\$ for State</i>	Comment
			<i>\$ per acre</i>		
Arizona	24,520 ^b	760,000 ^b	N.D.	N.D.	—
Colorado	1,050 ^b	250,077	0.59	147,545	—
Idaho	12,200 ^b	2,200,000 ^b	2.92	6,424,000	—
Kansas	50,420 ^b	953,000 ^b	60.28	57,446,840	—
Montana	34,430 ^b	3,946,170	4.38	17,284,225	—
Nebraska	50,420 ^b	527,000 ^b	5.06	2,666,620	—
Nevada	18,280 ^b	106,000 ^b	4.49	475,940	—
New Mexico	27,490 ^b	827,400 ^b	4.55	3,764,670	Excludes tribal landowners
North Dakota	11,000	368,800	6.55	2,415,640	—
South Dakota	12,000	492,000	4.83	2,376,360	—
Utah	32,030 ^b	970,500 ^b	3.28	3,183,240	—
Wyoming	11,990 ^b	827,500 ^b	1.06	877,150	—

N.D. = not determined.

— = no applicable comment.

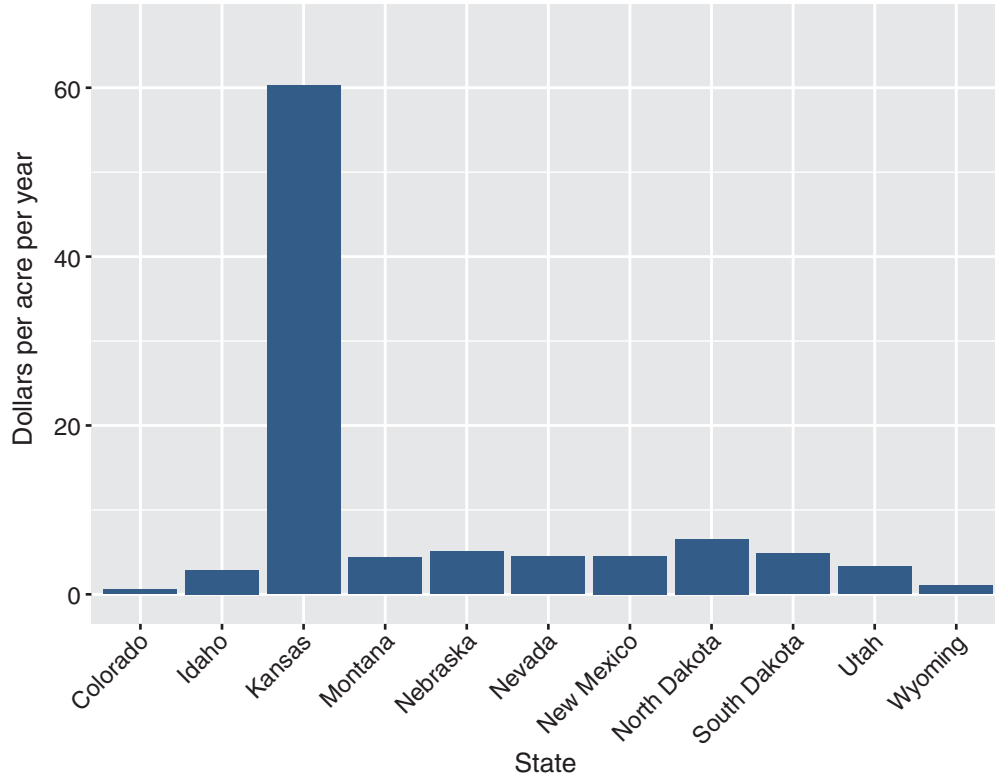
^aDescriptions of the calculations and methodology used to estimate the annual per acre benefit of each program can be found in appendix tables E.1–E.20, F.21–F.33, G.34–G.45, and H.46–H.50 (appendix).^bEstimates based on Butler and others (2015), Oswald and others (2014).**Figure 7—Average annual benefit per acre to participants in State property tax programs promoting ecosystem services from private forest land in the Rocky Mountain Region, 2014. Note: Arizona not included in figure because no data on benefit per acre exists.**

Table 12—Annual financial benefits provided by State property tax programs promoting ecosystem services on private forest lands in the United States, Pacific Coast Region, 2014

State	Number of participants (or parcels, plans, contracts)	Total area enrolled <i>acres</i>	Average annual net tax benefit ^a <i>\$ per acre</i>	Total annual tax benefit (savings) <i>\$ for State</i>	Comment
Alaska	82,000	35,875,000	N.D.	N.D.	Private Forestland Exempt from Taxation
California	356,450 ^b	5,418,000	22.35	121,092,300	—
Hawaii	113,235 ^b	577,500 ^b	17.95	10,366,125	—
Oregon	196,369 ^b	8,065,134 ^b	2.29 ^c	18,448,997	Forestland Program and Small Tract Forestland Program
Washington	171,250	3,031,199	1.22	3,698,063	Designated Forestland Program

N.D. = not determined.

— = no applicable comment.

^aDescriptions of the calculations and methodology used to estimate the annual per acre benefit of each program can be found in appendix tables E.1–E.50.

^bEstimates based on Butler and others (2015), Oswalt and others (2014).

^cWeighted average.

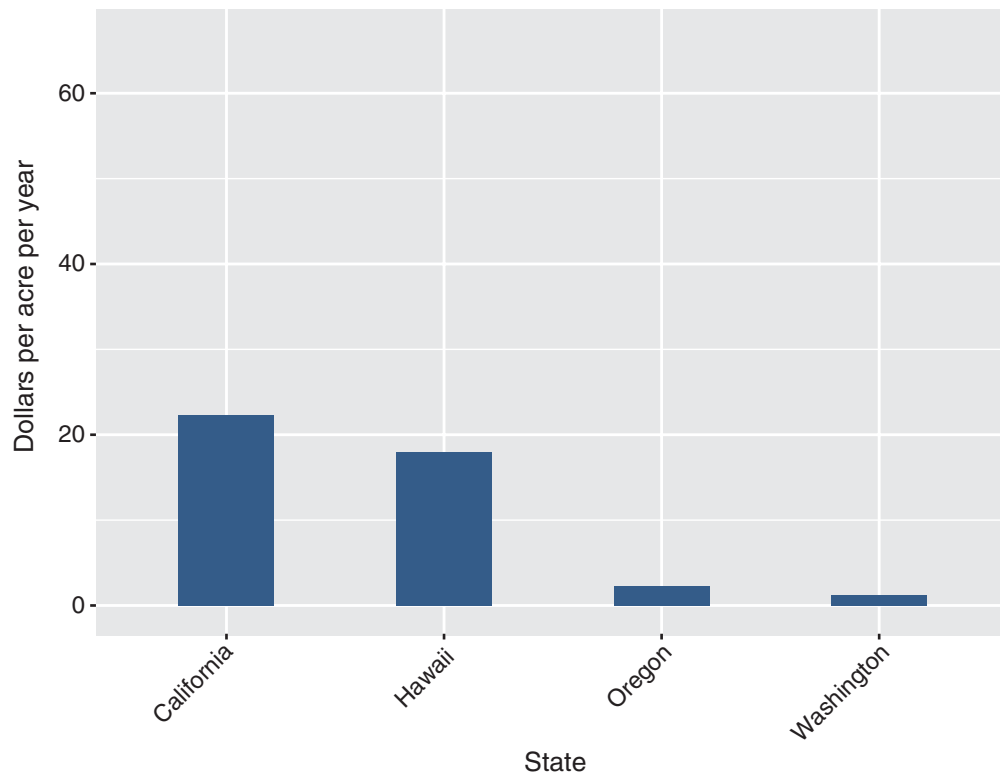


Figure 8—Average annual benefit per acre to participants in State property tax programs promoting ecosystem services from private forest land in the Pacific Coast Region, 2014. Note: Alaska not included in figure because no data on benefit per acre exists.

CONCLUSIONS AND OBSERVATIONS

Forest ecosystems are an important component of more broadly defined ecosystem services. Among the many actions that can be used to promote the availability of ecosystem services from private forest land are State property tax programs and the fiscal incentives embodied therein. The intent of this review was to (a) identify the forest-derived ecosystem services promoted by State property tax programs, (b) define the structure and administrative features of State property tax programs, (c) determine the type and frequency of government organizations responsible for implementing such programs, (d) assess the extent to which property tax programs are used by landowners (participants) and area enrolled, and (e) estimate the financial property tax reduction (i.e., tax benefit) that participants receive for purposes of promoting ecosystem services from their forest properties. The review addressed conditions in all 50 States.

Conclusions

Ecosystem services promoted—The major categories of ecosystem services most consistently promoted by property tax programs are the: integrity and sustainability of forests, open space and scenic resources, conservation of soils and wetlands, production of timber and fiber products, protection and supply of fish and wildlife, protection and supply of water, and recreational uses and resource preservation. The production of timber and fiber products dominates as the ecosystem service most frequently promoted (47 States), followed by integrity and sustainability of forests (25 States), open space and scenic resources (21 States), and protection and supply of fish and wildlife (20 States). Relatively few States direct property tax programs toward conservation of soils and wetlands and toward protection and supply of water.

Property tax program structures—The type and intensity of ecosystem services to be promoted by property tax programs are determined by a variety of government administrative and management conditions that must be met if a forested parcel is to be granted preferential property tax treatment. A taxing jurisdiction may impose a variety of conditions on those participating in preferential tax programs, including:

- Demonstrated legitimate ownership and acceptable use of parcel
- Appropriate size of parcel or group of contiguous parcels

- Condition of forest and appropriate location of parcel
- Demonstrated intent to commit to the requirements of tax classification
- Application procedures, including prerequisite reviews and examinations
- Official legal recording granting preferential tax treatment of parcel(s)
- Procedures for assuring compliance with provisions of tax classification
- Imposition of penalties for noncompliance with conditions of tax classification.

To further ensure compliance with a favored tax classification, a forest management plan prepared by a qualified person or organization may be required as a condition of enrollment, as may be participant notification of taxing authorities of a pending timber harvest on the classified property.

Organizations involved—Preferential property tax programs focused on the promotion of ecosystem services from forests typically require the administrative engagement of many agencies at various levels of government (local, State, regional, and national). Among the most frequent categories of government so engaged are property tax administrative offices of local governments, citizen advisory committees and boards, tax review appeals and equalization boards, forestry boards and commissions, forestry divisions within State natural resource departments, State departments of finance and revenue, and a very limited number of federal agencies.

Enrollment and financial benefits—Nearly 210 million acres nationwide were enrolled in 58 different State property tax programs promoting ecosystem services on private forestland in 2014. Benefiting from these programs were over 3.85 million participants, whose total enrollment in any one program ranged from 400 to more than 413,000. Program participants nationwide collectively received more than \$1.61 billion in annual property tax reduction. The acre-weighted average annual value of relief was \$7.68 per acre, with some programs providing tax reduction as high as \$60 per acre. Sixteen State programs provided more than \$10 per acre annually in property tax reduction, while 18 programs provided annual benefits of no more than \$3 per acre.

Observations

Preferential property tax programs are designed and implemented within broad legal and administrative settings which can have important implications for the promotion of ecosystem services. After reviewing the statutory foundation for property tax laws involving forest and forest resources, the following informed observations can be made:

- Statutory authority for preferential property tax treatment of forest land is in many cases but a modest part of broader statutory authority involving a wide range of economic and commercial sectors, most notably agriculture and ranching activities. From a forest and forest resource perspective, the intent and administrative responsibility established by such laws are often ambiguous and undecided. Such conditions may not encourage effective implementation of property tax programs focused on the promotion of ecosystem services.
- Statutory authority that separately and explicitly authorizes programs concentrated on preferential property tax treatment of forest land tends to identify program objectives, procedures, and enforcement provisions that are noticeably better focused and more clearly presented in manners more relevant to conditions involving the use and management of forests. Furthermore, stand-alone statutory authority appears to be more widely recognized and acknowledged among administrators, owners, and managers interested in preferential tax treatment of forestland.
- Statutory authority establishing preferential tax treatment of private forests tends to be either (a) replete with language setting forth detailed in-depth statements of purpose, procedures, and responsibilities, or (b) very vague and unclear in statements about objectives to be accomplished and the assignment of responsibility for their achievement. In the former case, detailed specifications in statute may usurp administrative rule-making processes and may place excessive limits on the need for administrative discretion. In the latter case, agency administrators are afforded substantial discretion in designing and implementing property tax programs, possibly without appropriate oversight and review from affected interests.
- Statutory authority establishing preferential tax treatment of private forests seldom assigns implementing responsibility to a single government agency or to a single level of government. By so doing, the unique programmatic capabilities of many agencies and levels of government may be drawn into more effective implementation of tax programs, while in other cases the dispersion of authority may provide for greater accountability among different agencies and various levels of government.
- Statutory authority often requires broad reviews and evaluations of property tax programs focused on forests and often requires detailed inspections of forested parcels that have been granted preferential tax treatment. However, the connections between the amount of property tax reduction provided to persons benefiting from a preferential classification and the types, amounts, and diversity of forest-based ecosystem services promoted by such classifications are not well understood. These linkages deserve much greater attention.

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APPENDIX A—SUPPLEMENTAL TABLES

Table A.1—Ecosystem services promoted on private forest land by State property tax programs as specified in State law or administrative rules in the United States, North Region, 2014

State	Major ecosystem service category promoted by property tax incentive program						
	Integrity and sustainability of forests	Open space and scenic resources	Conservation of soils and wetlands	Production of timber and fiber products	Protection and supply of fish and wildlife	Protection and supply of water	Recreational uses and resource preservation
Connecticut	X ^a	X		X			X
Delaware	X ^a			X	X	X	X
Illinois	X ^a	X		X	X	X	
Indiana			X	X ^a	X		
Iowa				X ^a			
Maine	X	X ^a		X	X		X
Maryland	X	X		X		X ^a	
Massachusetts		X	X	X ^a	X		X
Michigan				X ^a	X		
Minnesota	X ^a			X	X		
Missouri	X			X ^a			
New Hampshire		X		X ^a			X
New Jersey				X ^a		X	
New York		X		X ^a			
Ohio			X	X ^a	X		X
Pennsylvania		X		X ^a			X
Rhode Island	X	X ^a					
Vermont	X	X ^a		X			
West Virginia	X			X ^a			
Wisconsin	X	X		X ^a	X	X	X
Total	11	11	3	19	9	5	8

Note: Individual States may focus on more than one category of ecosystem services.

^a Ecosystem service category emphasized by a State's property tax incentive program(s).

Table A.2—Ecosystem services promoted on private forest land by State property tax programs as specified in State law or administrative rules in the United States, South Region, 2014

State	Major ecosystem service category promoted by property tax incentive program						
	Integrity and sustainability of forests	Open space and scenic resources	Conservation of soils and wetlands	Production of timber and fiber products	Protection and supply of fish and wildlife	Protection and supply of water	Recreational uses and resource preservation
Alabama	X			X ^a			
Arkansas				X ^a			
Florida	X ^a	X			X		
Georgia	X		X	X ^a	X	X	
Kentucky				X ^a			
Louisiana				X ^a			
Mississippi				X ^a			
North Carolina				X ^a			
Oklahoma				X ^a		X	
South Carolina				X ^a			
Tennessee		X ^a		X			
Texas		X		X ^a	X	X	
Virginia		X	X	X ^a		X	X
Total	3	4	2	12	3	4	1

Note: Individual States may focus on more than one category of ecosystem services.

^a Ecosystem service category emphasized by a State's property tax incentive program(s).

Table A.3—Ecosystem services promoted on private forest land by State property tax programs as specified in State law or administrative rules in the United States, Rocky Mountain Region, 2014

State	Major ecosystem service category promoted by property tax incentive program						
	Integrity and sustainability of forests	Open space and scenic resources	Conservation of soils and wetlands	Production of timber and fiber products	Protection and supply of fish and wildlife	Protection and supply of water	Recreational uses and resource preservation
Arizona				X ^a			
Colorado	X			X ^a	X		X
Idaho	X	X		X ^a	X		
Kansas				X ^a			X
Montana	X			X ^a			
Nebraska	X ^a						
Nevada	X ^a	X		X		X	
New Mexico				X ^a	X		
North Dakota	X ^a			X			
South Dakota				X ^a			
Utah		X		X ^a	X	X	X
Wyoming	X			X ^a			
Total	7	3	0	11	4	2	3

Note: Individual States may focus on more than one category of ecosystem services.

^a Ecosystem service category emphasized by a State's property tax incentive program(s).

Table A.4—Ecosystem services promoted on private forest land by State property tax programs as specified in State law or administrative rules in the United States, Pacific Coast Region, 2014

State	Major ecosystem service category promoted by property tax incentive program						
	Integrity and sustainability of forests	Open space and scenic resources	Conservation of soils and wetlands	Production of timber and fiber products	Protection and supply of fish and wildlife	Protection and supply of water	Recreational uses and resource preservation
Alaska	X		X	X ^a	X		
California	X			X ^a	X	X	X
Hawaii	X	X		X ^a			
Oregon	X	X		X ^a	X		
Washington	X ^a	X		X	X	X	X
Total	5	3	1	5	4	2	2

Note: Individual States may focus on more than one category of ecosystem services.

^a Ecosystem service category emphasized by a State's property tax incentive program(s).

Table A.5—Resource and management conditions determining eligibility for preferential property tax classification for private forest land in the United States, by Region and number of States, 2014

Conditions applied to determine eligibility for a preferential tax classification	Condition explicitly stated or implied by State law or administrative rule ^a				
	North	South	Rocky Mountain	Pacific Coast	Total
	number of States				
Ownership and use of parcel					
Ownership Type (individual, partnership, corporation, foundation)	3	4	3	1	11
Tax Exempt Status (nonprofit organizations, veterans and dependents)	3	3	8	4	18
Use of Forest Land (specifically designated):					
• Acceptable Uses (timber production, wildlife habitat, scenic landscapes, open space, maple syrup, natural Christmas trees)	20	13	12	5	50
• Unacceptable Land Uses (residential dwellings, ornamental nurseries, agricultural crops, forage and grazing)	14	7	8	1	30
Special Resource and Land Use Conditions:					
• Public Access for Recreation Activities (required, not required, conditional)	10	1	1	3	15
• Provisions for Special Resources (water, wildlife, fisheries, scenic landscapes, open space)	17	6	3	4	30
Size of single separate and multiple contiguous parcels					
Single Separate Parcel (minimum, maximum acreage)	3	3	0	0	6
Multiple Contiguous Parcels (minimum, maximum acreage)	19	5	6	4	34
Single or Multiple Parcels of Any Size (easements, open space)	3	0	0	0	3
Forest conditions and location of parcel					
Forest Type and Composition (number of trees, sizes and species of trees)	10	4	5	3	22
Timber and Wood Fiber Production Capability	6	7	7	3	23
Location and Accessibility (roads and trails; isolated and remote)	1	1	3	1	6
Topography and Landscape Conditions (tidal marshes, wetlands, unstable, rocky, high elevation)	2	3	1	1	7
Uniqueness Among Regional Landscapes (distinct character and features)	0	0	0	1	1
Evidence of preferred managerial actions					
Application of Sustainable Forestry Practices (best management practices)	6	1	2	1	10
Conformity with State Environmental and Forest Practice Regulatory Standards	1	1	0	3	5
Enrollment in State or Federal Conservation Program (cost-share, land retirement, designated easement)	2	4	2	0	8
Application, evaluation, and legal recording					
Agency Receiving Application (county assessor, state forester, revenue agency, natural resource agency, authorized private agency)	20	13	12	5	50
Documents Accompanying Application (certificate of ownership, parcel location and description, plan for parcel's use and management)	13	4	3	3	23
Agency Review and Evaluation (general overview, second-party consultation, onsite inspection)	10	3	3	3	19
Legal Recording of Approved Tax Classification:					
• Local Government (county assessor, county auditor)	20	13	12	3	48
• State Government (revenue agency, natural resource agency)	7	0	0	0	7
Commitment to preferential tax classification					
Termination of Preferential Tax Treatment:					
• Discretion of Landowner	7	0	2	3	12
• Occurrence of Disqualifying Conditions	8	1	0	2	11

Continued

Table A.5 (continued)—Resource and management conditions determining eligibility for preferential property tax classification for private forest land in the United States, by Region and number of States, 2014

Conditions applied to determine eligibility for a preferential tax classification	Condition explicitly stated or implied by State law or administrative rule ^a				
	North	South	Rocky Mountain	Pacific Coast	Total
	number of States				
Commitment to preferential tax classification (continued)					
Length of Commitment to Tax Classification:					
• Indefinite (open-ended, automatic continuous renewal)	7	8	6	0	21
• Specified Period of Time (one or more years)	10	1	8	2	21
• Special Conditions (ownership change, land use change)	2	3	1	2	8
Agency Authority to Legally Enforce of Agreed-to Conditions	1	0	0	0	1
Compliance with requirements of preferential tax classification					
Agency (State) Program-wide Reviews (summary of participation rates, compliance with rules, consistency among governments, estimates of fiscal impacts)	6	2	0	0	8
Agency (local, State) Onsite Inspections:					
• Authority to Enter Private Land	10	3	8	5	26
• Inspection Schedules (initial, renewal, periodic, specified interval)	18	7	2	4	31
• Optional Elective Inspections	1	2	1	0	4
Landowner-Initiated Reports (documented affirmation of consistency with requirements of tax classification and forest management plan)	4	0	4	2	10
Penalty for unauthorized withdrawal from preferential tax classification					
Penalties Not Imposed	3	0	3	0	6
Penalties Waived for Transfers between Eligible Classifications	1	0	0	0	1
Types of Penalty:					
• Forfeiture of Preferential Tax Classification	12	9	8	3	32
• Retroactive Payment of Taxes (rollback tax)	16	8	8	4	36
• Fixed Amount, Interest Payment(s)	13	4	4	2	23

^a Condition clearly itemized or convincingly understood to be the case. In some States, law or rule may make no reference (not specified) to certain conditions of eligibility and therefore do not appear in the table. Although a State may have multiple tax classifications with many prerequisite conditions, recorded only once for a State is the occurrence a specific condition (for example, in a single State “authorized to enter private property” may occur multiple times as a condition for various classifications yet is recorded here as occurring only once in a State).

Source: Appendix tables E.1–E.50.

Table A.6—Management plan and timber harvest notification as conditions of eligibility for preferential property tax classification for private forest land in the United States, by Region and number of States, 2014

Management plan and timber harvest notification as conditions applied to determine eligibility for preferential tax classification	Condition explicitly stated or implied by State law or administrative rule ^a				
	North	South	Rocky Mountain	Pacific Coast	Total
	number of States				
Management Plan as a Condition of Enrollment					
Required (upon application, subsequent approval)	16	4	2	4	26
Optional (discretionary, request of landowner)	2	2	3	0	7
Acceptable Alternative (conservation easement, plan required by regulatory rules, certified by recognized certification program)	2	0	0	1	3
Content and Scope (management goals, forestry prescriptions, harvest schedule)	12	2	1	2	17
Duration and Updating (periodic, specified years, time of renewal of eligibility)	18	1	2	1	22
Implementation (affirmation by landowner, general agency oversight, onsite inspections)	15	3	1	4	23
Qualification of Preparer and Approver of Required Management Plan					
Preparer or Producer of Management Plan:					
• Landowner or Experienced Manager (life knowledge, proficiency through experience)	5	0	0	1	6
• Forest Resource Professional (public or private, licensed or certified)	16	4	2	4	26
Approval of Management Plan:					
• Public Official (professional, licensed or certified, State or local)	11	1	2	2	16
• Private Official (delegated agency authority)	0	0	0	4	4
Notification of Intent to Harvest Timber					
Agency Required Approval and Supervision (local, State)	11	0	0	3	14
Unique Resource Conditions (high elevations, sensitive wildlife habitat, scenic landscapes)	1	0	0	0	1
Public Agency Notification Required by:					
• Management Plan (timing, amount, methods)	3	0	0	4	7
• Forest Practice Regulatory Rules (timing, amount, methods)	2	0	1	4	7
Harvest by Qualified Timber Harvester (certified, accredited, licensed)	2	0	1	4	7

^aCondition clearly itemized or convincingly understood to be the case. In some States, law or rule may make no reference (not specified) to certain conditions of eligibility and therefore do not appear in the table. Although a State may have multiple tax classifications with many prerequisite conditions, recorded only once for a State is the occurrence a specific condition (for example, in a single State “authorized to enter private property” may occur multiple times as a condition for various classifications yet is recorded here as occurring only once in a State).

Source: Appendix tables E.1–E.50.

Table A.7—Government organizations engaged in managerial or supporting roles in the administration of preferential property tax classifications for private forest land in the United States, by Region, 2014

Government agencies and offices engaged in property tax program administration focused on forests	Government organization explicitly identified by State law or administrative rule ^a				
	North	South	Rocky Mountain	Pacific Coast	Total
			number of States		
Local Government Agencies and Offices					
Property Tax Administrative Offices:					
• Assessor, Appraiser, Examiner, Auditor	20	13	12	5	50
• Recorder of Documents	5	1	1	1	8
• Appeals and Equalization	3	2	6	4	15
Planning and Development Offices (board, commission)	1	0	0	1	2
Other Offices (treasurer, board of commissioners)	4	2	5	1	12
State Government Agencies or Offices					
Advisory Committees and Boards (citizen, resource, land use)	4	4	4	3	15
Boards, Councils, Commissions, Offices and Committees:					
• Real Estate Appraiser Boards	1	0	3	0	4
• Tax Review, Appeals, and Equalization Boards	1	2	7	4	14
• Forestry Boards and Commissions	1	5	1	6	13
• Tax Program Implementation Commissions	0	2	3	0	5
• State Forest Service and Offices of State Forester	2	1	5	0	8
• Stewardship and Conservation Committees	3	0	1	1	5
• Other councils and commissions (development, property valuation, public service)	3	2	1	0	6
Departments:					
• Agriculture Department					
◦ Forestry Division	2	4	1	0	7
◦ Other Divisions (conservation, wetlands)	5	1	0	0	6
• Natural Resources Department					
◦ Forestry Division	13	1	2	4	20
◦ Other Divisions (recreation, state lands)	0	0	0	0	0
• Environment Department					
◦ Forestry Division	3	0	1	0	4
◦ Other Divisions (parks, water, land use)	2	0	0	0	2
• Fisheries and Wildlife Department	1	0	0	1	2
• Forestry and Forest Resource Department	0	1	0	2	3
• Commerce Department (economic development)	1	0	0	1	2
• Finance and Revenue Department (treasury, taxation, revenue)	16	12	7	4	39
• Assessment and Valuation Department	1	1	0	0	2
• Local Government Services Department (finance, assistance)	1	0	1	0	2
Comptroller of Public Accounts and Disbursements	0	2	0	0	2
Colleges and Universities	3	1	0	0	4
Other Government Organizations (courts, commissions, departments, offices)	1	0	3	0	4
Federal Government Agencies or Offices					
U.S. Department of Agriculture					
• Extension Service	0	0	1	0	1
• Forest Service	0	2	0	0	2
• Natural Resources Conservation Service	1	4	2	0	7
Private Agencies or Offices					
Private Organizations (foundations, lending agencies)	1	0	0	0	1

^a Agency clearly identified or convincingly understood to be the case. Although a State may have multiple tax classifications each administered by the same agency or type of agency, recorded only once for a State is the occurrence of the agency or office.

Source: Appendix tables E.1–E.50.

**APPENDIX B—STATEMENTS (EXAMPLES) IN STATE LAW OR
ADMINISTRATIVE RULES DENOTING ECOSYSTEM SERVICES PROMOTED
BY PRIVATE FOREST LAND BY PROPERTY TAX PROGRAMS IN THE
UNITED STATES, 2014**

STATEMENT EXAMPLES IN STATE LAW OR ADMINISTRATIVE RULES DENOTING ECOSYSTEM SERVICES PROMOTED BY PRIVATE FOREST LAND BY PROPERTY TAX PROGRAMS IN THE UNITED STATES, 2014

Integrity and Sustainability of Forests

- “... prevent the forced conversion of forestland to more intensive uses as a result of economic pressures...”
- “... to encourage and assist in the conservation and preservation of forests for future productive use and for the protection of natural ecological systems...”
- “... to fully realize the productive potential of the forest resources and timberlands of the state and to provide for a favorable climate for long-term investment in forests...”
- “... encourage state’s private forest landowners to make long-term commitment to sustainable forest management...”
- “... state’s policy is to encourage forestry and restocking and reforestation of forests so that present and future generations will enjoy the benefits which forest areas can provide...”
- “... Assist in the establishment of forest management plans that will aid in increasing the health, vigor, and beauty of forestland through the use of proper forest management practices...”
- “... encourage landowners of private forests to retain and improve their forestland holdings, to promote better forest practices, and to encourage the investment of capital in reforestation...”
- “... promote operations on all forest lands that enable landowners to ensure the sustained yield forest resources...”
- “... encourage state’s private forest landowners to make long-term commitment to sustainable forest management...”
- “... intent on increasing health, vigor, and beauty of forest land through use of forest management practices...”
- “... provide an incentive for private landowners to preserve that character and use of land as forest and to make management decisions which enhance the quality of the future forest...”
- “... encourage the preservation or development of land for productive woodland purposes and provide wooded areas that will promote the general welfare and assets of the State...”
- “... discourage tax burdens imposed by assessments that create an incentive to abandon forestland, or to strip the land, or otherwise to operate contrary to public policy...”
- “... In view of the benefits which will accrue through the reforestation of idle lands, eligible tracts of forest land may be granted an exemption from taxation...”
- “... protect forests from destructive or premature cutting of forest growth and to promote reproducing and growing of future crops through sound forestry practices...”
- “... control the extent, manner, and times of forest uses, and may specifically prohibit unlimited cutting of forest growth, soil mining, or other activities detrimental to good forest conservation practices...”

Open Space and Scenic Resources

- “... encourage land landowners to preserve open character of land [and] ensure such landowners that a perpetual conservation easement will benefit them from low property taxes....”
- “... opportunity for the general public to appreciate significant scenic values of forestland... and understand the importance of forestland in preserving local or regional landscapes or resources that attracts tourism or commerce...”
- “... aesthetic management zone means timber land on which timber harvesting is restricted for aesthetic or conservation purposes...”
- “... public interest to encourage the preservation of open space, thus providing a healthful and attractive outdoor environment for work and recreation of the state’s citizens, maintaining the character of the state’s landscape, and conserving the land, water, forest, agricultural and wildlife resources...”
- “... public interest to prevent the loss of open space due to property taxation at values incompatible with open space usage...”

Conservation of Soils and Wetlands

- "... promotion, preservation or conservation of wetlands and the production or and maintenance of their ecosystem services such as clean air and water..."
- "... forest management practice sensitivity to floodway conditions, wetlands, and riparian buffers..."
- "... allow to a significant extent for the preservation of ground or surface water resources, geologic features, high quality soils..."
- "... encourage land capable of supporting wildlife and conducive to wildlife management, including wetlands that are supporting natural vegetation..."
- "... encourage conservation practices used to abate soil erosion, including windbreaks, riparian buffers, and cover crops for conservation purposes..."

Production of Timber and Fiber Products

- "... producing trees having economic-commercial value... producing stand of timber in reasonable period of time..."
- "... to encourage the continued use of timberlands for the production of trees for timber products, and provide for restricting the use of timberland to the production of timber products..."
- "... shall provide partial relief from taxation so as to enable the establishment of forest croplands... those lands to be devoted exclusively to growing wood and timber..."
- "... intent of tax policy is to discourage premature or unnecessary conversion of timberland to urban and other uses... and to discourage expansion of urban services into timberland..."
- "... all growing wood and timber shall be released from the general property tax, but the land on which such growing wood and timber stands shall be assessed..."
- "... compatible use is any use which does not significantly detract from the use of the property for, or inhibit, growing and harvesting timber..."

- "... for the purposes of this tax item, tracts of timberland must be devoted actively to growing trees for commercial use..."
- "... forest land declared [to be] devoted to exclusively to forestry or timber growing shall be annually taxed at a reduced rate..."
- "... tax policy to promote sustained yield management which means the growing and harvesting of timber crops on a continuous basis on land that is primarily dedicated to timber production..."
- "... to qualify for tax purposes, property must meet the definition of managed timberland and be managed according to a plan that will maintain the property as managed timberland..."
- "... maintain the optimum amount of the limited supply of timberland to ensure its current and continued availability for the growing and harvesting of timber and compatible uses..."
- "... forest entitled to tax exemption shall include at least 200 trees per acre no more than one-fifth of trees may be removed each year..."

Protection and Supply of Fish and Wildlife

- "... preservation of land areas for the protection of a relatively natural habitat for fish, wildlife, plants, or similar ecosystems..."
- "... allow to a significant extent the preservation of wildlife and other natural resources, including rare or endangered species..."
- "... encourage land capable of supporting wildlife and conducive to wildlife management, including wetlands that are supporting natural vegetation..."
- "... land capable of supporting wildlife and conducive to wildlife management..."
- "... critical wildlife habitat zone means timber land on which the timber harvesting is restricted so as to provide ... benefits for the protection of an animal or plant listed as endangered or threatened..."

Protection and Supply of Water

- “... advance forestland management practices that will promote restoration and protection of lakes and streams...”
- “... prevent flooding of land and the loss of the State’s soil resources...”
- “... requires a plan that uses forestry best management practices consistent with a silvicultural nonpoint source pollution management program...”
- “... permit the continued availability of riparian environments and related water resources...”
- “... encourage restocking and reforestation forests so that present and future generations will enjoy the benefits which forest areas provide in enhancing water supply, in minimizing soil erosion, and storm and flood damage to landowners or property...”

Recreational Uses and Resource Preservation

- “... encourage wildlands that contain early forest successional stands dominated by woody vegetation that will develop into native forests ...”
- “... provide for non-motorized recreational use by public...”
- “... promote preservation of visual quality along highway, road, and street corridors or scenic vistas...”
- “... provide for general recreational and wildland uses...”
- “... owner of [classified] commercial forest shall not deny public privilege of hunting and fishing on such forestland...”
- “... provide a healthful and attractive outdoor environment for work and recreation of the state’s citizens...”

**APPENDIX C—FOREST PROPERTY TAX CLASSIFICATIONS
IN THE UNITED STATES, BY STATE AND REGION, 2014**

FOREST PROPERTY TAX CLASSIFICATIONS IN THE UNITED STATES, BY STATE AND REGION, 2014

North

- Connecticut: Forest Land Classification, Open Space Classification
- Delaware: Preservation Classification, Plantation Classification
- Illinois: Forest Development Classification, Conservation Stewardship Classification
- Indiana: Forest Plantation Classification, Native Forestland Classification, Wildland Classification
- Iowa: Forest Reservation Classification
- Maine: Farmland Classification, Open Space Classification, Tree Growth Classification
- Maryland: Woodland Classification, Conservation Property Classification, Open Space Classification
- Massachusetts: Forestland Classification, Horticultural Land Classification, Recreation Land Classification, Conservation Land Tax Credit Classification
- Michigan: Commercial Forest Program Classification, Qualified Forest Property Tax Classification
- Minnesota: Managed Forest Land Classification, Sustainable Forest Incentive Classification
- Missouri: Forest Cropland Classification
- New Hampshire: Forest Land Classification, Conservation Restriction Classification
- New Jersey: Farmland Assessment Classification
- New York: Forestland Classification, Conservation Easement Classification
- Ohio: Agricultural Use Classification, Forest Tax Law Classification
- Pennsylvania: Forest Reserve Classification, Agricultural Reserve Classification, Agriculture Use Classification
- Rhode Island: Forestland Classification, Open Space Classification
- Vermont: Managed Forest Land Classification
- West Virginia: Managed Timberland Classification, Timberland Classification
- Wisconsin: Forest Crop Classification, Managed Forest Classification

South

- Alabama: General Property Tax Classification
- Arkansas: General Property Tax Classification
- Florida: Agricultural Lands Classification
- Georgia: Conservation Use Classification, Environmentally Sensitive Classification, Forest Land Protections Classification
- Kentucky: Woodland-Timber Classification
- Louisiana: Timberland Classification
- Mississippi: Forest Property Classification
- North Carolina: Forestry Present Use Classification
- Oklahoma: Agricultural Use Classification
- South Carolina: Agricultural Use Classification
- Tennessee: Forestland Classification, Open Space Classification
- Texas: Eligible Timberland Appraisal Classification, Ineligible Timberland Appraisal Classification, Restricted Use Timberland Classification
- Virginia: Productive Forest Land Classification, Nonproductive Forest Land Classification

Rocky Mountain

- Arizona: General Property Tax Classification
- Colorado: Agricultural Timberland Classification
- Idaho: Forest Lands and Products Classification
- Kansas: Agricultural Property Tax Classification
- Montana: Forest Land Tax Classification
- Nebraska: Agriculture and Horticulture Classification
- Nevada: Agricultural Classification, Open Space Classification
- New Mexico: Agricultural Use Classification
- North Dakota: Forest Stewardship Classification
- South Dakota: Agricultural Land Classification
- Utah: Farmland Greenbelt Classification
- Wyoming: Agricultural Rangeland Classification

Pacific Coast

- Alaska: General Property Tax Classification
- California: Timberland Productivity Classification
- Hawaii: General Property Tax Classification, Native Forest Classification
- Oregon: Forestland Classification, Small Tract Forestland Classification
- Washington: Designated Forestland Classification, Open Space Timber Classification

**APPENDIX D—GOVERNMENT AGENCIES AND OFFICES
ENGAGED IN PROPERTY TAX PROGRAM ADMINISTRATION
FOCUSED ON PRIVATE FOREST LAND IN THE UNITED STATES,
BY STATE AND REGION, 2014**

GOVERNMENT AGENCIES AND OFFICES ENGAGED IN PROPERTY TAX PROGRAM ADMINISTRATION FOCUSED ON PRIVATE FOREST LAND IN THE UNITED STATES, BY STATE AND REGION, 2014

North

- **Connecticut:** County Property Tax Assessor; Municipal Planning Commission; Department of Agriculture; Division of Forestry (Department of Energy and Environmental Protection); Office of Policy and Management (Department of Revenue Services)
- **Delaware:** County Tax Assessor; County Assessment Board; Delaware Forest Service (Department of Agriculture); Forest Stewardship Committee; Agricultural Lands Preservation Foundation; State Farmland Evaluation Advisory Committee; College of Agricultural and Natural Resources (University of Delaware)
- **Illinois:** County Tax Assessor; Division of Forestry (Department of Natural Resources); Department of Revenue; Illinois Forest Development Council; Regional Cost-Share Review (Appeal) Committee; College of Agriculture (University of Illinois)
- **Indiana:** County Tax Assessor; County Auditor; Division of Forestry (Department of Natural Resources); Department of Local Government Finance
- **Iowa:** County Tax Assessor; County Conservation Board; Bureau of Forestry (Department of Natural Resources); Property Tax Division (Department of Revenue)
- **Maine:** Town and Municipal Assessor; Bureau of Forestry (Department of Agriculture, Conservation and Forestry); Department of Inland Fisheries and Wildlife; Division of Property Tax (Department of Administrative and Financial Services); Board of Property Tax Review (Department of Administrative and Financial Services); Maine Land Use Planning Commission
- **Maryland:** County Assessment Office; County Property Tax Assessment Appeal Board; County Board of Public Works; Maryland Forest Service (Department of Natural Resources); Division of Real Property (Department of Assessments and Taxation); Maryland Tax Court
- **Massachusetts:** County Board of Assessors; Bureau of Forestry (Department of Conservation and Energy); Department of Revenue; Farmland Valuation Advisory Commission
- **Michigan:** County Tax Assessor; County Registrar of Deeds; County Treasurer and Equalization Director; Environmental Stewardship Division (Department of Agriculture and Rural Development); Forest Resources Division (Department of Natural Resources); State Tax Commission; Department of Treasury
- **Minnesota:** County Tax Assessor; County Recorder (Register of Titles); Division of Forestry (Department of Natural Resources); Division of Property Tax (Department of Revenue)
- **Missouri:** County Tax Assessor; Conservation Commission; Division of Forestry (Department of Conservation); Division of Taxation (Department of Revenue)
- **New Hampshire:** County Tax Assessor; Division of Forests and Lands (Department of Resources and Economic Development); Current Use Board (Department of Revenue and Administration); Board of Tax and Land Appeals (Department of Revenue and Administration)
- **New Jersey:** County Tax Assessor; Division of Parks and Forestry (Department of Environmental Protection); Division of Taxation (Department of Treasury); Department of Agriculture; State Farmland Evaluation Advisory Committee; Rutgers University
- **New York:** County Clerk and Recorder; County Tax Assessor; Division of Lands and Forests (Department of Environmental Conservation); Department of Taxation and Finance
- **Ohio:** County Tax Assessor; County Auditor Division of Forestry (Department of Natural Resources); Division of Real Property Tax (Department of Taxation); Natural Resources Conservation Service (U.S. Department of Agriculture)
- **Pennsylvania:** County Tax Assessor; County Board of Assessment Appeals; County Office of Recorder of Deeds; County Board of Commissioners; Bureau of Forestry (Department of Conservation and Natural Resources); Division of Land Use and Natural Resources (U.S. Department of Agriculture); Bureau of Individual Taxes (Department of Revenue)

- **Rhode Island:** Town Assessor; Division of Forest Environment (Department of Environmental Management); Division of Taxation (Department of Revenue); State Conservation Committee
 - **Vermont:** County Tax Assessor; County Clerk and Recorder; Division of Forestry (Department of Forests, Parks and Recreation); Division of Property Valuation and Review (Department of Taxes); Department of Environmental Conservation; Current Use Advisory Board
 - **West Virginia:** County Tax Assessor; Division of Forestry (Department of Commerce); Division of Property Tax (Department of Tax); Commission on Property Valuation
 - **Wisconsin:** County Tax Assessor; County Tax Lister and Register of Deeds; Division of Forestry (Department of Natural Resources); Division of State and Local Finance (Department of Revenue)
- South**
- **Alabama:** County Tax Assessor; Alabama Forestry Commission; Division of Property Tax (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
 - **Arkansas:** County Tax Assessor and Tax Collector; County Board of Equalization; Arkansas Forestry Commission; Department of Finance and Administration; Department of Assessment Coordination; Division of Tax (Arkansas Public Service Commission)
 - **Florida:** County Appraiser and Tax Assessor; County Court Clerk and Recorder; Division of Forestry (Department of Agriculture and Consumer Services); Property Tax Oversight Program (Department of Revenue)
 - **Georgia:** County Tax Assessor; County Clerk of Superior Court; Georgia Forestry Commission; Division of Wildlife Resources (Department of Natural Resources); Division of Local Government Services (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
 - **Kentucky:** County Property Value Administrator; Local Board of Assessment Appeals; Division of Forestry (Department of Natural Resources); Office of Property Valuation (Department of Revenue)
 - **Louisiana:** Parish and District Tax Assessor; Louisiana Tax Commission (Department of Revenue); Office of Forestry (Department of Agriculture and Forestry); Forest Service (U.S. Department of Agriculture); Natural Resources Conservation Service (U.S. Department of Agriculture)
 - **Mississippi:** County Tax Assessor; County Board of Supervisors; Mississippi Forestry Commission; Division of Property Tax (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
 - **North Carolina:** County Tax Assessor; North Carolina Forest Service (Department of Agriculture and Consumer Services); Division of Local Government (Department of Revenue); Property Tax Commission; Use-Value Advisory Board
 - **Oklahoma:** County Assessor; County Treasurer; Division of Forestry Services (Department of Agriculture, Food and Forestry); Division of Ad Valorem (Oklahoma Tax Commission); Board of Equalization; Natural Resources Conservation Service (U.S. Department of Agriculture)
 - **South Carolina:** County Tax Assessor; South Carolina Forestry Commission; Department of Revenue; Board of Real Estate Appraisers
 - **Tennessee:** County Tax Assessor; County Register of Deeds; Division of Forestry (Department of Agriculture); Division of Property Assessments (Comptroller of the Treasury); State Board of Equalization (Comptroller of the Treasury); Local and State Government Advisory Committee
 - **Texas:** County Tax Assessor; Texas Forest Service; Division of Property Tax Assistance (Comptroller of Public Accounts); Division of Standards and Enforcement Services (Texas Appraiser Licensing and Certificate Board); Forest Service (U.S. Department of Agriculture); Natural Resources Conservation Service (U.S. Department of Agriculture)
 - **Virginia:** County Tax Assessor; Department of Forestry; Department of Taxation; Department of Agriculture; Department of Conservation and Recreation; College of Agriculture (Virginia Polytechnic Institute and State University); Natural Resources Conservation Service (U.S. Department of Agriculture); State Land Use Evaluation Advisory Council

Rocky Mountain

- **Arizona:** County Assessor; County Board of Equalization; Division of Property Evaluation and Equalization (Department of Revenue); State Board of Tax Appeals; State Board of Equalization; Property Tax Oversight Commission (State Legislature)
- **Colorado:** County Assessor; County Treasurer; County Clerk and Recorder; Colorado State Forest Service; Division of Property Taxation (Department of Local Affairs); State Board of Equalization (Department of Local Affairs); Board of Assessment Appeals (Department of Local Affairs); Board of Real Estate Appraisers
- **Idaho:** County Tax Assessor; County Treasurer; County Board of Equalization; Division of Property Tax (Idaho State Tax Commission); Committee on Forestland Taxation Methodology
- **Kansas:** County Tax Assessor; Kansas Forest Service; Division of Property Evaluation (Department of Revenue)
- **Montana:** County Tax Appraiser; County Tax Appeal Board; County Treasurer Office; Division of Forestry (Department of Natural Resources and Conservation); Division of Property Tax Assessment (Department of Revenue); Montana State Tax Appeal Board; Forest Land Taxation Advisory Committee
- **Nebraska:** County Tax Assessor; Nebraska Forest Service; Division of Property Tax Assessment (Department of Revenue); Nebraska Tax Equalization and Review Commission
- **Nevada:** County Tax Assessor; Division of Forestry (Department of Conservation and Natural Resources); State Office of Historic Preservation (Department of Conservation and Natural Resources); Nevada Tax Commission (Department of Taxation); State Board of Equalization (Department of Taxation); Board of Appraiser Certification (Department of Taxation)
- **New Mexico:** County Tax Assessor; County Valuation Protest Board; Division of State Forestry (Department of Energy, Minerals and Natural Resources); Division of Property Tax (Department of Taxation and Revenue)
- **North Dakota:** County Tax Assessor; County Auditor; County Board of Commissioners; North Dakota Forest Service; Division of Property and Utility Taxes (Office of State Tax Commissioner); State Board of Equalization
- **South Dakota:** County Tax Assessor; County Director of Equalization; County Board of Commissioners; Division of Conservation and Forestry (U.S. Department of Agriculture); Division of Property Tax (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture); Extension Service (U.S. Department of Agriculture)
- **Utah:** County Tax Assessor; County Board of Equalization; County Auditor, Recorder, and Treasurer; Division of Forestry, Fire and State Lands (Department of State Lands); Property Tax Division (State Tax Commission); State Farmland Evaluation Advisory Committee (State Tax Commission)
- **Wyoming:** County Tax Assessor; County Board of Commissioners; Division of Forestry (Office of State Lands and Investments); Division of Property Tax (Department of Revenue); State Board of Equalization.

Pacific Coast

- **Alaska:** County Tax Assessor; County Board of Equalization; Division of Forestry (Department of Natural Resources); Division of Tax (Department of Revenue); Division of Community and Regional Affairs (Department of Commerce)
- **California:** County Tax Assessor; County Board of Supervisors; County Recorder Office; County Planning Commission; State Board of Equalization; State Board of Forestry and Fire Protection; Department of Forestry and Fire Protection; Timber Advisory Committee (State Board of Equalization); State Water Resources Control Board
- **Hawaii:** County Tax Assessor; District Administrative Board of Review; Board of Land and Natural Resources; Division of Forestry and Wildlife (Department of Land and Natural Resources); Department of Taxation; Tax Review Commission
- **Oregon:** County Tax Assessor; State Board of Forestry; Department of Forestry; Division of Private Forests (Department of Forestry); Division of Property Tax (Department of Revenue); Board of Property Tax Appeals (Department of Revenue); Department of Fish and Wildlife; Emergency Fire Cost Committee (Department of Forestry)
- **Washington:** County Tax Assessor; County Board of Equalization; Board of Natural Resources; Forest Practices Board; Division of Forest Resources (Department of Natural Resources); Department of Revenue; State Board of Tax Appeals

APPENDIX E: PRINCIPAL FOREST PROPERTY TAX INCENTIVE PROGRAMS

PRINCIPAL FOREST PROPERTY TAX INCENTIVE PROGRAMS

NORTH REGION

Table E.1—Key Attributes of Principal Forest Property Tax Incentive Program: Connecticut, 2014

Program legal-common name	General Property Tax Program (forests, open space) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on forest productivity)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Property Tax Assessor; Municipal Planning Commission; Department of Agriculture; Division of Forestry (Department of Energy and Environmental Protection); Office of Policy and Management (Department of Revenue Services)
Eligibility requirements	
Ownership and use limitations	Forest Land Classification: Privately owned woodland or land suitable for forest planting or bearing tree growth, not to exceed in value \$100 per acre, exclusive of timber growing thereon. Open Space Classification: certain open space land (including forest land, designated wetlands, certain farm land) the preservation or restricted use of which (a) maintains and enhances the conservation of natural or scenic resources, (b) protects natural streams or water supply, (c) promotes conservation of soils, wetlands, beaches or tidal marshes, (d) enhances public value of abutting or neighboring parks, forests, wildlife preserves, nature reservations, or sanctuaries, (e) enhances public recreation opportunities, (f) preserves historic sites, or (g) promotes orderly urban or suburban development.
Resource restrictions	Forest Land Classification: Woodland or land suitable for forest planting or tree growth that conforms to forest stocking, distribution, species and condition standards established by State Forester. Open Space Classification: Land designated as open space land by municipal planning commissions or similar entities of local government.
Application required	Forest Land Classification: Application to Division of Forestry (Department of Energy and Environmental Protection), accompanied by a description of the land and an assessor's sworn declaration stating the true value of the land and value of any timber thereon; certified and trained forester (person having completed satisfactory training related to certification policies and standards) must evaluate and attest to the qualifications of land for classification as forest land. Open Space Classification: Application to county tax assessor; only eligible is land located within open space areas formally designated by municipal planning commissions or similar entities of local government.
Legal filing required	Records of county tax assessor.
Minimum/maximum area	Forest Land Classification: Land parcel(s) of (a) one tract of land of 25 or more contiguous acres, (b) two or more tracts of land aggregating 25 acres or more in which no single component tract consists of less than 10 acres, or (c) any tract of land which is contiguous to a tract owned by the same owner and has been classified as forest land.
Commitment to program required (years)	Forest Land Classification: Continues if proper forest conditions are maintained; cancellation may occur when land is used for incompatible purposes (such as pasture, commercial development) or when forest is destroyed (fire, wind, diseases) and landowner fails to restore to specified forest conditions.
Penalty for withdrawal from program	Landowner seeking removal of forest land from favored classification, or seeking to sell land so classified (within a period of 10 years from the time title was first acquired or from the time the land was first classified), is subject to a conveyance tax applicable to the total sales price of the land. Landowner must notify tax assessor (by registered mail) of intent to do so; land classified as forest land may be converted to open space classification without penalty.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified

Continued

NORTH REGION (continued)

Table E.1 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Connecticut, 2014

Special provisions for water, wildlife, open space	Open Space Classification: Focus on preservation and enhancement of scenic resources; natural streams or water supply; public recreational opportunities; wildlife and nature sanctuaries; and soils, wetlands, and tidal marshes.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Forest Land Classification: Initial inspection by certified and trained forester confirming that land meets forest land classification standards; State Forester may examine condition of classified forest land whenever deemed necessary or when requested to do so by tax assessor; annual report to be made to State Forester by local government entity, report to depict general scope of forest land classification (aggregated information such as total number of owners and acres enrolled). Open Space Classification: Not specified.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$2.61 per acre (2013)
Total acres enrolled	480,000 acres (2013)
Total net benefits	\$1,252,800
Number of participants in program	6,675 (estimate)

^a *General Statutes of Connecticut*: Title 12 (Taxation), Chapters 203 (Property Tax Assessment), Sections 107a through 107f (Public Act 490), Chapter 204 (Local Levy and Tax Collection); Title 23 (Parks, Forests and Public Shade Trees), Chapter 451a (Forest Practices); *Regulations of Connecticut State Agencies* (State Administrative Code): "Policies and Standards for Evaluating Land Proposed for Classification as Forest Land," Department of Environmental Protection (Title 12: Taxation); *Related Report*: "Examining Land for Classification as Forest Land: Guidance for Woodland Owners, Foresters and Assessors" by Department of Energy and Environmental Protection (2014).

^b Information Sources

http://www.ct.gov/doag/lib/doag/marketing_files/complete_490guide_cfba.pdf. [Date accessed: December 2014].

http://www.cfba.org/images/resources/2010_recommended_land_use_values.pdf. [Date accessed: December 2014].

Personal Communication. August 13, 2014. Christopher Martin, State Forester, Division of Forestry, Department of Energy and Environmental Protection, 79 Elm St., Hartford, CT 06106. christopher.martin@ct.gov.

In table E.1 the average net benefit per acre for forest land enrolled in Connecticut's Public Act 490 (Forest land) Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: General State Property Tax Law

Tax Liability = Assessment (Use) Value (per acre) \times 0.0275 (State's county-wide average mill rate: 2.75 percent). Average Assessment (Use) Value: \$130.00 per acre; average Tax Liability: \$3.57 per acre ($\130.00×0.0275).

Forest Land Tax Liability in Nonpreferential Land Classification: Farmland (Tillable Class D)

Tax Liability (farmland) = Assessment (Use) Value (per acre) \times 0.0275 (State's county-wide average mill rate: 2.75 percent). Average Assessment (Use) Value: \$225.00 per acre; average Tax Liability: \$6.18 per acre ($\225.00×0.0275).

Forest Land Net Benefit of Preferential Classification

Annual per-acre tax benefit (tax savings) estimated by comparing the tax liability of enrolled forest land to tax liability of comparable lands not enrolled (Farmland [Tillable Class D]).

Average Net Benefit (tax savings per acre): \$2.61 per acre ($\$6.18 \text{ per acre} - \3.57 per acre).

NORTH REGION (continued)**Table E.2—Key Attributes of Principal Forest Property Tax Incentive Program: Delaware, 2014**

Program legal-common name	General Property Tax Program (forestry, plantations, open space) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use), Exemption
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Assessment Board; Delaware Forest Service (Department of Agriculture); Forest Stewardship Committee; Agricultural Lands Preservation Foundation; State Farmland Evaluation Advisory Committee; College of Agricultural and Natural Resources (University of Delaware)
Eligibility requirements	
Ownership and use limitations	Preservation Classification: Land actively devoted to tree growth in such quantity and so spaced and maintained as to constitute a forest area; located outside a designated growth zone, owned fee-simple by owner and not subject to a subdivision plan; zoned to allow for open space uses; no more than one in every 20 acres allowed for permanent houses; permitted activities limited to forestry production (tree planting), forestry operations (timber harvesting), forestry management (reforestation), wildlife habitat management, noncommercial hunting and fishing, and education and research activities; grazing of livestock permitted, subject to approval of Delaware Forest Service; excluded are commercial or industrial structures, mining and related extractive activities, and nurseries, orchards, or lands used for ornamental purposes. Plantation Classification: Land upon which owner proposes to develop and maintain a forest, either through planting or natural reproduction or both, to produce timber, pulpwood, poles, sawtimber or other wood products. Excluded is land planted as a nursery, orchard or for ornamental purposes. Land classified as plantation is exempt from county property taxes for 30 years; owner may fell and use any dead or injured timber and may also cut and remove any live trees when such have been marked for removal and approved by the Delaware Forest Service.
Resource restrictions	Preservation Classification: Contiguous area of trees or forest cover capable of being timbered and reforested (determined by the Delaware Forest Service); forest land judged to be viable and potentially productive. Plantation Classification: Sufficient forest growth (at time of classification) of suitable character and properly distributed so there is reasonable assurance that a stand of merchantable timber will develop (as determined by the Delaware Forest Service).
Application required	Preservation Classification: Application to Delaware Forest Service and the Agricultural Lands Preservation Foundation (public administrative instrument of State government); subsequent inspection by Delaware Forest Service. Plantation Classification: Application to Department of Agriculture (location, description, and area of the planted and naturally reforested land); Delaware Forest Service to examine property and report findings to Department of Agriculture.
Legal filing required	Preservation Classification: Forest land preservation agreement recorded in county real property records; recordable agreement containing forest land preservation area restrictions. Plantation Classification: Legally recorded by county tax assessor.
Minimum/maximum area	Preservation Classification and Plantation Classification: Contiguous area of land 10 or more acres in size
Commitment to program required (years)	Preservation Classification: 30-year commitment, if no owner request for withdrawal thereafter, automatic five-year extensions in perpetuity; Agricultural Lands Preservation Foundation may acquire lands in preservation classification. Plantation Classification: Landowner may withdraw land from tax exempt status at any time with certain specified payment of back taxes; Delaware Forest Service and Department of Agriculture determination that use and management conditions are not being met, enrolled forest lands may be removed from plantation classification and may be denied enrollment as county assessable property for 30 years; owner may reapply at end of 30 years for a new 30-year exemption.
Penalty for withdrawal from program	Preservation Classification: If violations of agreements occur, the Agricultural Lands Preservation Foundation may institute proceedings in the appropriate court to enforce the terms. Plantation Classification: Withdrawal requires retroactive tax payment based on average annual assessment of land during the years land was classified as commercial forest plantation.

Continued

NORTH REGION (continued)

Table E.2 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Delaware, 2014

Forest Management Plan	
Plan required	Preservation Classification: Required forest management plan that includes reference to landowner's forest management goals; plan to include (at a minimum) aerial and soil maps of the property, description and analysis of the forest by management unit, and silvicultural prescriptions for each management unit; plan to be available for periodic inspection by Delaware Forest Service. Plantation Classification: Approved forest management plan must accompany application; when parcel is sold, owner must notify new owner of obligation to follow management plan.
Effective duration of plan specified	Preservation Classification: Plan revised and updated at least every 10 years. Plantation Classification: Not specified.
Qualified preparer or approver required	Preservation Classification: Professional forester and subsequent review of plan by Delaware Forest Service; professional forester is person possessing at least a bachelor's degree in forestry or a closely related field. Plantation Classification: Delaware Forest Service approval of plan.
Plan implementation required	Preservation Classification: Not specified. Plantation Classification: Periodic inspections by Delaware Forest Service to determine implementation of plan, including landowner neglect (or refusal) to take proper precautions against damage by fire or grazing; findings of inspection may include recommendation of parcel's removal from preferential classification.
Notice of timber harvest required	Preservation Classification: Not specified. Plantation Classification: Delaware Forest Service approval and supervision required for cutting and removal of any dead, injured or live trees.
Special provisions for water, wildlife, open space	Special provisions implied or specifically identified by all classifications for open space preservation, enhancement of scenic resources, safeguard of natural streams and water supplies, public recreational opportunities, wildlife and nature sanctuaries, and protection of soils, wetlands, and marshes. Plantation Classification: Not specified.
Public access for recreation required	Preservation Classification: Hunting, fishing, certain types of recreation. Plantation Classification: Not specified.
Evidence of compliance required (frequency)	Preservation Classification: Designees of Agricultural Lands Preservation Foundation and the Delaware Forest Service reserve right to inspect restricted land and enforce agreements. If violations of agreements occur, the Foundation may institute proceedings in the appropriate court to enforce the terms. Plantation Classification: Periodic inspections by Delaware Forest Service.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	None (2013)
Total acres enrolled	33,000 acres (2013)
Total net benefits	Not determined
Number of participants in program	400 parcels

^a *Delaware Code*: Title 3 (Agriculture), Chapter 9 (Delaware Agricultural Lands Preservation Act), Subchapter 5 (Forestland Preservation); Title 3 (Agriculture), Chapter 26 (Commercial Forest Plantations); Title 9 (Counties), Chapters 80 through 87 (County Tax Levy, Valuation and Assessment of Property, Collection of Taxes); *Delaware Administrative Code*: Title 3 (Agriculture), Chapter 700 (Planning, Farmland Preservation). *Related Reports*: "Guidelines Used for the Delaware Agricultural Forestlands Preservation Program" by Delaware Agricultural Lands Preservation Foundation (2014).

^b Information Sources

<http://dda.delaware.gov/forestry/conser.shtml>. [Date accessed: December 2014].

<http://www.co.kent.de.us/finance/assessment.aspx>. [Date accessed: December 2014].

<http://www.co.kent.de.us/media/801475/TaxRates-2015.pdf>. [Date accessed: December 2014].

http://delawaretrees.com/2013_dfs_annual_report.pdf. [Date accessed: December 2014].

<https://www.sussexcountyde.gov/tax-information>. [Date accessed: December 2014].

Personal Communication. August 13, 2014. Sam Topper, Director Cost-Share Programs, Delaware Forest Service, Department of Agriculture, 2320 South DuPont Highway, Dover, DE 19901. sam.topper@state.de.us.

NORTH REGION (continued)

Table E.2 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Delaware, 2014

In table E.2 the average net benefit per acre for forest land enrolled in Delaware’s Commercial Forest Plantation Tax Program determined as follows:

Annual per-acre tax benefit (tax savings) was estimated by comparing the tax liability of lands in the Commercial Forest Plantation Tax Program to the tax liability of comparable lands that are not enrolled/classified in the program. For such purposes, Delaware’s Agricultural Use Value (Farmland Assessment Act) was used as a reference point. Because agricultural land subject to the Farmland Assessment Act is granted a 30-year exemption from property taxes, there is no annual per-acre net tax benefit to be determined when comparing the two tax programs.

NORTH REGION (continued)

Table E.3—Key Attributes of Principal Forest Property Tax Incentive Program: Illinois, 2014

Program legal-common name	Forestry Development and Conservation Stewardship Tax Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water
Agencies engaged in program administration	County Tax Assessor; Division of Forestry (Department of Natural Resources) Department of Revenue; Illinois Forest Development Council; Regional Cost-Share Review (Appeal) Committee; College of Agriculture (University of Illinois)
Eligibility requirements	
Ownership and use limitations	Forest Development Classification: Parcel used solely for the growing and harvesting of crops, including forestry crops; located in counties with less than 3,000,000 residents (special provisions for parcels in larger counties and enrolled before 1986); application of acceptable forest management practices (such as site preparation, tree planting, fire management practices, timber stand improvement); owner must have a direct interest in the proceeds from the timber grown on the land or be legally entitled to receive proceeds therefrom; ongoing removal of oil, gas, coal or any other mineral does not disqualify parcel; excludes land used for residential purposes. Conservation Stewardship Classification: Unimproved land, including woodlands, not used for any residential or commercial purpose that would materially disturb the land.
Resource restrictions	Forest Development Classification: As specified in required forest management plan, a forested parcel is one whose principal crop is trees. Conservation Stewardship Classification: Parcel must be unimproved land including woodlands, prairie and wetlands; woodlands to be predominately covered by trees and shrubs.
Application required	Application to county tax assessor
Legal filing required	County Tax Assessor and Division of Forestry, Department of Natural Resources.
Minimum/maximum area	Five or more contiguous acres and at least 100 feet wide
Commitment to program required (years)	Withdrawal from program permitted at discretion of owner
Penalty for withdrawal from program	Withdrawal from program with penalty for current year only (difference between preferential rate and general assessed rate); forest management cost-share payments used to implement forest management plan must be repaid if plan is not followed or forest management practices are not maintained for their minimum lifespan.
Forest Management Plan	
Plan required	Forest Management Plan or Conservation Management Plan
Effective duration of plan specified	Ten years
Qualified preparer or approver required	Preparation by a professional resources manager not required, although plan must be reviewed and approved by the Division of Forestry (Department of Natural Resources)
Plan implementation required	Division of Forestry (Department of Natural Resources) inspects property every ten years for actions consistent with approved plan; forestry development cost-share program provides support for plan implementation.
Notice of timber harvest required	Not required, although forest management plan must include estimates (based on inventory information) setting forth the area (acres) and volume (per acre) to be harvested.
Special provisions for water, wildlife, open space	Forest management and conservation plans to include description of current conditions and management actions to be focused on wildlife habitat, water quality, exotic species, recreation and aesthetics.
Public access for recreation required	Not required
Evidence of compliance required (frequency)	Review every 10 years of progress in implementing a forest management plan or conservation management plan.
Basis for tax benefit provided	Value-based amount

Continued

NORTH REGION (continued)

Table E.3 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Illinois, 2014

Annual tax benefits provided^a	
Average net benefit per acre	\$1.54 per acre
Total acres enrolled	162,700 acres (Forest Development Act)
Total net benefits	\$250,558 (Forest Development Act)
Number of participants in program	7,500 (forest management plans)

^a *Illinois Compiled Statutes*: ILCS Chapter 525 (Conservation), Chapter 15 (Illinois Forest Development Act); ILCS Chapter 35 (Revenue: Property Tax Code), Title 3 (Valuation and Assessment), Article 10 (Valuation Procedures for Special Properties), Division 6 (Farmland, Open Space and Forestry Management Plan) and Division 16 (Conservation Stewardship Law); *Illinois Administrative Code*: Title 17 (Conservation), Chapter One (Department of Natural Resources): Subchapter D (Forestry), Part 1536 (Forestry Development Cost-Share Program) and Part 1537 (Forest Management Plan); and Subchapter F (Administrative Services), Part 2580 (Conservation Stewardship Program).

^b Information Sources

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

<http://www.kanecountyassessments.org/farm/2011values.pdf>. [Date accessed: December 2014].

<http://www.revenue.state.il.us/AboutIdor/TaxStats/PropertyTaxStats/2011/index.htm> (table 8). [Date accessed: December 2014].

<http://www.revenue.state.il.us/AboutIdor/TaxStats/PropertyTaxStats/2011/index.htm>. [Date accessed: December 2014].

http://web.extension.illinois.edu/forestry/publications/pdf/il_forest_facts/UIUC_2002_ForestResources_Illinois.pdf. [Date accessed: December 2014].

<http://tax.illinois.gov/LocalGovernment/PropertyTax/2013-Farmland-Certification.pdf>. [Date accessed: December 2014].

http://www.dnr.state.il.us/conservation/forestry/IFDA/FDA_Info_Sheet_6_06.pdf. [Date accessed: December 2014].

<http://dnr.state.il.us/conservation/forestry/IFDA/>. [Date accessed: December 2014].

<http://www.dnr.state.il.us/orep/pfc/incentives.htm>. [Date accessed: December 2014].

Personal Communication. August 6 and 13, 2013. Paul Deizman, Stewardship Forester, Division of Forest Resources, Illinois Department of Natural Resources, One Natural Resources Way, Springfield, IL 62702-1271, paul.deizman@illinois.gov.

Personal Communication. July 18 and 22, 2013. Brenda Cawley, Farmland Assessments Technical Expert, Illinois Department of Revenue, 101 West Jefferson St., Springfield, IL 62702, brenda.cawley@illinois.gov.

In table E.3 the average net benefit per acre for forest land enrolled in Illinois's Forest Development Act / "Other Farmland" tax program was determined as follows using the most recent information source (2011):

Forest Land Tax Liability in Preferential Classification: Forest Development Act (FDA) and "Other Farmland" Classification

Forest Development Act and "Other Farmland" Classification valued at one-sixth of its Productivity Index (PI): Equalized Assessed Value (EAV) as cropland, but no lower than one-sixth the value of the lowest PI certified.

Equalized Assessed Value (EAV) = $33\frac{1}{3}$ percent of Fair Market Value (FMV).

Soil Productivity Index 82 assessment: \$1.91 per acre (2011) [Certified Value of \$11.46 per acre $\times \frac{1}{6}$]

Soil Productivity Index 106 (median PI) assessment: \$20.45 per acre (2011) [Certified Value of \$122.72 per acre $\times \frac{1}{6}$]

Soil Productivity Index 130 assessment: \$80.88 per acre (2011) [Certified Value of \$485.30 per acre $\times \frac{1}{6}$]

Tax Liability of Forest Development Act / "Other Farmland" (FDA) Classification

PI 82: $\$1.91 \times 7.52$ percent (2011 statewide average tax rate) = \$0.14 per acre

PI 106: $\$20.45 \times 7.52$ percent = \$1.53 per acre

PI 130: $\$80.88 \times 7.52$ percent = \$6.08 per acre

Forest Land Tax Liability in Preferential Classification: Conservation Stewardship Law (CSL)

CSL Tax assessed at 5 percent of Fair Market Value (FMV):

Average FMV of Cropland in Illinois: \$5,800.00 per acre (2011)

Average FMV of Farm Real Estate in Illinois: \$5,700.00 per acre (2011)

CSL Assessment Value as cropland: $\$5,800.00 \times 0.05 = \290.00 (average assessment value); CSL Assessment Value as farm real estate: $\$5,700.00 \times 0.05 = \285.00 (average assessment value)

Tax Liability for CSL as cropland: $\$290.00 \times 7.52$ percent (2011 statewide average tax rate) = \$21.80 per acre. Tax Liability for CSL as farm real estate: $\$285.00 \times 7.52$ percent (2011 statewide average tax rate) = \$21.43 per acre.

NORTH REGION (continued)

Table E.3 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Illinois, 2014

Forest land Tax Liability in Nonpreferential Classification: *Intensive Agricultural Cropland*

Soil Productivity Index 82 assessment: \$3.82 per acre (2011) [Certified Value of \$11.46/acre $\times \frac{1}{3}$]; tax liability for cropland PI 82: $\$3.82 \times 7.52$ percent (2011 statewide average tax rate) = \$0.28 per acre.

Soil Productivity Index 106 (median PI) assessment: \$40.90/acre (2011) [Certified Value of \$122.72 per acre $\times \frac{1}{3}$]; tax liability for cropland PI 106: $\$40.90 \times 7.52$ percent (2011 statewide average tax rate) = \$3.07 per acre.

Soil Productivity Index 130 assessment: \$161.76 per acre (2011) [Certified Value of \$485.30 per acre $\times \frac{1}{3}$]; tax liability for cropland PI 130: $\$161.76 \times 7.52$ percent (2011 statewide average tax rate) = \$12.16 per acre.

Forest Land Net Benefit of Preferential Classifications

Net Benefit of Mid-Range Productivity Index 106: \$1.54 per acre

PI 82: $\$0.28 - \0.14 per acre = \$0.14 per acre

PI 106: $\$3.07 - \1.53 per acre = \$1.54 per acre

PI 130: $\$12.16 - \6.08 per acre = \$6.08 per acre

NORTH REGION (continued)**Table E.4—Key Attributes of Principal Forest Property Tax Incentive Program: Indiana, 2014**

Program legal-common name	General Property Tax Program (forests) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use), Flat Tax
Principal statutorily defined ecosystem services of interest	Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Auditor; Division of Forestry (Department of Natural Resources); Department of Local Government Finance
Eligibility requirements	
Ownership and use limitations	Forest Plantation Classification, Native Forestland Classification, Wildland Classification (assessed rate same for all): If not detrimental to the health and productivity of the land, various uses are allowed (timber harvesting, wildlife management, roads and trails, recreational hiking and hunting); excluded are grazing by domestic livestock, establishment of residential dwellings, growing of Christmas trees and growing of agricultural crops (except crops cultivated solely as food or cover for wildlife); upon occurrence, uses such as oil, gas, stone, coal, or other mineral wealth require land be classified as such and assessed accordingly; minimum of four signs publicly identifying parcel as private land assigned a preferential tax treatment.
Resource restrictions	Forest Plantation Classification: Parcel growing a good stand of trees as commonly understood by professional foresters; at least 400 timber-producing trees per acre of any size trees, but well established. Native Forestland Classification: Parcel contains at least 40 square feet of basal area per acre or 1,000 or more timber-producing trees (any size) per acre. Wildland classification: Parcel contains early forest successional stands dominated by native herbaceous and woody vegetation that will develop into native forest land.
Application required	Application to Division of Forestry (Department of Natural Resources); application to include parcel description prepared by a registered land surveyor.
Legal filing required	County tax assessor
Minimum/maximum area	10 or more contiguous acres, at least 50 feet wide; by special permit, 10 percent of parcel may be devoted to special uses consistent with legal intentions; parcels divided into two or more separate parcels must each have at least 10 acres of eligible land in each tract.
Commitment to program required (years)	Upon application to county tax assessor, owner may voluntarily request withdrawal of parcel from preferential classification; upon determination (by Division of Forestry) that established standards are not being met, parcel may be withdrawn from preferential classification (withdrawal notice placed in county records); parcel may not be converted from native forest land or a forest plantation to a nonforest classification without a special permit.
Penalty for withdrawal from program	Whether withdrawn voluntarily or involuntary, penalty of back taxes (up to 10 years) plus a 10 percent per year interest penalty paid to county; parcels classified after June 2006 are subject to a withdrawal penalty of \$100 and a \$50 per acre withdrawal penalty; 75 percent of penalty to be deposited in a reforestation fund; failure to pay penalty results in a delinquency lien placed on the property.
Forest Management Plan	
Plan required	Forest management plan to accompany application; plan to specify management goals and forestry prescriptions to be accomplished.
Effective duration of plan specified	Five to 10 years.
Qualified preparer or approver required	Prepared by either the Division of Forestry, a wildlife biologist, or a professional forester; changes in plan require approval of Division of Forestry in consultation with landowner.
Plan implementation required	Parcel inspected every seven years; inspection findings permanently recorded in the office of the Division of Forestry.
Notice of timber harvest required	Following commercial harvest, owner of parcel to provide written notice of the occurrence of harvest in the first subsequent annual report filed with the Division of Forestry (Department of Natural Resources).
Special provisions for water, wildlife, open space	Wildlife habitat, windbreaks, riparian filters, recreational uses

Continued

NORTH REGION (continued)

Table E.4 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Indiana, 2014

Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Landowner annual report to describing parcel's condition and the management activities undertaken; inspection by the Division of Forestry every seven years; failure to comply with provisions of management plan may result in removal of parcel's favored tax treatment.
Basis for tax benefit provided	Standard amount (assessed at \$1.00 per acre)
Annual tax benefits provided^b	
Average net benefit per acre	\$23.02 per acre
Total acres enrolled	599,700 acres
Total net benefits	\$13,805,094
Number of participants in program	13,000 (parcels)

^a *Indiana Code*: Title 6, Article 1.1 (Property Taxes), Chapter 6 (Assessment of Certain Forest Lands); *Administrative Code*: Title 312 (Natural Resources Commission), Article 15 (Forest and Resource Management), Rule –1-3.

^b Information Sources

Personal Communication. June 6 and August 19, 2013. Barry Wood, Director, Assessment Division, Indiana Department of Local Government Finance, 100 North Senate Ave., Indianapolis, IN 46204. bwood@dlgf.in.gov.

Personal Communication. August 19-20, 2013. Brenda Huter, Stewardship Coordinator, Division of Forestry, Indiana Department of Natural Resources, 402 W. Washington St., Indianapolis, IN 46204. bhuter@dnr.in.gov.

In table E.4 the average net benefit per acre for forest land enrolled in Indiana's preferential property tax treatment program was determined as follows using the most recent information source (2011):

Tax Liability for Forest Land in Preferential Classification: Forest and Wetlands Program

Forest land enrolled in provisions of the Classified Forest and Wildlands Program are assessed for property taxation purposes at \$1.00 per acre. Tax Liability = assessed value (\$1.00 per acre) × locally assessed tax rate (varying considerably from county to county).

Indiana property tax rates (2011) range from: 0.6731 percent (low) to 7.0198 percent (high). Statewide average rate (2011) = 1.95 percent (<http://www.stats.indiana.edu/taxframe.html>). \$1.00 per acre × 0.0195 (State average tax rate) = \$0.0195 per acre tax liability. However, because of tax administration costs (processing, preparing, mailing statements), some counties may impose a minimum per-acre individual tax liability of \$5.00 per parcel (<http://www.extension.purdue.edu/extmedia/FNR/FNR-201.pdf>).

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Land Classification.

Forest land enrolled in comparable agricultural land classification was used to evaluate the tax savings available to landowners participating in the Classified Forest and Wildlands Program. Tax liability for agricultural use was determined as follows:

- Assessed values determined, using the 2011 Agricultural Land Base Rate of \$1,500 per acre, and the predetermined Soil Productivity Factor (SPF) range of: (a) 0.5 (for poorer, less productive soils) = assessed value of \$750.00 per acre [$\$1,500 \times 0.5$]; (b) 0.958 (weighted average soil productivity) = assessed value of \$1,437.00 per acre [$\$1,500 \times 0.958$]; and (c) 1.28 (for the best, most productive soils) = assessed value of \$1,920 per acre [$\$1,500 \times 1.28$] http://www.agecon.purdue.edu/extension/pubs/paer/pdf/PAER4_2012.pdf.
- Tax liability for agricultural land was determined. Tax liability range was estimated by multiplying the SPF range by the average State tax rate of 1.95 percent: (a) $\$750/\text{acre} \times 0.0195$ (State average tax rate) = \$14.62 per acre; (b) $\$1,437/\text{acre} \times 0.0195$ (state average tax rate) = \$28.02 per acre; and (c) $\$1,920/\text{acre} \times 0.0195$ (State average tax rate) = \$37.44 per acre.

Forest Land Net Benefit of Preferential Classification

After subtracting the minimum per-acre individual tax liability (\$5.00 per acre) from the per-acre Agricultural Land tax liability, the per-acre net benefit (tax savings) for landowners participating in the Classified Forest and Wildlands Program was estimated to be as follows: (a) \$14.62 per acre – \$5.00 per acre = \$9.62 per acre (minimum); (b) \$28.02 per acre – \$5.00 per acre = \$23.02 per acre (weighted average benefit); and (c) \$37.44 per acre – \$5.00 per acre = \$32.44 per acre (maximum).

NORTH REGION (continued)**Table E.5—Key Attributes of Principal Forest Property Tax Incentive Program: Iowa, 2014**

Program legal-common name	General Property Tax Program (forest and fruit tree) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use), Exemption
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Conservation Board; Bureau of Forestry (Department of Natural Resources); Property Tax Division (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Forest Reservation Classification: Parcel of land containing a minimum number of trees (200 per acre), to be subsequently classified as a forest reservation; excluded is land used for residences and livestock grazing (condition attested to or certified by owner).
Resource restrictions	Forest Reservation Classification: 200 growing forest trees per acre; only one-fifth of trees can be removed annually, except for trees dying of natural causes; within 1 year after removal of trees (or their death), owner must plant (and care for) a sufficient number of trees so total meets the requirement of 200 trees per acre; acceptable tree species are specified by name (such as ash, black cherry, black walnut, butternut, catalpa, coffee tree, hackberry, hickory, honey locust); trees must be in groves not less than four rods wide (except for special conditions in gullies).
Application required	Application to county tax assessor; initial inspection of parcel by county tax assessor or county conservation board.
Legal filing required	County tax assessor
Minimum/maximum area	Two or more contiguous acres
Commitment to program required (years)	Owner sworn statement or affirmation of parcel's condition; approved application remains in effect indefinitely if parcel continues to meet conditions for preferential tax treatment.
Penalty for withdrawal from program	Change in land use or violation of preferential classification's requirements results in denial of preferential classification for ensuing two years; recapture of five years back taxes, unless land enrolled 10 or more years; change in parcel's ownership requires seller to notify buyer of recapture tax provisions.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified, although closely related tax classifications have implications for forest resources (wildlife habitat protection program; native prairie land and protected wetland program).
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Optional annual inspections by county tax assessor; county tax assessor annual report to Department of Natural Resources (to include number of parcels and total area assigned preferential tax treatment).
Basis for tax benefit provided	Exemption
Annual tax benefits provided^b	
Average net benefit per acre	\$12.19 per acre (2011)
Total acres enrolled	692,934 (2011)
Total net benefits	\$8,446,865
Number of participants in program	48,000 (parcels)

Continued

NORTH REGION (continued)

Table E.5 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Iowa, 2014

^a *Iowa Code*: Title 10, Subtitle 2 (Property Taxes), Chapter 427C (Forest and Fruit Tree Reservations); *Iowa Administrative Code*: Department of Natural Resources, Natural Resources Commission, Chapter 73 (Forest and Fruit Tree Reservations), Rule One (Criteria for Establishing And Maintaining Forest and Fruit Tree Reservations) and Rule 2 (County Assessor's Annual Report to the Department of Natural Resources); "Iowa Real Property Appraisal Manual," Property Tax Division, Department of Revenue, 2013.

^b Information Sources

<http://www.iowadnr.gov/Portals/idnr/uploads/forestry/reservefactsheet11.pdf>. [Date accessed: December 2014].

http://www.iowadnr.gov/portals/idnr/uploads/forestry/forestreserve_findings.pdf. [Date accessed: December 2014].

<http://www.iowadnr.gov/Portals/idnr/uploads/forestry/FORESTRESERVEacresco11.pdf>. [Date accessed: December 2014].

Personal Communication. July 19, 2013. Paul Tauke. Chief, Forestry Bureau, Department of Natural Resources, 502 E. 9th St. Des Moines, IA 50319-0034. paul.tauke@dnr.iowa.gov.

In table E.5 the average net benefit per acre for forest land enrolled in Iowa's Forest and Fruit Tree Reservation Program was determined as follows using the most recent information source (2011):

Forest Land Tax Liability in Preferential Classification: *Forest and Fruit Tree Reservation Program*.

Average Tax Value: \$12.19 per acre (2011)

Area subject to preferential tax treatment: 692,934 acres (2011)

NORTH REGION (continued)**Table E.6—Key Attributes of Principal Forest Property Tax Incentive Program: Maine, 2014**

Program legal-common name	General Property Tax Program (forestland, open space), Tree Growth Tax Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on forest productivity)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Recreational Uses and Resource Preservation.
Agencies engaged in program administration	Town and Municipal Assessor; Bureau of Forestry (Department of Agriculture, Conservation and Forestry); Department of Inland Fisheries and Wildlife; Division of Property Tax (Department of Administrative and Financial Services); Board of Property Tax Review (Department of Administrative and Financial Services); Maine Land Use Planning Commission
Eligibility requirements	
Ownership and use limitations	Farmland Classification: Including woodland and land used for farming, agricultural, or horticultural activities; generates \$2,000 gross annual income, excluding income from trees grown and harvested for forest products. Open Space Classification: Undeveloped land restricted in use to provide a public benefit by conserving scenic resources, enhancing public recreation opportunities, promoting game management, preserving wildlife or wildlife habitat, or promoting managed forests; classified open space land subject to same property tax rate applicable to other property in the jurisdiction. Tree Growth Classification: Land used primarily for growth of trees to be harvested for commercial use; excludes certain nonforest growing land (ledge, marsh, open swamp, bog), land with structures and land considered shoreline, and certain land determined to be more valuable for leasing for certain recreational uses (hunting) (100 plus acres); although located in forested areas, certain structures and shoreland are excluded from classification; owners must manage parcel in accord with accepted forestry practices considered necessary to produce trees having commercial value; eligibility for classification requires written consent of all owners of a given parcel. For all tax classifications (Farmland, Open Space, Tree Growth) assessment and administrative distinctions are made between State organized territory and municipalities and towns.
Resource restrictions	Farmland Classification: Land used for farming, agricultural, or horticultural activities. Open Space Classification: Land considered undeveloped and included in the following categories: (a) permanently protected open space land (certain restrictions limit development), (b) forever-wild open space land (nonprofit organization providing opportunity for hunting, fishing, low-impact recreation), (c) public access open space land (opportunity provided for reasonable nondestructive public use), and (d) managed forest open space land (opportunity for timber management and harvesting). Tree Growth Classification: Land capable of growing trees to be harvested for forest products and related commercial uses (such as seedlings, pulp wood, pole timber, saw logs); excludes ledge, marsh, open swamp, bog and similar areas considered unsuitable for growing or harvesting forest products, even though such areas may exist within forest land; because of loss due to fire, disease, or other natural disaster, landowner may be granted a reduced valuation of up to 75 percent for the first 10 years after loss.
Application required	Farmland Classification and Open Space Classification: Annual filing is not necessary, although town or municipal assessor may request new application at any time; application must be accompanied by a detailed map of the parcel and any applicable supporting documentation. Tree Growth Classification: Annual filing is not necessary, although town or municipal assessor may request new application at any time; application must be accompanied with a detailed map of parcel showing the location of the different forest types (softwood, hardwood, mixed wood) as well as a description and location of land not classified in the parcel to at least the nearest whole acre; separate applications must be filed for each non-contiguous parcel and for each part of a parcel if the parcel is located in more than one county or municipality; owner must provide confirmation that the primary use of a parcel will be to grow trees to be harvested for commercial use.
Legal filing required	Farmland Classification, Open Space Classification, Tree Growth Classification: town or municipal assessor
Minimum/maximum area	Farmland Classification: 5 or more contiguous acres, although may include additional 1-acre tracts if such are contiguous to tract of 5 contiguous acres. Open Space Classification: No minimum acreage; no person may apply for classification for more than an aggregate total of 15,000 acres. Tree Growth Classification: 10 or more forested acres.

Continued

NORTH REGION (continued)

Table E.6 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Maine, 2014

Eligibility requirements (continued)	
Commitment to program required (years)	Farmland Classification: May be withdrawn from classification at any time by assessor or at request of owner; change to a disqualifying land classification results in assessment of a penalty. Open Space Classification: May be withdrawn from classification at any time by assessor or at request of owner; assessor may change classification if owner fails to give notice of change to a disqualifying land use; change to a disqualifying classification may result in assessment of a penalty. Tree Growth Classification: May be withdrawn from classification at any time by assessor or at request of owner; town or municipal assessor may change classification if owner fails to give notice of change to a disqualifying land use; change to a disqualifying classification may result in assessment of a penalty; landowner responsible for reporting any changes in land use classification (including changes in forest types), failure to do so results in a withdrawal penalty and an additional 25 percent penalty. If recreational lease of a parcel (over 100 acres in size) exceeds the value of the parcel for commercial tree growth, parcel must be removed from the Tree Growth Classification.
Penalty for withdrawal from program	Farmland Classification: Payment of taxes that would have been paid for previous five years plus interest; actual taxes paid on the classified parcel for the previous five years are credited towards the amount due; change from Farmland Classification to Open Space Classification (or reverse classification) not penalized. Open Space Classification: Penalty equal to 30 percent of difference between the 100 percent open space valuation and 100 percent of fair market value at time of property's withdrawal, or if land has been classified as open space for more than 10 years, the 30 percent difference is reduced proportionally over 10 years to a floor of 20 percent; classification changes from Farmland to Open Space, Farmland to Tree Growth, Open Space to Farmland or Open Space to Tree Growth are not penalized if parcel meets new classification's requirements. Tree Growth Classification: Prior to assessing withdrawal penalties, municipalities may impose two administrative penalties (\$500 each); failure of landowner to comply within six months from the date of second administrative penalty, assessor must remove parcel from favored classification and assess an additional penalty; additional penalty is to equal 30 percent of difference between the 100 percent tree growth classification valuation and 100 percent of fair market value at time of property's withdrawal, or if land has been classified as tree growth for more than 10 years, the 30 percent difference is reduced proportionally over 10 years to a floor of 20 percent; change from Tree Growth Classification to Farmland Classification or Open Space Classification not penalized.
Forest Management Plan	
Plan required	Farmland Classification and Open Space Classification: Not specified. Tree Growth Classification: Forest management and harvest plan required; upon initial application and every 10 years thereafter, landowner must file a sworn statement with the town, municipality, or unorganized territory where the parcel is located stating that a forest management and harvest plan has been prepared for the parcel; landowner must comply with the plan and every 10 years submit a sworn statement from a licensed professional forester that parcel is in compliance with the plan; once every 10 years, owner is eligible for a \$200 State income tax credit for cost of preparing a forest management and harvest plan for parcels larger than 10 acres.
Effective duration of plan specified	Farmland Classification and Open Space Classification: Not specified. Tree Growth Classification: Updated every 10 years.
Qualified preparer or approver required	Farmland Classification and Open Space Classification: Not specified. Tree Growth Classification: Licensed professional forester.
Plan implementation required	Farmland Classification and Open Space Classification: Not specified. Tree Growth Classification: Every 10 years, licensed forester certification that parcel is being managed according to established plan.
Notice of timber harvest required	Farmland Classification and Open Space Classification: Not specified. Tree Growth Classification: New owner of parcel not authorized to harvest timber until new management plan is prepared or a licensed forester certifies parcel is being managed in accord with previous owner's plan.
Special provisions for water, wildlife, open space	Farmland Classification: Not specified. Open Space classification: Land which is subject to preservation or restricted use provides for conserving scenic resources, enhancing public recreation opportunities, promoting game management, and preserving wildlife or wildlife habitat. Tree Growth Classification: Parcels less than 100 acres in size are exempt from recreational lease requirements.

Continued

NORTH REGION (continued)

Table E.6 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Maine, 2014

Public access for recreation required	Farmland Classification: Not specified. Open Space Classification: Required for public access open space land use category. Tree Growth Classification: Not specified.
Evidence of compliance required (frequency)	Farmland Classification: Every fifth year (or at request of town or municipal assessor) provide information about gross income derived from classified land over previous five years. Open Space Classification: town or municipal assessor authorized to enter and examine forest land within Open Space Classification to determine if conditions are consistent with owner-submitted forest management plan; periodic oversight review (conducted by certain State agencies) of aggregate program participation rates, effectiveness, and fiscal impacts. Tree Growth Classification: Periodic sampling of enrolled land to identify deviations from provisions of established forest management and harvest plans; annual town, municipal and territory government reports to Bureau of Forestry (Department of Agriculture, Conservation and Forestry) describing aggregate program participation rates and area enrolled in tree growth classification.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$1.42 per acre (2014)
Total acres enrolled	3,691,633 (2012) (excluding 7.5 million acres in Unorganized Territory of Maine)
Total net benefits	\$5,242,118 (excluding 7.5 million acres in Unorganized Territory of Maine)
Number of participants in program	63,210

^a *Maine Revised Statutes*: Title 36 (Taxation), Chapter 105 (Cities and Towns), Sub Chapters 1 (General Provisions), 2 (Real Property Taxes), 2A (Tree Growth Tax Law), 6 (Powers and Duties of Tax Collectors), and 10 (Farm and Open Space Tax Law). *Maine Government Agency Rules*: Chapter 18-202 (Tree Growth Tax Law Valuations), Chapter 18-205 (Certification of Tax Appraisers), Chapter 100 (Maine Board of Tax Appeals). *Related Reports*: “Maine Tree Growth Tax Law,” Property Tax Bulletin No. 19, Property Tax Division, Maine Revenue Services (2013); “Laws Related to Property Taxation,” Property Tax Division, Maine Revenue Services (2014); “Open Space Tax Law,” Property Tax Bulletin No. 21, Property Tax Division, Maine Revenue Services (2013).

^b Information Sources

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<http://www.maine.gov/revenue/propertytax/Contacts.htm>. [Date accessed: December 2014].

Personal Communication. January 16, 2015. Lisa Whynot, Supervisor of Unorganized Territory Property Tax Division, Maine Revenue Service, P.O. Box 9106, Augusta, ME 04332-9106. lisa.m.whynot@maine.gov.

NORTH REGION (continued)

Table E.6 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Maine, 2014

In table E.6 the average net benefit per acre for forest land enrolled in Maine's Tree Growth Tax Law and Open Space Tax Law was determined as follows:

Forest Land Tax Liability in Preferential Classification: Tree Growth Tax Law and Open Space Tax

Forest type	Average use value	Average tax liability
	<i>\$ per acre</i>	
Softwood	265.88	3.71
Mixed wood	222.87	3.11
Hardwood	181.94	2.54
Average Use Values (2014): \$223.56 per acre (2014).		

Average Tax Liabilities (2014): \$3.12 per acre ($\223.56×0.0139)

Tax Liability = Use Value (per acre) \times 0.0139 (State average tax rate: 1.39 percent or \$13.99 per \$1,000 value)

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Pastureland

Tax Liability = Assessment (Use) Value (per acre) \times 0.0139 (State average tax rate: 1.39 percent)

Average Assessment (Use) Value for Pasture Land: \$325.00 per acre (2014)

Average Tax Liability: \$4.54 per acre ($\325.00×0.0139)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (tax savings per acre): \$1.42 per acre ($\$4.54 \text{ per acre} - \3.12 per acre)

NORTH REGION (continued)**Table E.7—Key Attributes of Principal Forest Property Tax Incentive Program: Maryland, 2014**

Program legal-common name	Forest Conservation and Management Tax Program (forests, open space) ^a
Fundamental type of tax	Modified Rate-Assessment (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Water
Agencies engaged in program administration	County Assessment Office; County Property Tax Assessment Appeal Board; County Board of Public Works; Maryland Forest Service (Department of Natural Resources); Division of Real Property (Department of Assessments and Taxation); Maryland Tax Court
Eligibility requirements	
Ownership and use limitations	Woodland Classification: Land primarily used as wooded-forested land, including land recently planted with forest tree seedlings; excluded are home sites, agricultural cropland, and nonforest open space; exempt is property of certain organizations (religious, educational, veteran), including organizations (such as The Nature Conservancy) owning land for promoting conservation and the preservation of wild nature areas. Conservation Property Classification: Land is unimproved, not used for commercial purposes, and subject to a perpetual conservation easement; property tax credit provided for 15 consecutive years. Open Space Classification: Land (including woodland) has open and natural conditions that enhance or maintain the conservation of natural or scenic resources and is subject to an easement that preserves in perpetuity the natural open character of the land. Property tax credit provided.
Resource restrictions	Wooded-forested land
Application required	Application to Maryland Forest Service (Department of Natural Resources) (local office)
Legal filing required	County assessment office, including legal filing of a Forest Conservation Management Agreement (FCMA).
Minimum/maximum area	5 or more contiguous acres of land; land parcel may be part of separated parcels if purchased at the same time by the same owner; all acreage must meet a regional ownership ratio requirement.
Commitment to program required (years)	Forest Conservation Management Agreement is in force for at least 15 years, with consecutive agreements considered a single agreement from the date of the original agreement; before property can be sold, owner must promptly (within 30 days) inform prospective buyer that land is subject to an FCMA; buyer is required to implement the agreement; of the sale, the seller must notify the Maryland Forest Service (Department of Natural Resources).
Penalty for withdrawal from program	Rollback tax penalty imposed if owner requests withdrawal from tax program or a violation of program requirements occurs; repayment penalty covers time from original agreement to time of owner request for withdrawal or time of program violation; in addition, FCMA holder must pay the Department of Natural Resources a \$100 penalty.
Forest Management Plan	
Plan required	Forest Stewardship Plan or Woodland Management Forest Plan to include detailed specification of forest management practices to be applied and dates for their completion; commitment to plan affirmed by consummation of a Forest Conservation Management Agreement.
Effective duration of plan specified	15 years, concurrent with Forest Conservation Management Agreement
Qualified preparer or approver required	Registered professional forester
Plan implementation required	Forest Stewardship Plan or Woodland Management Plan (the implementing mechanisms for the FCMA) require schedules of the forest management practices to be accomplished and their expected completion dates.
Notice of timber harvest required	Woodland is reassessed when timber is harvested, unless harvested in accord with specification in the management plan approved by the Maryland Forest Service.

Continued

NORTH REGION (continued)

Table E.7 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Maryland, 2014

Special provisions for water, wildlife, open space	Forest Stewardship Plan or Woodland Management Plan specifies provisions for management and protection of a range of natural resources, including water wildlife and recreation; in addition, conservation property and open space classifications focus directly on open space and scenic resources.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Maryland Forest Service (Department of Natural Resources) must certify (every five years) to the county assessment office that a parcel complies with a Forest Conservation Management Agreement
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$3.35 per acre (2013)
Total acres enrolled	84,000 acres (2013)
Total net benefits	\$281,400 (2013)
Number of participants in program	1,300

^a *Maryland Code: Tax-Property*: Title 1 (Definitions, General Provisions), Title 7 (Exemptions), Title 8 (Classification of Property), Section 211 (Assessing of Woodland; Forest Conservation and Management Program); Title 9 (Property Tax Credits and Property Tax Relief), Section 107 (Conservation Property), Section 208 (Open Space); *Natural Resources*: Title 5, Sections 1201 through 1220 (Open Space). *Related Reports*: "Assessment Procedures Manual," Department of Assessments and Taxation (2014); "Forest Conservation and Management: Property Tax Savings," Forest Service, Department of Natural Resources (2014).

^b Information Sources

<http://www.dnr.state.md.us/forests/programapps/fcmp.html>. [Date accessed: December 2014].

<http://www.dnr.state.md.us/forests/fcmp.pdf>. [Date accessed: December 2014].

http://www.dat.state.md.us/sdatweb/stats/13_taxrate.html. [Date accessed: December 2014].

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<http://www.dat.state.md.us/sdatweb/aguse.html>. [Date accessed: December 2014].

In table E.7 the average net benefit per acre for forest land enrolled in Maryland's Forest Conservation and Management Agreement Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Forest Conservation and Management Agreement Program

Tax Liability = Assessment (Use) Value (per acre) \times 0.0107 (State's county-wide average mill rate: 1.07 percent)

Average Assessment (Use) Value: \$187.20 per acre

Average Tax Liability: \$2.00 per acre (\$187.20 \times 0.0107)

Forest Land Tax Liability in Nonpreferential Classification: Farmland Classification Generally.

Tax Liability = Assessment (Use) Value (per acre) \times .0107 (State's county-wide average mill rate: 1.07 percent)

Average Assessment (Use) Value: \$500.00 per acre

Average Tax Liability: \$5.35 per acre (\$500.00 \times 0.0107)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$3.35 per acre (\$5.35 per acre – \$2.00 per acre)

NORTH REGION (continued)

Table E.8—Key Attributes of Principal Forest Property Tax Incentive Program: Massachusetts, 2014

Program legal-common name	General Property Tax Program (forest lands, forest products, open-space, recreation land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Board of Assessors; Bureau of Forestry (Department of Conservation and Energy); Department of Revenue; Farmland Valuation Advisory Commission
Eligibility requirements	
Ownership and use limitations	Forest Land Classification: Land devoted to the growth of forest products, although unmanaged (unproductive) forest land and certain nontimber uses may be included in Forest Land Classification [approval required by Bureau of Forestry (Department of Conservation and Energy)]. Horticultural Land Classification: Land primarily and directly used in raising forest products for sale during the regular course of business or used in a related manner necessary for preparing such products for market; separate parcels connected and under same ownership are permitted; land must have generated \$500 in gross income per year, including income from Federal and State conservation programs; excluded is land on which there exists buildings and related structures. Recreation Land Classification: Land devoted to the preservation of wildlife and other natural resources, including ground or surface water, clean air, rare or endangered species, geologic landscapes, high quality soils, and scenic resources; recreational use of classified land is limited to hiking, camping, nature study, boating, golfing, noncommercial youth soccer, horseback riding, hunting, fishing, skiing, swimming, picnicking, private noncommercial flying archery, target shooting, and commercial horseback riding and equine boarding; excluded recreational uses are horse racing, dog racing, and any sport normally undertaken in a stadium, gymnasium, or similar structure. Conservation Land Tax Credit Classification: parcels classified as capable of promoting protection of prime lands for agricultural and forestry production; eligible for Conservation Land Tax Credits.
Resource restrictions	Forest Land Classification and Horticultural Land Classification: Not specified. Recreation Land Classification: Land in substantially a natural, wild, or open condition; in a landscaped or pasture condition; or in a managed forest condition.
Application required	Forest Land Classification: Application to Bureau of Forestry (Department of Conservation and Energy). Horticultural Land Classification and Recreation Land Classification: Application to county board of assessors.
Legal filing required	Forest Land Classification, Horticultural Land Classification, and Recreation Land Classification: County assessor board (registry of deeds) and, in case of forest land classification, with the Bureau of Forestry.
Minimum/maximum area	Forest Land Classification: 10 or more acres; if a single parcel consists partly of forest land and partly of other land, the portion consisting of forest land (must be at least 10 contiguous acres and conform to classification's requirements) is classified as forest land. Horticultural Land Classification: 5 or more acres that have been in forest use for two or more years prior to application; separate parcels connected and under same ownership are permitted. Recreation Land Classification: 5 or more acres, although less than 5 acres may be so classified if land (a) is devoted primarily to recreational use, (b) does not materially interfere with the environmental benefits provided by the land, and (c) is available to the general public or to members of nonprofit conservation organizations.
Commitment to program required (years)	Forest Land Classification: 10 years, after which owner must file a new application with the county assessor board and the Bureau of Forestry; if parcel is not being managed per classification requirements (such as a nonconforming use) or to the provisions of a required management plan, Board of Assessors may recommend (to the Bureau of Forestry) denial of application. Horticultural Land Classification and Recreation Land Classification: one year, annual application.
Penalty for withdrawal from program	Forest Land Classification, Horticultural Land Classification, and Recreation Land Classification: If the enrolled land is sold within 10 years of acquisition or converted at any time to a nonconforming use, landowner is responsible for either rollback taxes or conveyance taxes, whichever is greater.

Continued

NORTH REGION (continued)

Table E.8 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Massachusetts, 2014

Forest Management Plan	
Plan required	Forest Land Classification and Horticultural Land Classification: Certified management plan or forest management plan to accompany application; forest land considered unmanaged or nonproductive does not require a forest management plan. Recreation Land Classification: Management plan is optional.
Effective duration of plan specified	Forest Land Classification: 10-year program of forest management, including intermediate and regeneration cuttings. Horticultural Land Classification and Recreation Land Classification: Not specified.
Qualified preparer or approver required	Forest Land Classification, Horticultural Land Classification: Plan approved by and subject to procedures and standards established by the Bureau of Forestry (Department of Conservation and Energy). Recreation Land Classification: Not specified.
Plan implementation required	Forest Land Classification, Horticultural Classification, and Recreation Land Classification: Not specified, although type and timing of a management plan's implementation to be done in consultation with licensed forester.
Notice of timber harvest required	Forest Land Classification: Cutting plan approved by Bureau of Forestry to include description of species, dimensions, and quantity of a proposed forest crop to be harvested; failure to follow plan can result in issuance of a stop work order and/or a fine of not more than \$100 for each acre of land on which cutting violation occurs. Horticultural Land Classification and Recreation Land Classification: Not specified.
Special provisions for water, wildlife, open space	Forest Land Classification and Horticultural Classification: Not specified, although may be part of a management plan. Recreation Land Classification: Focus on preservation of natural resources, including wildlife, ground or surface water, clean air, rare or endangered species, geologic landscapes, high quality soils and scenic resources.
Public access for recreation required	Forest Land Classification and Horticultural Classification: Not specified. Recreation Land Classification: Land must be made available to the general public or to members of nonprofit conservation organizations; landowner may charge members of the public a fee for such access.
Evidence of compliance required (frequency)	Forest Land Classification: Authorized representatives of the Bureau of Forestry (Department of Conservation and Energy) may enter private lands for the purposes of determining compliance with classification requirements and provisions of management plans. Horticultural Land Classification and Recreation Land Classification: Not specified.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$1.97 per acre (2013)
Total acres enrolled	306,000: (97,000 [2007] [Chapter 61]; 209,000 [2007] [Chapter 61A])
Total net benefits	\$602,820
Number of participants in program	7,150 (estimate)

^a *Massachusetts General Laws*: Title 9 (Taxation), Chapter 59 (Real Property Classification: Open Space), Chapter 61 (Classification and Taxation of Forest Lands and Forest Products), Chapter 61A (Assessment and Taxation of Agricultural and Horticultural Land), Sections 2 through 24 (Definitions, Acreage, Valuation), Chapter 61B (Classification and Taxation of Recreation Land); Title 19 (Agriculture and Conservation), Chapter 132 (Forestry), Sections 40 through 46 (Required Notice of Intent to Harvest). *Code of Massachusetts Regulations*: 301-CMR-14.00 (Commonwealth Conservation Land Tax Credit), 302-CMR-14.00 (Licensing of Foresters). *Related Reports*: "Chapter 61 Programs: Understanding the Massachusetts Ch. 61 Current Use Tax Programs" by Extension Service, University of Massachusetts Amherst (2013).

^b Information Sources

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https://masswoods.net/sites/masswoods.net/files/pdf-doc-ppt/ch61_fact_sheet_0.pdf. [Date accessed: December 2014].

https://masswoods.net/sites/masswoods.net/files/pdf-doc-ppt/Mount_Grace_Ch61_Info.pdf. [Date accessed: December 2014].

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Personal Communication. September 16, 2015. Dave Kittredge, State Extension Forester, Center for Agriculture, Food and the Environment, College of Natural Resources, University of Massachusetts, 160 Holdsworth Way, Amherst, MA 01003-9285. cat@umext.umass.edu.

NORTH REGION (continued)

Table E.8 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Massachusetts, 2014

In table E.8 the average net benefit per acre for forest land enrolled in Massachusetts Property Tax Programs (Chapter 61/61A/61B) was determined as follows:

Forest Land Tax Liability in Preferential Classification: Forest Land and Forest Products

Tax Liability = Average Productivity/Use Value (per acre) \times 0.01479 (State average mill rate: 1.479 percent)

Average Productivity/Use Value for Woodland East of the Connecticut River: \$43.00/acre (2013) (Range: \$41–61 per acre)

Average Productivity/Use Value for Woodland West of the Connecticut River: \$51.00/acre (2013) (Range: \$34–52 per acre)

Average Productivity/Use Value for Both Regions: \$47.00 per acre

Average Tax Liability: \$0.69 per acre ($\47×0.01479)

Forest Land Tax Liability in Nonpreferential Classification: Cropland Harvest: Land Use Code 713

Tax Liability = Average Productivity/Use Value (per acre) \times 0.01479 (State average mill rate: 1.479 percent)

Average Productivity/Use Value: \$180 per acre

Average Tax Liability: \$2.66 per acre ($\180×0.01479)

Average Net Benefit (per acre): \$1.97 per acre ($\2.66 per acre $-$ $\$0.69$ per acre)

Table E.9A—Key Attributes of Principal Forest Property Tax Incentive Program: Commercial Forest Tax Program: Michigan, 2014

Program legal-common name	General Property Tax Program (forest lands, forest products, open-space, recreation land) ^a
Fundamental type of tax	Flat tax
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Register of Deeds; County Treasurer and Equalization Director; Environmental Stewardship Division (Department of Agriculture and Rural Development); Forest Resources Division (Department of Natural Resources); State Tax Commission; Department of Treasury
Eligibility requirements	
Ownership and use limitations	Commercial Forest Program Classification: Evidence of land ownership copy of recorded deed) or certification of timber ownership rights; landowner agrees to actively devote parcel to commercial forest management, including planting or natural regeneration and application of appropriate silvicultural practices; excluded are uses such as Christmas tree management, residential homesites, agriculture pursuits (crops, grazing), industrial development, and recreation resorts; extraction of sand, gravel, oil, and gas and wind energy development allowed with a permit from the Department of Natural Resources, although exploration and extraction of minerals requires land area so involved to be withdrawn from preferential tax classification.
Resource restrictions	Parcel is primarily suitable for forest growth (current or potential) while lacking a significant presence of other types of natural resources; capable of producing a minimum of 20 cubic feet of wood per acre per year; tree species considered to be economically or commercially valuable and capable of being actively managed as part of a commercial forest; capacity to produce a commercial stand of timber in reasonable period of time; may include nonproductive land that is intermixed with productive land, yet which is an integral part of a parcel's managed forest; newly planted trees must have survived two growing seasons before parcel is considered eligible for preferential tax treatment.
Application required	Application to Forest Resources Division (Department of Natural Resources); to include payment of certain fees, legal description of property, certification of ownership, and a certified forest management plan.
Legal filing required	County register of deeds
Minimum/maximum area	40 or more contiguous acres
Commitment to program required (years)	Parcel may be withdrawn at the discretion of landowner upon application to the Forest Resources Division and payment of certain penalties and fees.
Penalty for withdrawal from program	Withdrawal penalty per acre payable to the County Treasurer and Equalization Director; penalty varies according to the county in which the parcel is located. Penalty waived when parcel is transferred to the Qualified Forest Property Tax Program.

Continued

NORTH REGION (continued)

Table E.9A (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Commercial Forest Tax Program: Michigan, 2014

Forest Management Plan	
Plan required	Forest management plan prepared and signed by a registered forester or a natural resource professional; plan to set forth desired management activities, including timetables for application of silvicultural practices, timber harvesting, and regeneration.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Registered forester (standards set forth by State's occupational code) or by a natural resources professional that has appropriate education, knowledge, and experience and the skills necessary to identify, schedule, and implement sound forest management practices; plan to be certified by the Forest Resources Division (Department of Natural Resources).
Plan implementation required	Authorized representative of Department of Natural Resources may enter private property and may review relevant landowner records for purposes of determining consistency with established forest management plan.
Notice of timber harvest required	Prior to harvesting timber (30 days), landowner must report such intentions to the Forest Resources Division; harvest activities must comply with provisions of an established forest management plan; person failing to give notice of harvest (valued at more than \$2,500) is guilty of a felony punishable by imprisonment for not more than three years or a fine of not more than \$10,000.00, or both; upon conviction, court may declassify all or a portion of the classified property.
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Public access (foot access) permitted for specific purpose of fishing, hunting and trapping.
Evidence of compliance required (frequency)	Authorized representative of Department of Natural Resources may enter private property and may review relevant landowner records for purposes of determining consistency with established forest management plan and with preferential tax classification.
Basis for tax benefit provided	Standard amount (\$1.25 per acre [2012])
Annual tax benefits provided^a	
Average net benefit per acre	\$1.25 per acre (2012)
Total acres enrolled	2,225,000 (2012)
Total net benefits	\$2,781,250
Number of participants in program	1,800 (2012)

^a *Michigan Compiled Laws*: Chapter 324 (Natural Resources and Environmental Protection), Article 3 (Natural Resources Management), Chapter 2 (Management of Renewable Resources), Subchapter 4 (Forests), Part 511 (Commercial Forests); Public Act 42, 378, 379, and 380 (Qualified Forest Property Program). *Michigan Administrative Code*: R299.2601-299.2612, Forest Management Division (Department of Natural Resources) (2014). *Related Report*: "Qualified Forestry Program," Michigan Department of Treasury, Lansing, MI (2014).

^b Information Sources

http://www.michigan.gov/dnr/0,4570,7-153-30301_34240_68191---,00.html. [Date accessed: December 2014].

http://www.michigan.gov/dnr/0,4570,7-153-30301_39170-288488--,00.html. [Date accessed: December 2014].

http://www.michigan.gov/dnr/0,4570,7-153-30301_39170-261776--,00.html. [Date accessed: December 2014].

Personal Communication. July 22, 2013. Shirley Businski, Commercial Forest Specialist, Division of Forest Resources, Michigan Department of Natural Resources, P.O. Box 30452, Lansing MI 48909. businskis@michigan.gov.

NORTH REGION (continued)**Table E.9B—Key Attributes of Principal Forest Property Tax Incentive Program: Qualified Forest Property Tax Program: Michigan, 2014**

Program legal-common name	Qualified Forest Property Tax Program ^a
Fundamental type of tax	Flat Tax
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Register of Deeds; County Treasurer and Equalization Director; Environmental Stewardship Division (Department of Agriculture and Rural Development); Forest Resources Division (Department of Natural Resources); State Tax Commission; Department of Treasury.
Eligibility requirements	
Ownership and use limitations	Qualified Forest Property Tax Classification: Parcels stocked with merchantable forest products or cutover parcels (little or no merchantable timber) that are capable of forest growth; certain buildings and related structures are allowed but are taxed at applicable county-wide tax rates.
Resource restrictions	80 percent of parcel considered productive forest if capable of growing not less than 20 cubic feet of wood per acre per year; acceptable stocking levels determined by forest area enrolled: 20 to 39.9 acres—80 percent stocked in productive forest, 40 to 640 acres—50 percent stocked in productive forest.
Application required	Application to Environmental Stewardship Division (Department of Agriculture and Rural Development); application to include legal description of property, statement of landowner's forest management objectives, and a proposed forest management plan.
Legal filing required	County register of deeds
Minimum/maximum area	Minimum of 20 contiguous acres; maximum of 640 contiguous acres per owner in any single tax unit.
Commitment to program required (years)	Parcel may be withdrawn at landowner's discretion upon notification of the Environmental Stewardship Division (penalties will occur); landowner acquiring enrolled property may choose to keep the property in the preferential tax classification.
Penalty for withdrawal from program	Landowner withdrawal from preferential tax classification requires payment of a recapture tax; magnitude of recapture tax is determined by whether or not a timber harvest has occurred on an enrolled parcel; change in land use and ownership triggers an additional level of recapture tax. Recapture taxes collected after 2013 are deposited in the Private Forestland Enhancement Fund.
Forest Management Plan	
Plan required	Forest management plan to include: statement of owner forest management objectives, map and aerial photos of property, description of forest practices to be undertaken (and when), and a narrative of management activities that may be undertaken to promote forest resources other than timber. Proposed plan reviewed by Department of Agriculture and Rural Development.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Registered forester (meets standards set forth by Michigan occupational code) or by a person having at least one of the following credentials: (a) certified by the Society of American Foresters, (b) Forest Stewardship Plan Writer, or (c) technical service provider registered with the U.S. Department of Agriculture.
Plan implementation required	Landowner must manage parcel according to conditions specified in forest management plan; forestry practices stipulated in the plan must be implemented within three years of that scheduled by the plan; owner must notify the Environmental Stewardship Division (Department of Agriculture and Rural Development) when forest practices specified in a forest management plan have occurred.
Notice of timber harvest required	Owner of parcel must inform Environmental Stewardship Division when a forest practice, including timber harvesting, has occurred on an enrolled parcel.

Continued

NORTH REGION (continued)

Table E.9B (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Qualified Forest Property Tax Program: Michigan, 2014

Special provisions for water, wildlife, open space	Forest management plan to identify practices that promote resources in addition to timber (such as wildlife habitat, watersheds protection, scenic and related aesthetic qualities).
Public access for recreation required	Public access not required as condition of enrollment.
Evidence of compliance required (frequency)	When a forest practice called for by a forest management plan has occurred, owner must report such to the Department of Agriculture and Rural Development; report must include the practice completed and the volume and value of harvested timber; parcel becomes ineligible for preferential tax treatment if specified practices are not carried out within three years of the time specified by a forest management plan; Department annually collects and summarizes information about program status (such as acres enrolled, timber produced, management plans in force).
Basis for tax benefit provided	Standard amount
Annual tax benefits provided^b	
Average net benefit per acre	\$15.00 per acre
Total acres enrolled	70,000 (2012)
Total net benefits	\$1,050,000
Number of participants in program	880 (estimate)

^a *Michigan Compiled Laws*: Chapter 324 (Natural Resources and Environmental Protection), Article 3 (Natural Resources Management), Chapter 2 (Management of Renewable Resources), Subchapter 4 (Forests), Part 511 (Commercial Forests); Public Act 42, 378, 379 and 380 (Qualified Forest Property Program). *Michigan Administrative Code*: R299.2601-299.2612, Forest Management Division, Department of Natural Resources (2014). *Related Report*: "Qualified Forestry Program," Michigan Department of Treasury, Lansing, MI (2014).

^b Information Sources

http://www.michigan.gov/mdard/0,4610,7-125-1599_28740-306518--,00.html. [Date accessed: December 2014].

http://www.michigan.gov/documents/mdard/FAQ_QFP_6_27_13_425908_7.pdf. [Date accessed: December 2014].

http://www.michigan.gov/documents/mdard/OLD_QUALIFIED_FOREST_PROGRAM_---Comparison_V6_Pat_425910_7.pdf. [Date accessed: December 2014].

Personal Communication. July 20, 2013. Richard Harlowr, Manager, Farmland Preservation Program, Division of Environmental Stewardship, Michigan Department of Agriculture and Rural Development, P.O. Box 30449, Lansing, MI 48909. harlowr@michigan.gov.

Table E.10A—Key Attributes of Principal Forest Property Tax Incentive Program: Managed Forest Land: Minnesota, 2014

Program legal-common name	Managed Forest Land Tax Program (Class 2c) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Recorder (Register of Titles); Division of Forestry (Department of Natural Resources); Division of Property Tax (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Managed Forest Land Classification: Parcel used for trees grown for timber, lumber, and wood products; excludes agricultural uses, certain structures (including residential), parcels delinquent in payment of property taxes, land enrolled in a State or Federal conservation reserve program, and land enrolled in preferential tax classification authorized by the Sustainable Forest Incentive Act.
Resource restrictions	50 percent or more forested; managed in accord with harvest and management guidelines established by the Minnesota Forest Resources Council.

Continued

NORTH REGION (continued)

Table E.10A (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Managed Forest Land: Minnesota, 2014

Eligibility requirements (continued)	
Application required	Application to county tax assessor; Division of Forestry (Department of Natural Resources) must concur that land is qualified; application must be accompanied with a forest management plan.
Legal filing required	County Tax Assessor
Minimum/maximum area	Minimum of 20 contiguous acres per landowner; maximum of 1,920 acres statewide.
Commitment to program required (years)	At landowner request, parcel may be withdrawn from preferential classification (once withdrawn, reenrollment prohibited for 3 years); change in ownership requires new owner to reapply (with a new forest management plan) for the preferential tax classification.
Penalty for withdrawal from program	None
Forest Management Plan	
Plan required	Forest management plan to be registered with the Department of Natural Resources; plan to include legal description of parcel, management goals and timetable, field inventory, and appropriate maps and aerial photos; plan must be in accord with harvest and management guidelines established by the Minnesota Forest Resources Council.
Effective duration of plan specified	Plan to be less than 10 years old.
Qualified preparer or approver required	Preparers of forest management plan must be approved by the Department of Natural Resources, or be a forester certified by the Society of American Foresters.
Plan implementation required	Forest management plan must contain a calendar specifying when management activities are to be undertaken; to remain eligible for preferential tax treatment, activities specified in plan must be carried out in accord with specified timelines.
Notice of timber harvest required	Not specified, although schedules for timber harvest must be included in forest management plan.
Special provisions for water, wildlife, open space	Compliance with comprehensive resource management guidelines established by the Minnesota Forest Resources Council.
Public access for recreation required	Public access for parcels less than 1,920 acres not required; parcels 1,920 acres or more must allow non-motorized access to fish and wildlife resources, except near dwellings and during periods of high fire hazard; landowner not liable for injury to persons accessing property.
Evidence of compliance required (frequency)	Landowner must annually certify that parcel complies with requirements of the preferential classification and with provisions of the required forest resources plan; Division of Forestry must certify that parcel is qualified for preferential classification.
Basis for tax benefit provided	Value-based amount (reduced class rate of 0.65 percent)
Annual tax benefits provided^b	
Average net benefit per acre	\$5.60 per acre (2012)
Total acres enrolled	226,700 (2012)
Total net benefits	\$1,269,520
Number of participants in program	4,800 (2012)

^a *Minnesota Statutes*: Property Taxes, Chapter 273 (Listing and Assessment), Subdivision 23 (Classification), Class 2b and 2c (Managed Forest Land). *Related Reports*: "Class 2c Managed Forest Land," Property Tax Fact Sheet Number 17 (2014), Department of Revenue.

^b Information Sources

http://www.revenue.state.mn.us/propertytax/factsheets/factsheet_17.pdf. [Date accessed: December 2014].

Personal Communication. July 29, 2013 and March 27, 2014. Drew Imes, Business Lead, Certificate of Real Estate Value Project, Minnesota Department of Revenue, 600 North Robert St., St. Paul, MN 55146. drew.imes@state.mn.us.

NORTH REGION (continued)

Table E.10B—Key Attributes of Principal Forest Property Tax Incentive Program: Sustainable Forest Tax Incentive Program: Minnesota, 2014

Program legal-common name	Sustainable Forest Tax Incentive Program ^a
Fundamental type of tax	Flat Tax (Incentive Payment)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Recorder (Register of Titles); Division of Forestry (Department of Natural Resources); Division of Property Tax (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Sustainable Forest Incentive Classification: Parcel owned by private individuals, corporations, or a partnership arrangement; excludes agricultural uses, certain structures (residential), parcels delinquent in payment of property taxes, land enrolled in a State or Federal conservation reserve program, and land enrolled in preferential tax classification authorized by the 2c Managed Forestland Program.
Resource restrictions	Parcel must be at least 50 percent forested; nonforest land (wetland, open water) less than 3 acres in size may be considered forest land for purposes of classification; recently reforested land and wetlands not capable of growing trees (but having a significant impact on forest land conditions) are eligible for preferential tax treatment.
Application required	Application to Division of Property Tax (Department of Revenue)
Legal filing required	County recorder office; recording must include a covenant in which landowner pledges not to develop land granted preferential classification. Parcel's tax status also recorded by the Department of Revenue and the Division of Forestry (Department of Natural Resources).
Minimum/maximum area	20 or more contiguous acres, 50 percent or more of which is forested.
Commitment to program required (years)	Eight or more years; request for withdrawal for preferential classification must be made to the Department of Revenue.
Penalty for withdrawal from program	Landowner liable for repayment of tax incentive amounts received in preceding four years, plus interest; if taxes on property become delinquent, parcel removed from preferential classification.
Forest Management Plan	
Plan required	Forest management plan registered with the Division of Forestry; plan to include legal description of land, management goals and timetable, field inventory, maps and aerial photos; plan must include a schedule of management activities to be undertaken; provisions of plan must be in accord with harvest and management guidelines established by the Minnesota Forest Resources Council.
Effective duration of plan specified	Plan to be less than 10 years old
Qualified preparer or approver required	Preparer of plan must be (a) professional approved by the Division of Forestry or (b) a forester certified by the Society of American Foresters.
Plan implementation required	Eligibility for a parcel's continued preferential classification requires that management activities specified in a forest management plan be carried out at specified times.
Notice of timber harvest required	Not specified, although schedules for timber harvest must be included in forest management plan.
Special provisions for water, wildlife, open space	Management practices must be carried in compliance broadly directed forest resource management guidelines established by Minnesota Forest Resources Council.
Public access for recreation required	Public access to parcels less than 1,920 acres not required; public access to parcels 1,920 acres or larger is required (non-motorized access to fish and wildlife resources), except near dwellings and during periods of high fire hazard; landowner not liable for injury to person or property when parcel is accessed.
Evidence of compliance required (frequency)	Landowner must annually certify (attest to) that parcel meets requirements and conditions necessary for preferential classification; failure to certify compliance results in parcel's removal from preferential tax treatment.
Basis for tax benefit provided	Value-based amount (incentive payment separate from property tax levy)

Continued

NORTH REGION (continued)

Table E.10B (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Sustainable Forest Tax Incentive Program: Minnesota, 2014

Annual tax benefits provided^a	
Average net benefit per acre	\$7.00 per acre
Total acres enrolled	769,000 (2012)
Total net benefits	\$5,383,000
Number of participants in program	2,200 (2012)

^a *Minnesota Statutes*: Various State Taxes and Programs, Chapter 290C (Sustainable Forest Resource Management Incentive). *Related Reports*: “Sustainable Forest Incentive Act,” Property Tax Fact Sheet Number Nine (2014), Department of Revenue.

^b Information Sources

Kilgore 2002, Kilgore and others 2008.

Personal Communication. July 30, 2013. Julie Rosalez, Office Administrator Specialist, Information and Education Section, Division of Property Tax, Minnesota Department of Revenue, 600 North Robert St., St. Paul, MN 55146. julie.rosalez@state.mn.us.

Table E.11—Key Attributes of Principal Forest Property Tax Incentive Program: Missouri, 2014

Program legal-common name	General Property Tax Program (forest cropland) ^a
Fundamental type of tax	Flat Tax
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; Conservation Commission; Division of Forestry (Department of Conservation); Division of Taxation, Department of Revenue.
Eligibility requirements	
Ownership and use limitations	Forest Cropland Classification: Parcel (classified after December 1974) devoted primarily to growing trees to produce timber and wood products, although other uses are permissible so long as an adequate stocking of trees is maintained, damage to tree growth avoided, and watershed values protected; excludes (a) forest land valued at more than \$125 per acre or a larger value set by rules, (b) forest land receiving certain government cost-share incentive payments, (c) grazing by domestic livestock, erection of permanent buildings, impoundment of water or installation of permanent wildlife food plots in excess of three percent of each 40 acres enrolled.
Resource restrictions	Not specified, although sustainable forestry principles must be applied, including compliance with State’s forest management rules and regulations; landowner to make all reasonable efforts to prevent and extinguish wildfires.
Application required	Application to county tax assessor; prior to approval of preferential classification, parcel must be inspected by Division of Forestry (Department of Conservation).
Legal filing required	County tax assessor, Department of Revenue, and Division of Forestry (Department of Conservation)
Minimum/maximum area	20 or more acres
Commitment to program required (years)	Indefinite eligibility, although landowner must reapply for preferential classification after 25 years.
Penalty for withdrawal from program	Voluntary landowner withdrawal from preferential classification: reimbursement of tax relief, plus 5 percent interest penalty; involuntary cancelation for failure to comply with requirements of preferential classification (destruction of tree growth, grazing of parcel, failure to restore forest conditions): reimbursement of tax relief, plus 10 percent interest penalty.

Continued

NORTH REGION (continued)

Table E.11 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Missouri, 2014

Forest Management Plan	
Plan required	Forest management plan to specify reasonable management activities and outcomes that will be completed over a five-year period, acknowledging forest conditions and landowner objectives.
Effective duration of plan specified	Five years.
Qualified preparer or approver required	Preparer must demonstrate experience and ability to prepare forest management plans; Division of Forestry must approve plan.
Plan implementation required	Parcel must be managed in accord with an approved a forest management plan; failure to complete activities and objectives stated in plan is grounds for cancellation of preferential classification, unless failure was due to circumstances beyond control of the landowner.
Notice of timber harvest required	Landowner must give 30-day notice to the Division of Forestry of intent to harvest timber; notice must include a plan for harvesting, location of planned harvest activities, and approximate size of area to be harvested; timber harvest must conform to practices specified in forest management plan and must be conducted over a reasonable period of time consistent with market conditions, landowner objectives, and parcel's silvicultural requirements.
Special provisions for water, wildlife, open space	Forest management plan must address a wide range of natural resource uses and conditions.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Local and State agency representatives are authorized to enter parcel for purposes of determining compliance with approved forest management plan and with requirements of preferential classification.
Basis for tax benefit provided	Standard amount (\$3.00 per acre)
Annual tax benefits provided^a	
Average net benefit per acre	\$6.61 per acre
Total acres enrolled	34,900 (2012)
Total net benefits	\$230,689
Number of participants in program	4,800 (2012)

^a *Missouri Laws*: Title 16 (Conservation, Resources, and Development), Chapter 254 (State Forestry Law), Sections 10 through 300. *Missouri Code of State Regulations*: "Forest Croplands" (Division 10, Chapter 2), Conservation Commission, Department of Conservation. 2013. *Missouri Revised Statutes*: Title 16 (Conservation, Resources, and Development), Chapter 254 (State Forestry Law), Sections 10 through 300. *Missouri Code of State Regulations*: Title 3 (Department of Conservation), Chapter Two (Forest Croplands: Lands Classified Before 1974; Lands Classified after 1974), Conservation Commission, Department of Conservation (2015).

^b Information Sources

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

<http://amap.missouri.edu/index.php/data-we-are-watching>. [Date accessed: December 2014].

<http://www.stc.mo.gov/faqs.htm> - Assessor Value. [Date accessed: December 2014].

<http://amap.missouri.edu/index.php/data-we-are-watching>. [Date accessed: December 2014].

<http://www.stc.mo.gov/faqs.htm>. [Date accessed: December 2014].

<http://www.auditor.mo.gov/Press/2013-012.pdf>. [Date accessed: December 2014].

<http://www.stc.mo.gov/2012AR/2012Chapter4.pdf>. [Date accessed: December 2014].

In table E.11 the average net benefit per acre for forest land enrolled in Missouri's Forest Cropland Classification Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Forest Cropland Classification Program

Privately owned lands classified as forest croplands shall be assessed for general taxation purposes at \$3 per acre, and taxed at the local rates of the county wherein the lands are located. Lands so classified prior to August 14, 1974 shall be assessed for general taxation purposes at \$1 per acre and taxed at the local rate of the county wherein the lands are located.

Statewide Average Property Tax Mill Rate: 5.87 percent (0.0587) <http://www.auditor.mo.gov/Press/2013-012.pdf>.

Average Taxable Liability Forest Cropland Classification = \$3.00 (post-1974) × 0.0587 (mill rate) = \$0.17 per acre.

NORTH REGION (continued)

Table E.11 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Missouri, 2014

Forest Land Tax Liability in Nonpreferential Classification: Nonirrigated Agricultural Land

Land devoted to Agricultural Use is assessed at 12 percent of appraised value, based on soil productivity rating. To determine the property tax liability, the assessed value was multiplied by the mill rate for a county. Tax Liability: Agricultural Use Value per acre \times 12 percent \times mill rate (5.87 percent). Calculated Use Value: (University of Missouri, 2011):

Land grade	Appraised value	Taxable value \$ per acre	Tax liability
Grade 1	2,218.00	266.16	15.62
Grade 2	1,824.00	218.18	12.80
Grade 3	1,385.00	166.20	9.75
Grade 4	867.00	104.04	6.10
Grade 5	215.00	25.80	1.51
Grade 6	165.00	9.80	1.16
Grade 7	83.00	9.96	0.58

Taxable value: \$(grade 1–7 use value) \times (12 percent of fair market value assessment).

Tax liability: \$(taxable value per acre) \times mill rate.

Tax liability: Range grade 1–7: \$0.58 per acre – \$15.62 per acre.

Forest Land Net Benefit of Preferential Classification

Average Net Benefit Range (per acre): \$0.41 per acre – \$15.45 per acre.

Weighted average: \$6.78 per acre (tax liability) – \$0.17 per acre = \$6.61

Table E.12—Key Attributes of Principal Forest Property Tax Incentive Program: New Hampshire, 2014

Program legal-common name	General Property Tax Program (forest land, documented/undocumented stewardship) ^a
Fundamental type of tax	Flat Tax
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Production of Timber and Fiber Products, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor, Division of Forests and Lands (Department of Resources and Economic Development), Current Use Board (Department of Revenue and Administration); Board of Tax and Land Appeals (Department of Revenue and Administration)
Eligibility requirements	
Ownership and use limitations	Forest Land Classification (Current Use): Undeveloped land actively devoted to the growing of trees for the production or enhancement of forest products, maple syrup, wildlife habitat, and naturally seeded Christmas trees; includes certified tree farms, land subjected to clearcutting, and roads supporting forest management activities (including forest protection); multiple parcels may be considered contiguous even though individual parcels are divided by a highway, railroad, river, lake, or boundary of a political subdivision. Conservation Restriction Classification (Current Use): land permanently restricted to open space by deed granted in perpetuity to a qualifying conservation nonprofit corporation.
Resource restrictions	Forest Land Classification: Eligible forest land must meet certain standards, including category of tree species (such as white pine, various hardwood species), land accessibility, capacity to produce wood, and physical geography affecting timber harvesting; category of tree species affects tax levy; unproductive land is that (including wetlands) incapable of producing forest products due to poor soil or site characteristics, or land located such that it is inaccessible or impractical to harvest forest products.

Continued

NORTH REGION (continued)

Table E.12 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: New Hampshire, 2014

Eligibility requirements (continued)	
Application required	Application to county tax assessor; application to include filing fee and map of land parcel, and, if filing for documented stewardship preferences, information attesting to past performance and the meeting of certain certification standards.
Legal filing required	County tax assessor, Department of Revenue and Administration, and Division of Forests and Lands (Department of Resources and Economic Development)
Minimum/maximum area	10 or more acres, although certified tree farm or wetland may be of any size.
Commitment to program required (years)	Indefinite or until the occurrence of a disqualifying event.
Penalty for withdrawal from program	Forest land classified as current use and subsequently changed by owner to a nonqualifying use is subject to a 10 percent land use change tax based upon the full and true value of the land at the time of the change; penalty charges are in addition to annually imposed taxes on land; if land use has changed to a nonqualifying classification, the Board of Tax and Land Appeals may order a reclassification.
Forest Management Plan	
Plan required	Documented stewardship provisions: Plan to include information such as statement of past forestry accomplishments (including updated map) and one of the following: (a) forest stewardship plan (complying with certain requirements), (b) certification of conformance with standards of New Hampshire Tree Farm Committee, or (c) standards set forth by the Sustainable Forestry Initiative (SFI) or by the Forest Stewardship Council (FSC). Standard assessment provisions: plan not required.
Effective duration of plan specified	Documented stewardship provisions: five years (or other period of time established by county tax assessor).
Qualified preparer or approver required	Documented stewardship provisions: (a) New Hampshire licensed forester or equivalent person, or (b) conformance with standards established by certain other certifying programs (New Hampshire Tree Farm Committee, Sustainable Forestry Initiative [SFI] or Forest Stewardship Council [FSC]).
Plan implementation required	Documented stewardship provisions: Every five years (or other period established by assessor) county tax assessor must review certain information provided by landowner, including forest area, forest type, and stewardship activities undertaken as specified in forest management plan.
Notice of timber harvest required	Prior to commencing timber harvesting, owner of parcel must file with local assessing officials notice of intent to harvest (including species and volume to be harvested); within 60 days of completed harvest, owner must submit to Division of Forests and Lands a follow-up report describing volume actually harvested and the condition of remaining forest.
Special provisions for water, wildlife, open space	Recognition of diverse resources as required by forest management plan and by various forest certification programs.
Public access for recreation required	Landowners may voluntarily allow public recreational use of property; if landowner chooses to do so, owner is entitled to a 20 percent reduction in current use assessment; owner receiving such a reduction cannot prohibit public hunting, skiing, fishing, snowshoeing, hiking and nature observation; however, landowner may prohibit camping, tree cutting, or use of off-road vehicles without affecting the 20 percent assessment reduction; landowner is under no obligation to keep property safe for recreational use or to give any warning of hazardous conditions to persons entering property.
Evidence of compliance required (frequency)	Periodic inspections and assessment (every five years) of supporting documents requesting favorable tax treatment provided by documented stewardship provisions.
Basis for tax benefit provided	Flat tax (fixed by forest type; lower rates with forest plan)
Annual tax benefits provided^a	
Average net benefit per acre	\$3.28 per acre (2013) (Forest land without documented stewardship) \$3.91 per acre (2013) (Forest land with documented stewardship) \$3.53 per acre (average of two programs)
Total acres enrolled	Total: 2,612,366 (2013) 1,593,770 (2013) (Forest land without documented stewardship) 1,018,596 (2013) (Forest land with documented stewardship)

Continued

NORTH REGION (continued)

Table E.12 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: New Hampshire, 2014

Annual tax benefits provided^a (continued)	
Total net benefits	Total: \$9,210,275 (2013) \$5,227,565 (2013) (Forest land without documented stewardship) \$3,982,710 (2013) (Forest land with documented stewardship)
Number of participants in program	29,730 (estimate) (Forest land without documented stewardship) 19,000 (estimate) (Forest land with documented stewardship)

^a *New Hampshire Revised Statutes*: Title 5 (Taxation), Chapter 79 (Forest Conservation and Taxation), Chapter 79A (Current Use Taxation), Chapter 79B (Conservation Restriction), Chapter 79C (Discretionary Easements). *Agency Rules*: “Conservation Restriction Assessment,” Rule Chapter Rev 1800, New Hampshire Department of Revenue. *Related Reports*: “State of New Hampshire Current Use Criteria Booklet: April 1, 2014 to March 31, 2015” and “2013 Current Use Report: Acreage, Percentages & Other Statistics” by New Hampshire Department of Revenue Administration (2014). “Guide to New Hampshire Timber Harvesting Laws” by Cooperative Extension, University of New Hampshire (2014).

^b Information Sources

<http://www.revenue.nh.gov/current-use/documents/current-use-ranges.pdf>. [Date accessed: December 2014].

<http://www.revenue.nh.gov/current-use/documents/assessment-range-history.pdf>. [Date accessed: December 2014].

<http://www.revenue.nh.gov/current-use/reports.htm>. [Date accessed: December 2014].

<http://www.revenue.nh.gov/mun-prop/municipal/property-tax-rates.htm>. [Date accessed: December 2014].

<http://www.revenue.nh.gov/mun-prop/municipal/documents/2013-local.pdf>. [Date accessed: December 2014].

Personal Communication. December 29, 2014. Mary Pinkham-Langer, Tax Appraiser, Municipal and Property Division, Department of Revenue Administration, 109 Pleasant St., Concord, NH 03301. mary.pinkham-langer@dra.nh.gov.

In table E.12 the average net benefit per acre for land classified under New Hampshire’s Current Use Tax Law and Timber Tax Law (with and without documented stewardship) was determined as follows:

Forest Land Tax Liability in Preferential Classification: Current Use Tax Law and Timber Tax Law

Tax Liability = Average Use Value (per acre) × 0.02162 (State average municipal tax rate: 2.162 percent)

Average Use Value Forest Land without Documented Stewardship		
Forest type	Use value average	Use value range
	\$ per acre	
White pine	131.50	105.00–158.00
Hardwood	50.50	40.00–61.00
All other (formerly softwood)	37.50	30.00–45.00

Average Use Value for all three categories: \$73.17 per acre.

Average Use Value Forest Land with Documented Stewardship		
Forest type	Use value average	Use value range
	\$ per acre	
White pine	78.90	63.00–95.00
Hardwood	30.30	24.00–36.00
All other (formerly softwood)	22.50	18.00–27.00

Average Use Value for all three categories: \$43.90 per acre.

Average Tax Liability for Forest Land without Documented Stewardship (all categories): \$1.58 per acre ($\73.17×0.02162)

Average Tax Liability for Forest Land with Documented Stewardship (all categories): \$0.95 per acre ($\43.90×0.02162)

Forest Land Tax Liability in Nonpreferential Classification: Farmland Current Use

Annual per acre tax benefit (tax savings) estimated by comparing the tax liability of enrolled forest land to tax liability of a comparable lands not enrolled (namely tax liability of Farmland [current use value]) (NOTE: Farmland [current use value] is part of the same current use tax law program of which forest land is a part. Therefore, the tax benefit determined here depicts the tax savings between current use categories [forest land and farmland], not the tax savings between the current use assessed value and ad valorem [highest and best use / fair market value] assessed value. The fair market value of the land [which is enrolled in current use] is information not collected by New Hampshire’s Department of Revenue Administration).

Tax Liability = Average Use Value (per acre) × 0.02162 (State average municipal tax rate: 2.162 percent)

Average Farmland Current Use Value: \$225.00 per acre (range: \$25.00–\$425.00)

Average Farmland Tax Liability: \$4.86 per acre ($\225.00×0.02162)

Average Net Benefit (per acre) for Forest Land without Documented Stewardship (all categories): \$3.28 per acre (\$4.86 per acre–\$1.58 per acre)

Average Net Benefit (per acre) for Forest Land with Documented Stewardship (all categories): \$3.91 per acre (\$4.86 per acre–\$0.95 per acre)

NORTH REGION (continued)

Table E.13—Key Attributes of Principal Forest Property Tax Incentive Program: New Jersey, 2014

Program legal-common name	Farmland Assessment Program (forestry) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products, Protection and Supply of Water
Agencies engaged in program administration	County Tax Assessor; Division of Parks and Forestry (Department of Environmental Protection); Division of Taxation (Department of Treasury); Department of Agriculture; State Farmland Evaluation Advisory Committee; Rutgers University
Eligibility requirements	
Ownership and use limitations	Farmland Assessment Classification: Parcel must (a) actively be devoted to the production for sale of forest products (excluding Christmas trees) for two successive years immediately preceding the tax year for which special assessment is requested, or (b) meet the requirements for compensation provided by a conservation program agreement with an agency of the Federal government; gross sales of forest products must average at least \$500 plus \$0.50 per woodland acre for each acre over five (or clear evidence of anticipated yearly gross sales to meet the minimum requirement); special provisions for appurtenant woodlands (contiguous forest parcels not devoted to production and sale of forest products); exempt are conservation lands owned by certain nonprofit organizations.
Resource restrictions	Not specified
Application required	Application to county tax assessor (annually); application reviewed by Division of Parks and Forestry (Department of Environmental Protection).
Legal filing required	County tax assessor
Minimum/maximum area	5 or more contiguous acres.
Commitment to program required (years)	Annual renewal of application along with written documentation of compliance with forest stewardship (woodland management) plan; verification of preferential land use classification every three years.
Penalty for withdrawal from program	Penalty imposed for (a) landowner voluntary change to a nonconforming land use or (b) agency determination that land use does not meet requirements for preferential tax treatment; required penalty is payment of rollback taxes for the year in which the land use change occurred and for each of the immediately preceding two tax years.
Forest Management Plan	
Plan required	Forest stewardship (woodland management) plan focused exclusively on the production of timber and forest products for sale (not appurtenant woodland); plan to be approved by the Division of Parks and Forestry.
Effective duration of plan specified	10 years; plan must be revised and subsequently approved if part of parcel is sold or if prescribed forest management activities are changed in a major way.
Qualified preparer or approver required	Forestry professionals that meet standards established by the Division of Parks and Forestry (Department of Environmental Protection).
Plan implementation required	Parcel inspected every three years to determine if the activities being conducted are suitable for the woodland and are being implemented as specified by the forest stewardship (wood management) plan.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Forest stewardship (woodland management) plan to include prescriptions to benefit a variety of forest resource benefits, especially the protection of wetlands and provision for flood hazard control as called for by the State's Forestry and Wetlands Best Management Practices Manual.
Public access for recreation required	Not specified

Continued

NORTH REGION (continued)

Table E.13 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: New Jersey, 2014

Evidence of compliance required (frequency)	Annual validation by landowner and approved forestry professional attesting to compliance with and implementation of forest stewardship (woodland management) plan; to accompany annual application to county tax assessor, written documentation of compliance with forest stewardship plan, including information describing woodland management actions taken in the pre-tax year; at least once every three years (after an initial inspection) land inspected to determine if management activities are appropriate to the woodland in question and if such activities are being implemented as specified in a forest stewardship plan.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$5.81 per acre (2013)
Total acres enrolled	238,166 (2013)
Total net benefits	\$1,383,744 (2013)
Number of participants in program	10,875 (estimate)

^a *New Jersey Statutes*: Title 54 (Taxation), Chapter 4, Section 23.1 (Farmland Assessment Act of 1964). *New Jersey Administrative Code*: Title 18 (Treasury), Chapter 12 (Local Property Tax: General), Chapter 15 (Farmland Assessment Act); Title 7 (Environmental Protections), Chapter 3 (Forestry), Subchapter 3 (Approved Forester List). *Related Reports*: “New Jersey’s Farmland Assessment Act: An Informational Guide on Basic Requirements” by Department of Agriculture, Department of Treasury, and Department of Environmental Protection (2005); “Farmland Assessment Overview” by Department of Agriculture (2014); and “Handbook for County Boards of Taxation” by Division of Taxation, Department of Treasury (2005).

^b Information Sources

<http://www.state.nj.us/treasury/taxation/lpt/farmland.shtml>. [Date accessed: December 2014].

<http://www.state.nj.us/treasury/taxation/lpt/fecavalues13.shtml>. [Date accessed: December 2014].

<http://www.state.nj.us/treasury/taxation/pdf/lpt/2013Farmland.pdf>. [Date accessed: December 2014].

<http://www.state.nj.us/treasury/taxation/lpt/taxrate.shtml>. [Date accessed: December 2014].

<http://www.state.nj.us/treasury/taxation/lpt/statdata.shtml>. [Date accessed: December 2014].

<http://www.state.nj.us/treasury/taxation/lpt/localtax.shtml>. [Date accessed: December 2014].

<http://www.state.nj.us/agriculture/FarmlandAssessmentGuide.pdf>. [Date accessed: December 2014].

http://www.njleg.state.nj.us/2008/Bills/A3500/3239_S2.PDF. [Date accessed: December 2014].

Personal Communication. December 19, 2014. Susan Dobay, Supervising Field Representative, Division of Taxation, New Jersey Department of Treasury, P.O. Box 002, Trenton, NJ 08625-0002. susan.dobay@treas.nj.gov.

In table E.13 the average net benefit per acre for forest land enrolled in New Jersey’s Farmland Assessment Act (Non-Appurtenant Woodland) was determined as follows:

Forest Land Tax Liability in Preferential Classification: *Farmland Assessment Act*

Tax Liability = Average Use Value (per acre) × 0.0225 (State average municipal tax rate: 2.25 percent)

Average Use Value Non-Appurtenant Woodland: \$138 per acre

Average Tax Liability for Non-Appurtenant Woodland: \$3.10 per acre (\$138 × 0.0225)

Forest Land Tax Liability in Nonpreferential Classification: *Agricultural Cropland Pastured*

Tax Liability = Average Cropland Pastured Value (per acre) × 0.0225 (State average municipal tax rate: 2.25 percent)

Average Cropland Pastured Value: \$396 per acre

Average Cropland Pastured Tax Liability: \$8.91 per acre (\$396 × 0.0225)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Non-Appurtenant Woodland (per acre): \$5.81 per acre (\$8.91 per acre – \$3.10 per acre)

NORTH REGION (continued)

Table E.14—Key Attributes of Principal Forest Property Tax Incentive Program: New York, 2014

Program legal-common name	General Property Tax Program (forest land, conservation land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Production of Timber and Fiber Products
Agencies engaged in program administration	County Clerk and Recorder; County Tax Assessor; Division of Lands and Forests (Department of Environmental Conservation); Property Tax and Assessment Administration (Department of Taxation and Finance); State Board of Real Property Tax Services
Eligibility requirements	
Ownership and use limitations	Forest Land Classification: Private person or private organization whose land is exclusively devoted to and suitable for forest crop production through reforestation or natural regeneration (also eligible is land from which a merchantable forest crop was cut or removed within three years prior to the time of application, if cutting or removal was accomplished under a management program focused on continuous production of merchantable forest crops); exempt from taxation is land owned by certain nonprofit organizations (religious, charitable, educational) and certain veterans and senior citizens. Conservation Easement Classification: Property held by certain public or private nonprofit conservation agencies that have the power to acquire interest in real property and whose purposes include the protection of open space, including forest land; landowners whose property is subject to a permanent conservation easement are eligible for an annual property tax refund of 25 percent (up to \$5,000); refund presumes proper filing and subsequent approval by the Department of Environmental Conservation (information which follows refers only to Forest Land Classification).
Resource restrictions	Forest Land Classification: The land must (a) be planted with an average of 800 or more trees per acre, (b) be under-planted with an average of 300 trees per acre, (c) be land on which the majority of mature timber has been removed in a way that will assure a future crop of merchantable timber, or (d) be land upon which there is an immature stand of trees sufficient to produce a timber crop within 30 years; excluded when defining the number of trees planted (or under-planted) is the portion of the land considered unsuitable for planting (such as a bog or ledge); grazing by domestic animals is prohibited on all eligible land.
Application required	Application to Division of Lands and Forests, Department of Environmental Conservation with subsequent referral to county tax assessor.
Legal filing required	County tax assessor and County Clerk and Recorder.
Minimum/maximum area	50 or more contiguous acres.
Commitment to program required (years)	Commitment to implement approved forest management plan for 10 years after obtaining each annual exemption; commitment is recorded by the county clerk and becomes a lien on the property; failure of landowner to file a certified commitment in any year following initial certification results in termination of the special classification.
Penalty for withdrawal from program	Landowner withdrawal from favored tax classification or failure to adhere to schedule of approved management plan results in a rollback penalty; penalty is 2.5 times the amount of taxes that would have been levied for the current year and for each prior year for which the favored classification was granted (limited to a total of 10 years), plus interest charges; owner exempt from penalty if all or a substantial portion of classified land is destroyed or irreparably damaged by natural disasters (such as fire, flooding, insects, diseases) or is subject to theft involving timber trespass.
Forest Management Plan	
Plan required	Management plan to contain standards that ensure the continuing production of a merchantable forest crop; plan must set forth requirements for stocking, cutting, forest management access, and any nontimber use of the land (supportive of timber production) as agreed to by the landowner and approved by the Division of Lands and Forests (Department of Environmental Conservation); if consistent with regulations of the Department of Environmental Conservation participation in a forest certification program (such as Forest Stewardship Council, Sustainable Forestry Initiative, American Tree Farm Program) may be considered a forest management plan.
Effective duration of plan specified	Initially for 15 years to be updated every five years thereafter; plan must be followed for the next 10 years after obtaining each annual exemption.

Continued

NORTH REGION (continued)

Table E.14 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: New York, 2014

Forest Management Plan (continued)	
Qualified preparer or approver required	Prepared by a qualified forester (graduate of a school of forestry recognized by the Society of American Foresters, or person possessing equivalent qualifications) who may be an owner or an owner's agent (including an industrial forester or a cooperating consultant forester).
Plan implementation required	Landowner must annually declare to the Division of Lands and Forests that the land will be committed to forest crop production for the next succeeding 10 years in manners consistent with an approved forest management plan; sale of land obligates new owner to comply with the provisions of the forest management plan for remainder of the commitment period.
Notice of timber harvest required	Not less than 30 days prior to harvest, notice of intent to do so must be filed with the Division of Lands and Forests (Department of Environmental Conservation); with some opportunity for flexibility, harvest must be carried out as specified in agreed-to forest management plan.
Special provisions for water, wildlife, open space	Approved forest management plan must include provisions accommodating endangered and threatened animals and plants.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Initial inspection when application is made and subsequent periodic inspections thereafter; employees or agents of the Department of Environmental Conservation may enter and inspect enrolled parcels for the purposes of ascertaining compliance.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$9.46 per acre
Total acres enrolled	1,103,700 (2014)
Total net benefits	\$10,441,002
Number of participants in program	2,849 (parcels)

^a *New York Real Property Tax*: Real Property Tax, Article 4 (Exemptions), Title 2 (Private Property), Section 480 (Forest and Reforested Land), Section 480A (Taxation of Forest Land); *Environmental Conservation*, Article 49 (Protection of Natural and Man-made Beauty), Title 3 (Conservation Easements). *New York Codes, Rules and Regulations*: Title 6 (Department of Environmental Conservation), Chapter 2 (Lands and Forests), Part 199 (Taxation of Forest Land); Title 20 (Department of Taxation and Finance), Chapter 16 (Real Property Tax Administration), Part 8194 (Agricultural Assessments). *Related Reports*: "Property Tax Exemptions in New York" by Division of Local Government, Office of New York State Comptroller (2014).

^b Information Sources

<http://www.dec.ny.gov/lands/5236.html>. [Date accessed: December 2014].

<http://www.dec.ny.gov/regulations/2422.html>. [Date accessed: December 2014].

http://www2.dnr.cornell.edu/ext/info/pubs/LegalFinancial/CC_NY_Woodlands_Real_Property_Taxation_and_Section_480a.pdf. [Date accessed: December 2014].

http://www.dec.ny.gov/docs/lands_forests_pdf/fras070110.pdf. [Date accessed: December 2014].

http://www.tax.ny.gov/research/property/reports/fvtaxrates/statewide_12.htm. [Date accessed: December 2014].

http://www.tax.ny.gov/pdf/ORPTS/2014_bare_land_schedule.pdf. [Date accessed: December 2014].

<http://www.tax.ny.gov/research/property/assess/mktlandschedule.htm>. [Date accessed: December 2014].

<http://www.tax.ny.gov/research/property/assess/forestmap.htm>. [Date accessed: December 2014].

http://orpts.tax.ny.gov/cfapps/MuniPro/parcel/CountyDetail.cfm?t=900&p=Public_Parks_Wild_Forested_and_Conservation_Properties. [Date accessed: December 2014].

<http://www.tax.ny.gov/research/property/assess/manuals/vol6/forestry/index.htm>. [Date accessed: December 2014].

<http://www.tax.ny.gov/research/property/assess/valuation/agindex.htm>. [Date accessed: December 2014].

Personal Communication. September 2, 2014. Sloane Crawford, Program Manager, Division of Lands and Forests, Department of Environmental Conservation, 625 Broadway, Albany, NY 12233-0001. sloane.crawford@dec.ny.gov.

NORTH REGION (continued)

Table E.14 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: New York, 2014

In table E.14 the average net benefit per acre for forest land enrolled in New York's Forestland Tax Law (480a) was determined as follows:

Forest Land Tax Liability in Preferential Classification: Forest Tax Law: 480-A

Private forest land eligible for 480-A Forest Tax Law classification are assessed at 80 percent of fair market value (FMV).

Tax Liability = Average Use Value (per acre) \times 0.0282 (State average municipal tax rate: 2.82 percent)

Average Use Value: \$414.40 per acre

Average Tax Liability: \$11.68 per acre ($\414.40×0.0282)

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Cropland-Pasture

Tax Liability = Average Cropland Pastured Value (per acre) \times 0.0282 (State average municipal tax rate: 2.82 percent)

Average Agricultural Assessment Value: \$749.74 per acre

Average Agricultural Tax Liability: \$21.14 per acre ($\749.74×0.0282)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for 480-A Forest Land: \$9.46 per acre ($\$21.14 \text{ per acre} - \11.68 per acre)

NORTH REGION (continued)**Table E.15A—Key Attributes of Principal Forest Property Tax Incentive Program: Current Agricultural Use Value Program: Ohio, 2014**

Program legal-common name	Current Agricultural Use Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use), Flat Tax (reduction in fair market value)
Principal statutorily defined ecosystem services of interest	Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Auditor; Division of Forestry (Department of Natural Resources); Division of Real Property Tax (Department of Taxation); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Current Agricultural Use Classification: Owner declaration that parcel is devoted exclusively to the commercial production of timber.
Resource restrictions	Parcel determined to be suitable for growing a stand of trees (Division of Forestry [Department of Natural Resources]); required application of approved conservation practices; productivity of soil considered for tax valuation purposes
Application required	Application to county auditor; initial one-time application fee (\$50), annual renewal no fee.
Legal filing required	County auditor
Minimum/maximum area	10 or more contiguous acres
Commitment to program required (years)	Annual application; placement (in prominent position by owner) of signs declaring tax status of parcel.
Penalty for withdrawal from program	Rollback penalty equal to tax savings for proceeding 3 years; preferential classification voided (after 6 months of notification date) for failure to protect and maintain required forest conditions.
Forest Management Plan	
Plan required	County option to require and implement a forest management plan
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$35.51 per acre
Total acres enrolled	6,828,200
Total net benefits	\$242,469,382
Number of participants in program	401,600 (parcels)

Continued

NORTH REGION (continued)

Table E.15A (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Current Agricultural Use Value Program: Ohio, 2014

^a *Ohio Revised Code*: Title 57 (Taxation), Chapter 5713 (Assessing Real Estate), Chapters 5713.30 through 5713.38 (Current Agricultural Use Value Law); additional preferential assessment: Title 57 (Taxation), Chapter 5713 (Assessing Real Estate), Chapters 5713.30 through 5713.38 (Current Agricultural Use Value Law). *Ohio Administrative Code*: Ohio Forest Tax Law (Sections 1501:3-10-01 through 1501:3-10-07), Division of Forestry (Department of Natural Resources). 2014.

^b Information Sources

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

<http://www.timbertax.org/statetaxes/states/proptax/ohio/>. [Date accessed: December 2014].

http://www.tax.ohio.gov/real_property/cauv.aspx. [Date accessed: December 2014].

http://www.tax.ohio.gov/Portals/0/personal_property/CAUV%202012%20Revised%20Explanation.pdf. [Date accessed: December 2014].

<http://ohiodnr.com/LinkClick.aspx?fileticket=te3QBo%2fHEb8=&tabid=5287>. [Date accessed: December 2014].

http://www.tax.ohio.gov/Portals/0/personal_property/2012 V-6B Market Value.pdf. [Date accessed: December 2014].

Personal Communication. August 2, 2013. Gloria Gardner. Division of Tax Equalization, Ohio Department of Taxation. Columbus, OH 43229-6693. gloria_gardner@tax.state.oh.us.

Personal Communication. July 19 and 31, 2013. Mark Wilthew, OFTL Coordinator, Division of Forestry, Ohio Department of Natural Resources, 2045 Morse Rd., Columbus, OH 43229-6693. mark.wilthew@dnr.state.oh.us.

In table E.15A the average net benefit per acre for forest land enrolled in Ohio's Current Agricultural Use Value (CAUV) Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Current Agricultural Use Value (CAUV)

CAUV provides for a reduction in property tax liability, at varying rates, based on productivity of the soil. Agricultural Land is assessed at 35 percent of fair market value (FMV) (appraisal value determines taxable value).

Tax Liability = Agricultural Use Value (per acre) × 35 percent × average tax rate (0.04629 or 46.29 mills)

http://www.tax.ohio.gov/Portals/0/communications/publications/annual_reports/2012_annual_report/2012_AR_Section_2_Property_Tax-Real_Property.pdf.

Average CAUV assessment: \$994 per acre (2012)

Average FMV assessment: \$3,044 per acre (2012)

http://www.tax.ohio.gov/Portals/0/personal_property/2012 V-6A CAUV Value.pdf.

http://www.tax.ohio.gov/Portals/0/personal_property/2012 V-6C Percent of Market Value.pdf.

Average Taxable Value: \$994 per acre × 35 percent = \$298.20 per acre (range: \$80.50 [low] – \$920.50 [high])

Average Tax Liability: \$298.20 per acre × 0.04629 (average tax rate) = \$13.80 per acre

Tax Liability Range: \$3.72 per acre – \$42.60 per acre

Forest Land Tax Liability in Nonpreferential Classification: Statewide Average Fair Market Value

Tax Liability: statewide average fair market value (per acre) and the average tax rate (0.04629 or 46.29 mills).

Tax Liability = Average FMV (per acre) × 35 percent × mill rate (2012 statewide average tax rate was 46.29 mills)

Average FMV assessment: \$3,044 per acre (2012) http://www.tax.ohio.gov/Portals/0/personal_property/2012 V-6B Market Value.pdf.

Average Taxable Value: \$3,044 per acre × .35 (35 percent of FMV assessment) = \$1,065.40 per acre (range: \$200.90 – \$5,228.30)

Tax Liability: \$1,065.40 per acre × 0.04629 (average tax rate) = \$49.31 per acre (range: \$9.30 [low] – \$242.01 [high])

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$49.31 per acre – \$13.80 per acre = \$35.51 per acre

Benefit Range: \$5.58 (per acre)–\$199.41 per acre (excludes 25 initial application fee)

NORTH REGION (continued)**Table E.15B—Key Attributes of Principal Forest Property Tax Incentive Program: Forest Tax Law Program: Ohio, 2014**

Program legal-common name	Forest Property Tax Law Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use), Flat Tax (reduction in fair market value)
Principal statutorily defined ecosystem services of interest	Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Auditor; Division of Forestry (Department of Natural Resources); Division of Real Property Tax (Department of Taxation); Natural Resources Conservation Service (U.S Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Forest Tax Law Classification: Parcel devoted to the primary purpose of growing, managing and harvesting merchantable forest products of commercial species under accepted silvicultural systems through natural or artificial reforestation methods; excluded are home sites, buildings, roads, streams, and lakes.
Resource restrictions	Parcel must consist of a stand or stands of commercial tree species which contain at least 50 square feet of basal area or at least 300 stems per acre which are evenly distributed throughout the stand; plantations are eligible one year after planting.
Application required	County auditor; application to include aerial photos of parcel and a tax plat map (Farm Service Agency); initial qualifying inspection of parcel by Division of Forestry (Department of Natural Resources); initial one-time application fee (\$50), annual renewal no fee; parcel remains eligible for preferential tax treatment if in compliance with specified requirements.
Legal filing required	County auditor
Minimum/maximum area	10 or more contiguous acres, 120 or more feet wide.
Commitment to program required (years)	Every five years owner must certify plan's implementation; landowner must demonstrate intent to actively engage in forestry by completing a prescribed silvicultural activity prior to parcel's certification and a subsequent eight hours of forestry training within five years of the initial date of forest land's certification.
Penalty for withdrawal from program	Failure to implement forest management plan results in withdrawal from preferential tax treatment at which time the full local tax rate applies to the parcel.
Forest Management Plan	
Plan required	Required forest management plan to include parcel's location, physical features, owner management objectives, timber products to be produced, protection from livestock grazing and wildfire, provisions for wildlife and recreation, and practices that will minimize adverse environmental effects.
Effective duration of plan specified	10 years
Qualified preparer or approver required	If not prepared by the Division of Forestry (Department of Natural Resources), forest management plan must be developed by a professional consulting forester.
Plan implementation required	At a minimum of every five years, owner must certify that forest management practices set forth in approved forest management plan have been completed according to the schedule; field examination of parcel may be conducted.
Notice of timber harvest required	Provide notice of intent to harvest; services of a master logger required for harvesting activities.
Special provisions for water, wildlife, open space	To be included in forest management plan are provisions for enhancing wildlife and recreation conditions and practices that will minimize adverse environmental effects generally.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	At least every five years, landowner must certify that forest management plan is being implemented; field examination of implemented practices may be conducted.
Basis for tax benefit provided	Value-based amount (50 percent of local tax rate)

Continued

NORTH REGION (continued)

Table E.15B (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Forest Tax Law Program: Ohio, 2014

Annual tax benefits provided^a	
Average net benefit per acre	\$24.67 per acre
Total acres enrolled	144,700 (2012)
Total net benefits	\$3,569,749
Number of participants in program	4,130 (estimate)

^a *Ohio Revised Code*: Title 57 (Taxation), Chapter 5713 (Assessing Real Estate), Chapters 5713.22 through 5713.26 (Ohio Forest Tax Law); additional preferential assessment: Title 57 (Taxation), Chapter 5713 (Assessing Real Estate). *Ohio Administrative Code*: Ohio Forest Tax Law (Sections 1501:3-10-01 through 1501:3-10-07), Division of Forestry (Department of Natural Resources). 2014.

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/ohio/>. [Date accessed: December 2014].

http://www.tax.ohio.gov/real_property/cauv.aspx. [Date accessed: December 2014].

<http://ohiodnr.com/LinkClick.aspx?fileticket=te3QBo%2fHEb8=&tabid=5287>. [Date accessed: December 2014].

http://www.tax.ohio.gov/Portals/0/personal_property/2012 V-6B Market Value.pdf. [Date accessed: December 2014].

Personal Communication. July 19 and 31, 2013. Mark Wilthew, OFTL Coordinator, Division of Forestry, Ohio Department of Natural Resources, 2045 Morse Rd., Columbus, OH 43229-6693. mark.wilthew@dnr.state.oh.us.

In table E.15B the average net benefit per acre for forest land enrolled in Ohio's Current Agricultural Use Value Program and Ohio Forest Tax Law Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Ohio Forest Tax Law

Forest land is assessed at 35 percent of fair market value (FMV) (appraisal value; determines taxable value), and the local tax rate is reduced by 50 percent.

Tax Liability = Forest land FMV (per acre) × 0.35 (appraised value) × 0.02314 (50 percent of the average effective tax rate: 46.29 mills or 0.04629). http://www.tax.ohio.gov/Portals/0/communications/publications/annual_reports/2012_annual_report/2012_AR_Section_2_Property_Tax-Real_Property.pdf.

Average FMV Assessment: \$3,044 per acre (2012)

http://www.tax.ohio.gov/Portals/0/personal_property/2012 V-6C Percent of Market Value.pdf.

Average Taxable Value: \$3,044 per acre × 35 percent = \$1,065.40 per acre

Average Tax Liability: \$1,065.40 per acre × 0.02314 = \$24.65 per acre

Forest Land Tax Liability in Nonpreferential Classification: Statewide Average Fair Market Value

Tax Liability: statewide average fair market value (per acre) and effective tax rate of 46.29 mills vs. 23.14 mills

Tax Liability = Average FMV (per acre) × 35 percent × 0.04629 (average effective tax rate of 46.29 mills)

Average FMV Assessment: \$3,044/acre (2012)

http://www.ax.ohio.gov/Portals/0/personal_property/2012 V-6B Market Value.pdf.

Average Taxable Value = \$3,044 per acre × 0.35 (35 percent of FMV assessment) = \$1,065.40 per acre (range: \$200.90–\$5,228.30)

Tax Liability = \$1,065.40 per acre × 0.04629 (average effective tax rate of 46.29 mills) = \$49.32 per acre (range: \$12.76–\$329.95)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$49.32 per acre – \$24.65 per acre = \$24.67 per acre

NORTH REGION (continued)

Table E.16—Key Attributes of Principal Forest Property Tax Incentive Program: Pennsylvania, 2014

Program legal-common name	Farm and Forest Land Assessment Program (Clean and Green Program) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on forest productivity)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Production of Timber and Fiber Products, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Board of Assessment Appeals; County Office of Recorder of Deeds; County Board of Commissioners; Bureau of Forestry (Department of Conservation and Natural Resources); Division of Land Use and Natural Resources (Department of Agriculture); Bureau of Individual Taxes (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Forest Reserve Classification: Land stocked with forest trees of any size and capable of producing timber or other wood products; forest reserve land includes woodlots contiguous to or part of land in agricultural use or in agricultural reserve (open space land); land leased or otherwise devoted to exploration for the removal of gas, oil, and coal; and land devoted to the development and operation of wind power generation systems (if a majority of the energy annually generated is utilized on the parcel). Agricultural Reserve Classification: Open space land (including woodlots) used for purposes of noncommercial outdoor recreation and the enjoyment of scenic and natural beauty. Agricultural Use Classification: Land (including woodlots) producing an agricultural commodity or meeting the requirements of a federal soil conservation program.
Resource restrictions	Forest Reserve Classification: Land stocked with forest trees of any size and capable of producing timber. Agricultural Reserve Classification: Woodlots stocked with trees of any size that are contiguous with land classified as agricultural reserve. Agricultural Use Classification: Woodlots stocked with trees of any size and are contiguous with land classified as agricultural use.
Application required	Application to county board of assessment appeals; requires payment of application and recording fees.
Legal filing required	County board of assessment appeals (tax assessor) and the county office of recorder of deeds.
Minimum/maximum area	Forest Reserve Classification: Ten or more contiguous acres. Agricultural Reserve Classification and Agriculture Use Classification: Woodlots less than 10 acres.
Commitment to program required (years)	Indefinite, in that enrolled land is assigned preferential assessment for as long as it meets specified qualifications; land preferentially assessed for agricultural use, agricultural reserve, or forest reserve retains preferential assessment even if its use changes to either of the other two land use categories; preferential assessment may be removed by owner if county assessor is properly notified and owner pays rollback taxes; legal filing of parcel's preferential classification with the office of recorder of deeds places potential buyer of parcel on notice that a change to an ineligible land use makes new owner liable for rollback taxes.
Penalty for withdrawal from program	If use of land subject to preferential assessment is changed to an inconsistent use (except for condemnation of land), owner is subject to rollback taxes plus interest on each year's rollback tax at the rate of 6 percent per year (applicable to the seven most recent tax years of preferential treatment); rollback taxes are the difference between taxes paid on the basis of the preferential classification and taxes payable on the basis of other land uses in the taxing district; landowner breach of preferential assessment is recorded (with fee) by the county office of the recorder of deeds; civil penalty of not more than \$100 may be assessed on persons violating provisions of the law, although local taxing bodies (such as a municipality or county) may forgive rollback taxes in certain circumstances.
Forest Management Plan	
Plan required	Forest Reserve Classification: Not specified, although application requires confirmation that land is stocked with trees capable of producing wood products; at county assessor's discretion, application for preferential classification may require certain supporting evidence (timber productivity of parcel) and supporting documents (conservation plan, forestry management plan).
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified

Continued

NORTH REGION (continued)

Table E.16 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Pennsylvania, 2014

Forest Management Plan (continued)	
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Forest Reserve and Agricultural Use Classifications: Not specified. Agriculture Use Classification: Inclusive of benefits resulting from noncommercial open space.
Public access for recreation required	Forest Reserve and Agricultural Use Classifications: Not specified. Agricultural Reserve Classification: Without charge and on a nondiscriminatory basis, woodlots so classified must be open to the public for outdoor recreation and enjoyment of scenic or natural beauty.
Evidence of compliance required (frequency)	Each calendar year the Department of Agriculture must collect aggregate-level information (area and number of persons claiming preferential assessment) from county assessors that can be evaluated in order to determine if the provisions of the law are being fairly and uniformly implemented.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$13.23 per acre (2012)
Total acres enrolled	4,238,197 (2013)
Total net benefits	\$56,071,346
Number of participants in program	92,540

^a *Pennsylvania Statutes*: Public Law 973, Act No. 319, Sections 1 through 14 (Pennsylvania Farmland and Forest Land Assessment Act of 1974 [Clean and Green]). *The Pennsylvania Code*: Title 7 (Agriculture), Part 5-C (Farmland and Forest Land), Chapter 137b (Preferential Assessment of Farmland and Forest Land under the Clean and Green Act). *Related Reports*: "Using Conservation Easements to Preserve Open Space" by Heritage Conservancy, Department of Conservation and Natural Resources (2002); "Clean and Green Use Values (Act 319): 2012" by Bureau of Farmland Preservation, Pennsylvania Department of Agriculture (2012).

^b Information Sources

[http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/2012 Clean & Green Use Values1.pdf](http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/2012%20Clean%20and%20Green%20Use%20Values1.pdf). [Date accessed: December 2014].
http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/ProgramDetail.aspx?Fpalid=12%26. [Date accessed: December 2014].
<http://munstatspa.dced.state.pa.us/CountyTaxInfo.aspx?H=1>. [Date accessed: December 2014].
<http://www.newpa.com/local-government/municipal-statistics>. [Date accessed: December 2014].
http://www.portal.state.pa.us/portal/server.pt/community/financial_data_elements/7672. [Date accessed: December 2014]. http://www.pacode.com/secure/data/007/chapter137b/007_0137b.pdf. [Date accessed: December 2014].
http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/FarmlandPres2013.pdf. [Date accessed: December 2014].
[http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/2011 Farmland Preservation Annual Report1.pdf](http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/2011%20Farmland%20Preservation%20Annual%20Report1.pdf). [Date accessed: December 2014].
<http://pubs.cas.psu.edu/freepubs/pdfs/uh152.pdf>. [Date accessed: December 2014].
http://www.lgc.state.pa.us/desktop06/Issues_Taxation_and_Finance_01_RE_Assessment_Process.pdf. [Date accessed: December 2014].
http://www.newpa.com/sites/default/files/uploads/TED/data/common_ratio/TED_RATIO_2012.pdf. [Date accessed: December 2014].

In table E.16 the average net benefit per acre for forest land enrolled in Pennsylvania's Farmland and Forest Land Assessment Act (Clean and Green Program) was determined as follows:

Forest Land Tax Liability in Preferential Classification: *Farmland and Forest Land Assessment Act*

Tax Liability = Average Assessed Use Value × Assessment Rate (54 percent) × 0.045 (State average tax rate: 4.5 percent)

Average Forest Reserve Assessed Value: \$113.56 per acre

Average Taxable Value: \$61.61 per acre (\$113.56 × assessment rate of 54 percent)

Average Forest Reserve Tax Liability: \$2.78 per acre (\$113.56 × 0.045)

Forest Land Tax Liability in Nonpreferential Classification: *Agricultural Assessment Value*

Tax Liability = Average Assessed Value (per acre) × Assessment Rate (54 percent) × 0.045 (State average tax rate: 4.5 percent)

Average Agricultural Use Value: \$650 per acre

Average Taxable Value: \$352.68 per acre (\$650 × assessment rate of 54 percent)

Average Agricultural Tax Liability: \$16.01 per acre (\$352.68 × 0.045)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Forest Land (per acre): \$13.23 per acre (\$16.01 per acre – \$2.78 per acre)

NORTH REGION (continued)

Table E.17—Key Attributes of Principal Forest Property Tax Incentive Program: Rhode Island, 2014

Program legal-common name	Farm, Forest and Open Space Property Tax Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use), Exemption
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources
Agencies engaged in program administration	Town Assessor; Division of Forest Environment (Department of Environmental Management); Division of Taxation (Department of Revenue); State Conservation Committee
Eligibility requirements	
Ownership and use limitations	Forest Land Classification: Land bearing a dense growth of trees or capable of being regenerated by the planting or replanting of trees; includes underbrush and young regenerating forests and ancillary areas that have ability to self-perpetuate or are dependent on the planting and replanting of trees; excludes residential site on parcel. Open Space Classification: Undeveloped land that in a natural state conserves forests, enhances wildlife habitat or protects ecosystem health; eligible open space land includes land designated as such by a town's comprehensive community plan and land subject to a conservation easement or similar restriction; excludes developed facilities on parcel.
Resource restrictions	Forest Land Classification: Dense growth of trees or land capable of being regenerated by active management, including planting or replanting of trees in timber growing stands that are actively managed.
Application required	Forest Land Classification: Application to town assessor or to the Division of Forest Management (Department of Environmental Management) (including filing fee); Division of Forest Management examines parcel and recommends eligibility for preferential classification; failure to file an application is considered a waiver of the right to forest land classification. Open Space Classification: Application to town assessor (not to Department of Environmental Management; only town assessors have authority to determine eligibility as open space). Failure to file an application is considered a waiver of the right to open space classifications.
Legal filing required	Town assessor
Minimum/maximum area	Forest Land Classification: Parcel 10 or more contiguous acres. Open Space Classification: Parcel of any size that is subject to a conservation easement or similar restriction.
Commitment to program required (years)	Annual submission of statement confirming specified use.
Penalty for withdrawal from program	Forest Land Classification and Open Space Classification: Change to a non-qualifying use as initiated by landowner or by action of town assessor or Department of Environmental Management requires owner payment of a land use change tax in the amount of 10 percent of fair market value in the first year, declining to 1 percent in the 15th year (no additional tax after year 15).
Forest Management Plan	
Plan required	Forest Land Classification: Forest stewardship plan which incorporates landowner objectives into an action based program for enhancing forest resource conditions; among provisions to be included in a plan are cultural operations to improve (where feasible and practical) wildlife habitat, forest health, forest quality, forest products, watershed, protection, soil stability, water quality protection, aesthetics, and passive non-commercial recreation.
Effective duration of plan specified	Plan to be updated every 10 years.
Qualified preparer or approver required	Prepared by a professionally qualified forester having (a) bachelor degree in forestry from a program recognized by the Society of American Foresters, or (b) equivalent qualifications approved by the Department of Environmental Management; plan must be approved by the Division of Forest Environment (Department of Environmental Management).
Plan implementation required	Forest land must be actively managed in accordance with the provisions of an approved forest stewardship plan.
Notice of timber harvest required	Report of intent to harvest as required by State's forestry practices law; use of registered timber harvesters.

Continued

NORTH REGION (continued)

Table E.17 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Rhode Island, 2014

Special provisions for water, wildlife, open space	Forest Land Classification: Forest stewardship plan to address how proposed forest management activities will impact the following: biodiversity, threatened and rare plant and animal species, riparian and wetland areas, soil and water quality (watershed protection), forest health, wildlife management, forest products, cultural resources, and recreation and aesthetic interests.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Forest Land Classification: Every five years, parcel re-inspected by the Department of Environmental Management (or at the request of Town Tax Assessor) to determine compliance with approved forest stewardship plan; parcel considered ineligible if conditions such as the following occur: violation of procedures and schedules specified in approved forest stewardship plan, stripping of topsoil or removal of sand and gravel to the detriment of forest conditions, and existence of building permits for the construction of certain types of buildings and related structures on parcel.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$9.54 per acre (2013)
Total acres enrolled	139,000 (2012)
Total net benefits	\$1,326,060
Number of participants in program	2,530

^a *Rhode Island General Laws*: Title 2 (Agriculture and Forestry), Chapter 15 (Registration of Timber Harvesters and Reporting of Wood Cutting); Title 44 (Taxation), Chapter 3 (Exemption of Land Planted to Forestry), Chapter 27 (Taxation of Farm, Forest, and Open Space Land), Chapter 39 (Land Use Change Tax). *Rhode Island Code of Rules*: "Rules and Regulations for Enforcement of the Farm, Forest, and Open Space Act" (ERLID Number 2135), Division of Agriculture and Resource Marketing, Department of Environmental Management (2002); "Woods Operators Registration Fee and Intent to Cut Fee," Division of Forest Environment, Department of Environmental Management (2004). *Related Reports*: "A Citizen's Guide to the Farm, Forest, and Open Space Act" by Department of Environmental Management (2002).

^b Information Sources

<http://www.municipalfinance.ri.gov/data/-section3>. [Date accessed: December 2014].

<http://www.dem.ri.gov/programs/bnatres/forest/>. [Date accessed: December 2014].

<http://www.dem.ri.gov/programs/bnatres/forest/pdf/citgui03.pdf>. [Date accessed: December 2014].

<http://www.dem.ri.gov/programs/bnatres/agricult/pdf/values.pdf>. [Date accessed: December 2014].

Personal Communication. December 23, 2014. Thomas Abbott, Supervising Forester, Division of Forest Environment, Rhode Island Department of Environmental Management, 235 Promenade St., Providence, RI 02908. thomas.abbott@dem.ri.gov.

In table E.17 the average net benefit per acre for forest land enrolled in Rhode Island's Farm, Forest, and Open Space Act was determined as follows:

Forest Land Tax Liability in Preferential Classification: Farm, Forest, and Open Space Act

Tax Liability = Assessed (Use) Value × 0.018 (statewide average tax rate: 1.8 percent)

Forest Use Value: \$120 per acre

Forest Tax Liability: \$2.16 per acre (\$120 per acre × 0.018 [statewide average tax rate: 1.8 percent])

Forest Land Tax Liability in Nonpreferential Classification: Farmland (within Farm, Forest and Open Space Act)

Farmland Use Value: \$650 per acre

Farmland Tax Liability: \$11.70 per acre (\$650 per acre × 0.018 [statewide average tax rate: 1.8 percent])

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$9.54 per acre (\$11.70 per acre – \$2.16 per acre)

NORTH REGION (continued)

Table E.18—Key Attributes of Principal Forest Property Tax Incentive Program: Vermont, 2014

Program legal-common name	Managed Forest and Agriculture Land Property Tax Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Clerk and Recorder; Division of Forestry (Department of Forests, Parks and Recreation); Division of Property Valuation and Review (Department of Taxes); Department of Environmental Conservation; Current Use Advisory Board
Eligibility requirements	
Ownership and use limitations	Managed Forest Land Classification: Forest land (exclusive of residential site) that is (a) under active long-term forest management for the purpose of growing and harvesting repeated forest crops in accord with acceptable forest management standards (excluding ecologically significant areas); exempt from taxation are (a) parcels of open space land (including forest land) that are legally subject to easements or similar arrangements and are owned by nonprofit organizations whose primary interest is the preservation of open space, and (b) certain land (including forest land) that is under active conservation management in accord with standards established by the Department of Forests, Parks and Recreation; exempt from taxation are certain veterans and various nonprofit charitable organizations.
Resource restrictions	Forest land must be capable of growing forest crops for repeated harvest in accord with acceptable standards of forest management.
Application required	Application to Division of Property Valuation and Review (Department of Taxes); procedures available for landowner to appeal decisions regarding applications and inspections made by the Department of Forests, Parks and Recreation.
Legal filing required	County clerk and recorder (applicant pays recording fees); recording of parcel's preferential classification establishes a lien against the parcel that can be used for securing payment of land use change tax.
Minimum/maximum area	25 or more acres, excluding residential sites
Commitment to program required (years)	Continuous preferential classification, conditional on results of annual inspections or upon sale of parcel; new owner is entitled to preferential classification, provided the property remains eligible and new owner agrees with current appraised value of property.
Penalty for withdrawal from program	Change to a nonconforming use (specified as a development activity) requires owner to pay a land use change tax; change tax is 20 percent of the full fair market value of the land without preferential classification, or 10 percent of such a value if the Department of Forests, Parks and Recreation determines that the parcel has been given continuous preferential classification for more than 10 years; owners may withdraw from preferential classification without paying the land use change tax provided they have "developed" their property.
Forest Management Plan	
Plan required	Forest management plan or a conservation management plan
Effective duration of plan specified	Minimum of 10 years; expiration of a 10-year plan requires owner to revise plan for another 10 years in order for parcel to be granted preferential classification.
Qualified preparer or approver required	Not specified; plan must be approved by the Division of Forestry (Department of Forests, Parks and Recreation).
Plan implementation required	Submission of forest management activity report to county forester; report to describe activities undertaken to implement the forest management plan.
Notice of timber harvest required	Land use permit required for timber harvesting operations occurring at elevations over 2,500 feet; intent to cut notification required for "heavy cuts" that are inconsistent with silvicultural guidelines for applicable forest types.
Special provisions for water, wildlife, open space	Special water, wildlife, and related provisions to be set forth in forest management plan.
Public access for recreation required	Not specified

Continued

NORTH REGION (continued)

Table E.18 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Vermont, 2014

Evidence of compliance required (frequency)	Every five years, parcel re-inspected by the Department of Environmental Management (or at the request of town or city tax assessor) to determine compliance with approved forest stewardship plan; parcel considered ineligible if Department determines that it no longer qualifies as forest land; among conditions considered inconsistent with forest land use and management are violation of procedures and schedules specified in an approved forest stewardship plan, stripping of topsoil or removal of sand and gravel to the detriment of forest conditions, and existence of building permits for the construction of certain types of buildings and related structures.
Basis for tax benefit provided	Value-based (current use)
Annual tax benefits provided^b	
Average net benefit per acre	\$5.27 per acre (2014) (\$6.21 per acre [2014] if located greater than 1 mile from road) \$5.74 per acre (average of two benefits)
Total acres enrolled	2,300,000 (2014)
Total net benefits	\$13,202,000
Number of participants in program	17,000 (parcels) (2014)

^a *Vermont Statutes*: Title 10 (Conservation and Development), Chapter 83 (Forest Conservation—Regulation of Heavy Cutting), Chapter 151 (State Land Use and Development Plans—Timber Harvesting), Chapter 155 (Acquisition of Interest in Land by Public Agencies); Title 32 (Taxation and Finance), Chapter 124 (Agricultural and Forest Lands), Sub-Chapter One (Agricultural and Managed Forest Land Use Value Program), Chapter 231 (Property Transfer Tax: Exemptions). *Related Reports*: “Annual Taxation Report Based on 2013 Grand List Data” by Division of Property Valuation and Review, Department of Taxes (2014), “Biannual Report: 2011-2012” by Department of Taxes (2013), “Instructions for Notice of Development or Discontinuance From Land Use Value Appraisal Program” by Division of Property Valuation and Review, Department of Taxes (2014), “Timber Harvesting In Vermont: Summary of Laws and Regulations” by Division of Forestry (Department of Forest, Parks and Recreation) (2012).

^b Information Sources

<http://www.state.vt.us/tax/pvrcurrentuse.shtml>. [Date accessed: December 2014].

http://www.state.vt.us/tax/pdf.word.excel/pvr/reports/2014/TaxRates_Effective_byCounty.pdf. [Date accessed: December 2014].

<http://www.vtfpr.org/resource/documents/uvamanual.pdf>. [Date accessed: December 2014].

[http://www.vtfpr.org/resource/documents/UVA/FPR Information Brochure.pdf](http://www.vtfpr.org/resource/documents/UVA/FPR%20Information%20Brochure.pdf). [Date accessed: December 2014].

[http://www.vtfpr.org/resource/documents/UVA/FPR Information Brochure.pdf](http://www.vtfpr.org/resource/documents/UVA/FPRInformation%20Brochure.pdf). [Date accessed: December 2014].

Personal Communication. December 17, 2014. Elizabeth Hunt, Chief, Current Use Program, Property Valuation and Review Division, Department of Taxes, 133 State St., Montpelier, VT 05633-1401. elizabeth.hunt@state.vt.us.

In table E.18 the average net benefit per acre for forest land enrolled in Vermont’s Managed Forest Land Use Appraisal Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Managed Forest Land Use Value Appraisal Program

Tax Liability = Assessed (Use) Value × 0.0327 (statewide average tax rate: 3.27 percent)

Forest Land Use Value (2014): \$118.00 per acre

Forest Land Tax Liability: \$3.85 per acre (\$118 per acre × 0.0327 (statewide average tax rate: 3.27 percent))

Forest Land (>1 mile from a road) Use Value (2014): \$89.00 per acre

Forest Land (>1 mile from a road) Tax Liability: \$2.91 per acre (\$89.00 per acre × 0.0327 (statewide average tax rate: 3.27 percent))

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Land

Agricultural Land Use Value (2014): \$279 per acre

Agricultural Land Tax Liability: \$9.12 per acre [(\$279.00 per acre × 0.0327 (statewide average tax rate: 3.27 percent))].

Forest Land Net Benefit of Preferential Classification

Forest Land (<1 mile from a road): \$5.27 per acre (\$9.12 per acre–\$3.85 per acre)

Forest Land (>1 mile from a road): \$6.21 per acre (\$9.12 per acre–\$2.91 per acre)

NORTH REGION (continued)**Table E.19—Key Attributes of Principal Forest Property Tax Incentive Program: West Virginia, 2014**

Program legal-common name	Timberland and Managed Timberland Tax Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; Division of Forestry (Department of Commerce); Division of Property Tax (Department of Tax); Commission on Property Valuation
Eligibility requirements	
Ownership and use limitations	Managed Timberland Classification: Parcel devoted primarily to forest use and managed pursuant to a managed timberland plan; excludes subdivision land with zoning regulations that prevents timber production and harvesting and farm woodlots not exclusively devoted to commercial timber growing; Timberland Classification: parcel devoted primarily to forest use but not managed pursuant to a managed timberland plan; includes land that has been recently harvested of merchantable timber and is growing into or being planted as a new forest.
Resource restrictions	Timberland and Managed Timberland Classifications: Parcel has sufficient number of well-distributed commercially valuable trees to constitute 40 percent normal stocking well-distributed over growing site; appraised value of managed timberland is determined based on the potential of the land to produce future income according to use and productive potential.
Application required	Application to Division of Forestry (Department of Commerce) to include (a) commitment to land use objectives that will protect timberland, including soil and water protection, or (b) a written forest management plan prepared by a professional forester.
Legal filing required	Recorded with county tax assessor and with Division of Forestry (Department of Commerce).
Minimum/maximum area	10 or more contiguous acres.
Commitment to program required (years)	Managed Timberland Classification: Owner must (a) annually certify in writing that parcel satisfies requirements of managed timberland classification, (b) enter into a contract [with the Division of Forestry (Department of Commerce)] stating that the parcel will be managed in a multiple purpose manner, (c) manage parcel consistent with erosion control practices as specified in West Virginia Forest Practices Standards, and (d) use management practices set forth by the West Virginia Silvicultural Nonpoint Source Management Program.
Penalty for withdrawal from program	Managed Timberland Classification: Repayment of property taxes saved plus interest penalty; removal of parcel from preferential managed timberland classification.
Forest Management Plan	
Plan required	Managed Timberland Classification: Forest management plan to include multi-purpose management objectives, ensure harvesting that will provide for regeneration of favored tree species and continuous crops of timber produced consistent with parcel's productive capacity; plan must be approved by Division of Forestry (Department of Commerce); Timberland Classification: Forest management plan not required.
Effective duration of plan specified	Managed Timberland Classification: Annual review and certification of forest management plan.
Qualified preparer or approver required	Prepared by professional forester or a landowner attesting to understanding principles of sound management; credentials of preparer must be approved by the Division of Forestry (Department of Commerce).
Plan implementation required	Managed Timberland Classification: Annual review and certification of forest management plan.
Notice of timber harvest required	Managed Timberland Classification: No harvesting until forest management plan is in place.
Special provisions for water, wildlife, open space	Managed Timberland Classification: Forest management plan to include variety of actions to promote a wide range of natural resource uses and to protect against adverse environmental impacts.

Continued

NORTH REGION (continued)

Table E.19 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: West Virginia, 2014

Evidence of compliance required (frequency)	Managed Timberland Classification: Annually certified; county assessor may request inspection of parcel by Division of Forestry (Department of Commerce) for purposes of determining if parcel remains qualified and if forest management plan is being properly implemented.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$8.20 per acre
Total acres enrolled	2,242,200 (2011)
Total net benefits	\$18,386,040
Number of participants in program	41,445 (estimate)

^a *West Virginia Code*: Chapter 11 (Taxation), Article 1C (Fair and Equitable Property Taxation); *WV Code of State Rules*: “Value of Timberland and Managed Timberland (Title-Series 110-01H), Administrative Law Division, Secretary of State. May 1999.

^b Information Sources

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

http://www.wvforestry.com/MT_Fact_Sheet.pdf. [Date accessed: December 2014].

<http://www.wvcommerce.org/resources/forestry/timberland/default.aspx>. [Date accessed: December 2014].

<http://www.timbertax.org/statetaxes/states/proptax/westvirginia/>. [Date accessed: December 2014].

<http://www.wva.state.wv.us/wvtax/propertyTax/countyRatesOfLevy.aspx>. [Date accessed: December 2014].

<http://www.wvsao.gov/localgovernment/reports.aspx>. [Date accessed: December 2014].

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<http://www.state.wv.us/taxrev/publications/propertyTax/2012/ManagedTimberlandAppraisalRates.2012.pdf>. [Date accessed: December 2014].

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Personal Communication. October 7, 2013. Faith Dangerfield. Property Tax Division, West Virginia Tax Department, Appraisal Services Unit, Charleston, WV 25305. faith.c.dangerfield@wv.gov.

Personal Communication. July 19, 2013. Darlene Parsons, Human Resources Manager, Division of Forestry, West Virginia Department of Commerce, 1900 Kanawha Blvd. East, Charleston, WV 25305-0180. darlene.d.parsons@wv.gov.

Source: Fortney and others 2011.

NORTH REGION (continued)

Table E.20A—Key Attributes of Principal Forest Property Tax Incentive Program: Forest Crop Law: Wisconsin, 2014

Program legal-common name	Forest Crop Property Tax Program ^a
Fundamental type of tax	Flat Tax
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Tax Lister and Register of Deeds; Division of Forestry (Department of Natural Resources); Division of State and Local Finance (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Forest Crop Classification: Parcel's highest and best use considered to be for growing timber and other forest crops; owner intends to practice forestry on parcel; improvements on parcel must be minimal and must be related to forestry uses; excluded uses are commercial recreation, industrial uses, and residential dwellings; all persons holding encumbrances on land must join in petition to have the land classified as forest cropland.
Resource restrictions	Parcel capable of producing 20 or more cubic feet of merchantable timber per acre per year; stand of merchantable timber will be developed on at least 80 percent of parcel within a reasonable period of time.
Application required	Application (including required fee) to Division of Forestry (Department of Natural Resources) (closed to new enrollment in 1986, although outstanding contracts exist)
Legal filing required	County tax lister and register of deeds
Minimum/maximum area	40 or more contiguous acres
Commitment to program required (years)	Contract of 25 to 50 years at the option of owner
Penalty for withdrawal from program	Owner must pay back taxes on the land as determined by the Department of Revenue; amount to be based on what the taxes would have been if the property had been subject to general property taxes.
Forest Management Plan	
Plan required	Contract (forest plan) to include items such as legal description of property, owner forest management objectives, forest practices to be applied, activities to enhance wildlife, aesthetics, and water quality.
Effective duration of plan specified	Consistent with 25- to 50-year contract period as selected by owner.
Qualified preparer or approver required	Professional forester employed by the Department of Natural Resources.
Plan implementation required	Consistent with 25- to 50-year contract period as selected by owner.
Notice of timber harvest required	30-day notice of intent to harvest to be filed with Division of Forestry, Department of Natural Resources; notice must specify types and estimates of wood product volumes to be removed and the proportion of present volume to be left as growing stock; Division of Forestry may examine parcel prior to harvest; harvest may not proceed if forest crop taxes are delinquent.
Special provisions for water, wildlife, open space	Notice of intent to harvest must address actions to be taken to protect water quality, natural and historic heritage sites, and measures to address invasive species.
Public access for recreation required	Parcels granted preferential classification are all open to the public for hunting and fishing. Not allowed is vehicular traffic (trucks, all-terrain vehicles, snowmobiles, motorcycles, or other motorized vehicles) unless the landowner gives permission; industrial owners may gate their roads and may charge a user fee for vehicular access.
Evidence of compliance required (frequency)	Initial and periodic onsite inspection; specified measures of progress are stated in contract (plan) for an enrolled parcel.
Basis for tax benefit provided	Standard amount
Annual tax benefits provided^b	
Average net benefit per acre	\$32.46 per acre
Total acres enrolled	195,000 (2011)
Total net benefits	\$6,329,700
Number of participants in program	1,300 (contracts) (2011)

Continued

NORTH REGION (continued)

Table E.20A (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Forest Crop Law: Wisconsin, 2014

^a *Wisconsin Statutes*: Chapter 77 (Taxation of Forest Cropland), Subchapter I (Taxation of Forest Croplands), Sections 77.01 through 77.17 (Forest Cropland); Chapter 77 (Taxation of Forest Cropland), Subchapter VI (Managed Forest land), Sections 77.80 through 77.91. *Administrative Code*: “Forest Tax Program” (Chapter NR 46), Legislative Reference Bureau, State of Wisconsin. 2011. *Related Reports*: “Wisconsin Property Tax Assessment Manual: 2015,” Wisconsin Department of Revenue (2015).

^b Information Sources

Personal Communication. August 19-20, 2013. Ryan Conner, Operations Associate, Public Private Forestry Section, Division of Forestry, Wisconsin Department of Natural Resources, P.O. Box 7921, Madison, WI 53707-7921. ryan.conner@wisconsin.gov.

Table E.20B—Key Attributes of Principal Forest Property Tax Incentive Program: Managed Forest Program: Wisconsin, 2014

Program legal-common name	Managed Forest Property Tax Program ^a
Fundamental type of tax	Flat Tax
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Tax Lister and Register of Deeds; Division of Forestry (Department of Natural Resources); Division of State and Local Finance (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Managed Forest Classification: Parcel has potential to sustainably grow timber for wood products; excluded are uses such as agriculture, grazing, commercial storage facilities, game farms, cell towers, mines, quarries, orchards, and recreational developments (golf courses, campgrounds, or raceways); owner may not receive payments (cash, goods, or services) for the recreational use of classified land (individuals or groups given exclusive use of parcel for hunting, fishing, or any other recreational use).
Resource restrictions	At least 80 percent of the parcel capable of producing a minimum of 20 cubic feet of merchantable timber per acre per year; if being reforested, stand of merchantable timber must be developed on at least 80 percent of parcel within a reasonable period of time.
Application required	Application to Division of Forestry (Department of Natural Resources)
Legal filing required	County Tax Lister and Register of Deeds
Minimum/maximum area	10 or more contiguous acres.
Commitment to program required (years)	Commitment to a 25- to 50-year sustainable forest management plan.
Penalty for withdrawal from program	Withdrawal from preferential tax treatment may result from landowner choice (\$300 fee) or from violation of conditions and obligations of preferential tax treatment; penalty the higher of which is taxes normally levied or of 5 percent of stumpage value.
Forest Management Plan	
Plan required	Sustainable forest management plan to include legal description of property, owner forest management objectives, and practices required to enhance forest conditions, including timber, wildlife, watershed, endangered resource and aesthetics; plan to define mandatory forest management practices, which may include harvesting timber according to sound forestry standards, thinning plantations and natural stands for merchantable products, releasing trees from competing vegetation, tree planting to maintain necessary forest density, treating before and after harvest to ensure adequate forest regeneration and actions to control soil erosion.
Effective duration of plan specified	Sustainable forest management plan to be implemented over a 25- to 50-year period.
Qualified preparer or approver required	Certified plan writer (for a fee) or a professional forester employed by the Division of Forestry (Department of Natural Resources); plan must be approved by Division of Forestry.

Continued

NORTH REGION (continued)

Table E.20B (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Managed Forest Program: Wisconsin, 2014

Forest Management Plan (continued)	
Plan implementation required	Landowner commitment to implement plan over a 25- to 50-year period; Department of Natural Resources reminds landowners roughly two years prior to date that mandatory practices specified in plan are to be completed; a noncompliance fee (\$250) may be assessed for failure to complete each mandatory practice according to schedule; failure to follow management plan can result in the loss of preferential tax treatment and an assessment of withdrawal taxes and fees.
Notice of timber harvest required	At least 30 days prior to timber harvest, landowner must file a harvest plan with the county tax assessor and the Division of Forestry (Department of Natural Resources); before commencing harvest, Division of Forestry must approve the harvest plan; timber harvesting must begin within one year after approval of harvest plan; 30 days after harvest, a harvest report must be submitted to the Division of Forestry.
Special provisions for water, wildlife, open space	Sustainable forest management specifies practices and conditions involving wildlife, aesthetics, recreation, and water and soil resources.
Public access for recreation required	Parcels receiving preferential tax treatment are designated as either (a) open to public recreation (allows public access only for hunting, fishing, hiking, sight-seeing, and cross country skiing without additional permission from landowners), and (b) closed to public recreation, allowing landowners the right to restrict access and use (prohibit use of motorized vehicles, designate specific access points, restrict access near any building or active commercial timber sale); maximum of 160 acres may be specified as closed (80 acres is enrolled prior to 2005).
Evidence of compliance required (frequency)	Initial and periodic onsite inspection; benchmarks specified in sustainable forest management plan.
Basis for tax benefit provided	Standard amount
Annual tax benefits provided^a	
Average net benefit per acre	\$28.82 per acre (2011)
Total acres enrolled	3,100,000 (2011)
Total net benefits	\$89,342,000
Number of participants in program	46,500 (2011)

^a *Wisconsin Statutes*: Chapter 77 (Taxation of Forest Cropland), Subchapter I (Taxation of Forest Croplands), Sections 77.01 through 77.17 (Forest Cropland); Chapter 77 (Taxation of Forest Cropland), Subchapter VI (Managed Forest land), Sections 77.80 through 77.91. *Administrative Code*: "Forest Tax Program" (Chapter NR 46), Legislative Reference Bureau, State of Wisconsin (2011). *Related Reports*: "Wisconsin Property Tax Assessment Manual: 2015," Wisconsin Department of Revenue (2015); "Wisconsin's Managed Forest Law: A Program Summary," (PUB-FR-295) Wisconsin Department of Natural Resources (2013).

^b Information Sources

Personal Communication. August 19-20, 2013. Ryan Conner, Operations Associate, Public Private Forestry Section, Division of Forestry, Wisconsin Department of Natural Resources, P.O. Box 7921, Madison, WI 53707-7921. ryan.conner@wisconsin.gov.

SOUTH REGION

Table E.21—Key Attributes of Principal Forest Property Tax Incentive Program: Alabama, 2014

Program legal-common name	General Property Tax Program (forests and forest products) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; Alabama Forestry Commission; Division of Property Tax (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	General Property Tax Classification: Real property used for the growing and sale of timber and forest products; land which supports forest growth or on which (under prevailing economic conditions) may support such growth in the future; excluded from taxation is standing timber, land within urban areas and land used for residential purposes, and up to 160 acres of land designated as a State auxiliary forest.
Resource restrictions	Soil productivity timber productivity ratings used to assign applicable taxes.
Application required	Application to county tax assessor
Legal filing required	County tax assessor
Minimum/maximum area	5 or more acres, fewer than 5 acres requires county tax assessor to request additional information, including forest site management plans.
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Reassessed at fair market value; repayment at reasonable market value rate for preceding three years.
Forest Management Plan	
Plan required	Optional (varies by county)
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$2.13 per acre
Total acres enrolled	17,000,000
Total net benefits	\$36,210,000
Number of participants in program	192,100 (estimate)

Continued

SOUTH REGION (continued)

Table E.21 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Alabama, 2014

^a *Alabama Code*: Title 40 (Revenue and Taxation), Chapters 7 (Assessment of Taxes Generally) and 8 (Rate of Taxation); Title 9 (Conservation of Natural Resources), Chapter 13 (Forests and Forest Products; Forestland Defined; Auxiliary State Forests); *Administrative Rules*: Rule 810-4.1-.01 through Rule 810-4.5-.01.

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/alabama/>. [Date accessed: December 2014].

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http://revenue.alabama.gov/documents/annual_report/2012_annual-report.pdf. [Date accessed: December 2014].

<http://www.forestry.state.al.us/ResourceSheets.aspx?bv=5&s=1> (June 11, 2013). [Date accessed: December 2014].

Personal Communication, Leslie Mackey, Field Operations Supervisor, Property Tax Division, Alabama Department of Revenue, P.O. Box 327210, Montgomery, AL 36132. leslie.mackey@revenue.alabama.gov.

In table E.21 the average net benefit per acre for forest land enrolled in Alabama's Class III Forest Property Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Class III Forest Property Tax Program

Forest land is assessed at 10 percent of appraised value. Tax Liability = Forest Land Current Use Value (per acre) \times 0.10 (appraised value) \times 0.042 (4.2 percent average mill rate)

Average Current Use Value (based on soil productivity) = \$531 per acre (average productivity rating)

Value Range (current use) = \$303 per acre (non-productive) – \$378 per acre (poor) – \$697 per acre (good productivity)

Taxable Value (current use \times assessment percent of Fair Market Value (FMV))

$\$303 \times 0.10 = \30.30 per acre (non-productive)

$\$531 \times 0.10 = \53.10 per acre (average)

$\$697 \times 0.10 = \69.70 per acre (good)

Tax Liability (taxable value \times average statewide tax rate 4.2 percent)

$\$30.30$ per acre \times 0.042 = \$1.27 per acre (non-productive)

$\$53.10$ per acre \times 0.042 = \$2.23 per acre (average)

$\$69.70$ per acre \times 0.042 = \$2.92 per acre (good)

Forest Land Tax Liability in Nonpreferential Classification: Statewide Average Fair Market Value

Statewide average fair market value assessed at 20 percent of appraised value. Tax Liability = average statewide Current Use Value (per acre) \times 0.20 (appraised value) \times 0.042 (4.2 percent average mill rate).

Taxable Value (current use \times assessment percent of FMV)

$\$303 \times 0.20 = \60.60 per acre (non-productive)

$\$531 \times 0.20 = \106.20 per acre (average)

$\$697 \times .020 = \139.40 per acre (good)

Tax Liability (taxable value \times average statewide tax rate 4.2 percent)

$\$60.60$ per acre \times 0.042 = \$2.54 per acre (non-productive)

$\$106.20$ per acre \times 0.042 = \$4.46 per acre (average)

$\$139.40$ per acre \times 0.042 = \$5.85 per acre (good)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit per acre (including \$0.10 per acre severance tax)

$\$2.54$ per acre – \$1.37 per acre = \$1.17 per acre (non-productive)

$\$4.46$ per acre – \$2.33 per acre = \$2.13 per acre (average)

$\$5.85$ per acre – \$3.02 per acre = \$2.83 per acre (good)

SOUTH REGION (continued)

Table E.22—Key Attributes of Principal Forest Property Tax Incentive Program: Arkansas, 2014

Program legal-common name	General Property Tax Program (timberland) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor and Tax Collector; County Board of Equalization; Arkansas Forestry Commission; Department of Finance and Administration; Department of Assessment Coordination; Division of Tax (Arkansas Public Service Commission)
Eligibility requirements	
Ownership and use limitations	General Property Tax Classification: Parcel considered to be timberland (among other uses such as Agricultural land, pasture land, residential property, and commercial land); excluded is land used exclusively for public and charitable purposes (school buildings, libraries) and disabled veterans including surviving spouses and minor children; special annual fee (\$0.15 per acre) assessed on all timberlands to assist defray cost of statewide program of forest fire protection.
Resource restrictions	Parcel meets specified soil type and timber productivity classifications.
Application required	Application to county tax assessor and tax collector
Legal filing required	County tax assessor and tax collector; initial application required, automatic renewal
Minimum/maximum area	Not specified
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Not specified
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Annual listing of property; obligation to pay taxes on classified land.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$3.41 per acre
Total acres enrolled	11,323,400 (2014)
Total net benefits	\$38,612,794 (2014)
Number of participants in program	413,260 (estimate)

Continued

SOUTH REGION (continued)

Table E.22 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Arkansas, 2014

^a *State Constitution*: Article 16 (Finance and Taxation); Section 5 (Property Taxed According to Value); Section 15 (Assessment of Residential Property and Agricultural, Pasture, Timber and Commercial Land); *Arkansas Code*: Title 26 (Taxation), Subtitle 1 (General Provisions), Subtitle 2 (Administration of State Taxes), Subtitle 3 (Administration of Local Taxes, including assessment of Timber Rights), Subtitle 5 (State Taxes, Tax on Timberlands and Rangelands [Fire Protection Tax Act of 1969]); *Related Reports*: “Cropland, Pastureland and Timberland Valuation for Property Tax Purposes – 2015,” Arkansas Assessment Coordination Department (2014).

^b Information Sources

<http://www.arkansas.gov/acd/pdfs/2012-Millage-Report-2013-Collections-Final.pdf>. [Date accessed: December 2014].

<http://www.arkansas.gov/acd/pdfs/2013-Agricultural-Report.pdf>. [Date accessed: December 2014].

http://www.arkansas.gov/acd/contact_us_phone.html. [Date accessed: December 2014].

Personal Communication. September 25, 2014. Robert McGee, Division Administrator, Arkansas Assessment Coordination Department, 1614 W. Third Street, Little Rock, AR 72201. robert.mcgee@acd.state.ar.us.

In table E.22 the average net benefit per acre for forest land enrolled in Arkansas’ Timber Use Classification Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Timber Use Classification Tax Program

Tax Liability: Soil Class/Current Use Value (per acre) \times 0.20 (assessment rate) \times 0.04685 (State’s average mill rate)

Current Use Values—Timber (region, soil capability, current use)

Soil capability	Delta region	Ouachita region	Ozark region	Southwest region
----- \$ per acre -----				
1	60.00	60.00	50.00	90.00
2	100.00	200.00	155.00	190.00
3	90.00	60.00	135.00	225.00
4	100.00	135.00	120.00	215.00
5	55.00	100.00	70.00	100.00
6	125.00	140.00	140.00	225.00
7	80.00	135.00	65.00	220.00
8	85.00	105.00	105.00	65.00
9	140.00	160.00	130.00	170.00
10	110.00	100.00	70.00	60.00
11	150.00	160.00	125.00	160.00
12	150.00	195.00	160.00	215.00
13	185.00	196.00	155.00	225.00
14	185.00	190.00	140.00	215.00
15	185.00	170.00	135.00	200.00
16	210.00	180.00	135.00	190.00
17	110.00	100.00	70.00	100.00
18	65.00	70.00	65.00	80.00
Average	121.39	136.44	112.50	163.61

Tax Liability – Timberland:

Statewide average mill rate:	46.85	(0.04685) (2013)
Four-region average use value per acre:	\$133.49	
Range of use values per acre:	\$50–\$225	
Four-region average assessed value per acre:	\$26.70	(use value \times 20 percent)
Four-region average tax liability per acre:	\$1.25	(assessed value \times millage)
Tax liability range (low) [$\$50 \times 20 \text{ percent} \times 0.04685$]	\$0.47	
Tax liability range (high) [$\$225 \times 20 \text{ percent} \times 0.04685$]	\$2.11	

Continued

SOUTH REGION (continued)

Table E.22 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Arkansas, 2014

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Cropland

Current Use Values—Cropland (region, soil capability, current use)				
Soil capability	Delta region	Ouachita region	Ozark region	Southwest region
----- \$ per acre -----				
1	791.00	791.00	770.00	730.00
2	710.00	628.00	628.00	628.00
3	365.00	365.00	466.00	405.00
4	649.00	568.00	588.00	547.00
5	608.00	365.00	466.00	405.00
6	284.00	365.00	304.00	304.00
7	588.00	568.00	568.00	588.00
8	588.00	568.00	568.00	588.00
9	284.00	365.00	304.00	304.00
10	588.00	568.00	568.00	588.00
11	284.00	304.00	304.00	304.00
12	628.00	568.00	568.00	547.00
13	486.00	405.00	405.00	426.00
14	446.00	405.00	405.00	426.00
Average	521.36	488.07	493.71	485.00

Tax Liability—Agriculture Cropland:

Statewide average mill rate:	46.85	(0.04685) (2013)
Four-region average use value per acre:	\$497.04	
Range of use values per acre:	\$284–\$791	
Four-region average assessed value per acre:	\$99.41	(use value × 20 percent)
Four-region average tax liability per acre:	\$4.66	(assessed value × millage)
Tax liability range (low) [$\$284 \times 20 \text{ percent} \times 0.04685$]	\$2.66	
Tax liability range (high) [$\$791 \times 20 \text{ percent} \times 0.04685$]	\$7.41	

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$3.41 per acre (\$4.66 per acre – \$1.25 per acre)

SOUTH REGION (continued)

Table E.23—Key Attributes of Principal Forest Property Tax Incentive Program: Florida, 2014

Program legal-common name	General Property Tax Program (forestry, Green Belt Program) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Appraiser and Tax Assessor; County Court Clerk and Recorder; Division of Forestry (Department of Agriculture and Consumer Services); Property Tax Oversight Program (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Agricultural Lands Classification: Parcel devoted to forestry or woodland purposes (considered within a broad agricultural use classification) is (a) producing or is physically capable of producing usable crops of wood, (b) economically accessible for timber management now or in the foreseeable future, and (c) not withdrawn from wood products utilization for use as parks, orchards, pastures, or similar purposes; includes land from which timber has been removed, but which has not yet been replanted; excludes home sites or building areas which are occupied by trees for ornamental purposes; parcels assigned to preferential classification presumes consideration has been given to length of time parcel has been in forest use, purchase price of land, and history of proper care of land (including reforestation); certain conservation easements and environmentally endangered lands addressed accordingly.
Resource restrictions	Parcel classification and valuation as productive woodland determined by soil productivity (site index), local stumpage prices, and management costs (site preparation, planting, annual recurring management expenses); for classification purposes, forests are either productive or nonproductive and are either pine or non-pine.
Application required	Application to county appraiser and tax assessor; initially and each year thereafter with county tax assessor.
Legal filing required	County appraiser and tax assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	Not specified, although sale of a parcel for a purchase price three or more times the value assessed for agricultural (forestry) use may lead tax assessor to presume that parcel is not being used primarily for agricultural (forestry) purposes and may subsequently invoke a reassessment.
Penalty for withdrawal from program	Liable for difference between taxes levied for preferential and nonpreferential tax classification, with up to three years of rollback taxes.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Special tax treatment of lands subject to conservation easements or lands with environmentally-endangered resources (rare or limited habitat suitable for fish, plants, or wildlife).
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	County appraiser and tax assessor required to physically inspect property at least once every five years (or at appraiser and assessor discretion in the interim); mass appraisal techniques (such as five-year moving averages) may be used to value property.
Basis for tax benefit provided	Value-based amount

Continued

SOUTH REGION (continued)

Table E.23 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Florida, 2014

Annual tax benefits provided^a	
Average net benefit per acre	\$14.96 per acre
Total acres enrolled	2,101,100 (for 10 counties) (2013)
Total net benefits	\$31,432,456
Number of participants in program	26,700 parcels (for 10 counties)

^a *Florida Statutes*: Title 14 (Taxation and Finance), Chapter 193 (Assessments), Part I (General Provisions), Part II (Special Classes of Property); *Florida Administrative Code*: “Classified Use Real Property Guidelines, Standard Assessment Procedures and Standard Measures of Value, Agricultural Guidelines, Woodlands Section” (Chapter 12D-51.001), Department of Revenue (1982); *Related Report*: “Silvicultural Greenbelt Guidelines,” Florida Forestry Association (2008).

^b Information Sources

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<http://dor.myflorida.com/dor/property/resources/pdf/cp/76walton2012.pdf>. [Date accessed: December 2014].

Personal Communication. August 12, 19, 22, 2013. Liz Kelly, Research Economist, Research and Analysis, Property Tax Oversight Program, Florida Department of Revenue, P.O. Box 3000, Tallahassee, FL 32315-3000. kellyliz@dor.state.fl.us.

In table E.23 the average net benefit per acre for forest land enrolled in Florida’s Agricultural Land Current Use Property Tax Program was determined as follows:

Agricultural and forest land (under Florida’s “Greenbelt” law) is valued on the basis of current use. The value of forest land is based on the average annual growth potential from seedling to financially mature timber, also known as “annual equivalent basis” (what a landowner would receive in annual income [income stream] rather than income once every 20–30 years). For tax valuation and assessment purposes, the income stream is the financial return minus management and related costs (information required such as site index (SI), timber yields, stumpage prices, and management cost). County tax assessors are responsible for determining these values—and ultimately the income stream used to determine taxes to be levied. (For the purposes here, information from only the following 10 counties was analyzed: Jackson, Levy, Liberty, Marion, Okaloosa, Putnam, Santa Rosa, Taylor, Volusia and Walton).

Forest Land Tax Liability in Preferential Classification: Assessed as Timberland

Basic Formula: Current Use Value = (yield × price) – (costs) divided by capitalization rate. To determine tax liability, the current use value is multiplied by the local mill rate. Since the assessment is based on productivity and potential income, the higher the site index, the higher the assessed value.

SOUTH REGION (continued)**Table E.23 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Florida, 2014**

Average Current Use Value (based on soil productivity) = \$197.25 per acre

Timberland soil classes	Average class use value \$ per acre
Timber 1 (natural) SI:90+	324.74
Timber 1 (planted)	336.62
Timber 2 (natural) SI:80–89	241.00
Timber 2 (planted)	261.35
Timber 3 (natural) SI:70–79	172.64
Timber 3 (planted)	174.95
Timber 4 (natural) SI:60–69	131.77
Timber 4 (planted)	143.30
Timber 5 (natural) SI:50–59	108.40
Timber 5 (planted)	77.75

Average Tax Liability (use value × average 10-county millage rate of 6.269 percent) = \$12.36 per acre

Timberland soil classes	Average tax liability \$ per acre
Timber 1 (natural) SI:90+	20.35
Timber 1 (planted)	21.10
Timber 2 (natural) SI:80–89	15.10
Timber 2 (planted)	16.38
Timber 3 (natural) SI:70–79	10.82
Timber 3 (planted)	10.96
Timber 4 (natural) SI:60–69	8.26
Timber 4 (planted)	8.98
Timber 5 (natural) SI:50–59	6.79
Timber 5 (planted)	4.87

Forest Land Tax Liability in Nonpreferential Classification: Assessed as Cropland

Cropland soil classes	Average class use value \$ per acre
Cropland 1	600.38
Cropland 2	333.25
Cropland 3	373.61

Average Tax Liability (use value × average 10-county millage rate of 6.269 percent) = \$27.32 per acre

Cropland soil classes	Average tax liability \$ per acre
Cropland 1	37.64
Cropland 2	20.89
Cropland 3	23.42

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$14.96 per acre (\$27.32 [cropland] – \$12.36 [timberland])

SOUTH REGION (continued)

Table E.24A—Key Attributes of Principal Property Tax Incentive Program: Conservation Use Valuation Program: Georgia, 2014

Program legal-common name	Conservation Use Valuation Assessment Property Tax Program (conservation use, environmentally sensitive land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water
Agencies engaged in program administration	County Tax Assessor; Georgia Forestry Commission; Division of Wildlife Resources (Department of Natural Resources); Division of Local Government Services (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Conservation Use Classification: Parcel devoted to forestry uses including tree planting and commercial production of timber; owned by a natural or naturalized citizen or a nonprofit conservation organization; excludes any residence located on parcel and land with covenants restricting forestry and the planting of trees. Environmentally Sensitive Classification: Parcel devoted to the maintenance of land in its natural condition, especially for purposes of controlling or abating pollution of surface or ground waters; owned by a natural or naturalized citizen or a nonprofit conservation organization; excludes land with covenants restricting forestry and the planting of trees.
Resource restrictions	Conservation Use Classification: Consideration for qualification may include past land uses and management practices, timber stocking and density, merchantability of timber products, implementation of past forest management plans, natural or actively managed fish and wildlife habitat, soil productivity for tax level evaluation purposes. Environmentally Sensitive Classification: Consideration for qualification may include general topography (crests, summits, ridge tops), wetlands, undeveloped islands, endangered or threatened species habitat, and rivers corridors within 100-year flood plain.
Application required	Application to county tax assessor (annually)
Legal filing required	County tax assessor
Minimum/maximum area	Conservation Use Classification and Environmentally Sensitive Classification: Maximum of 2,000 acres; less than 10 acres requires special review by county tax assessor; owner may not increase or decrease the amount of property covered by a covenant by more than 3 percent in any 1 year.
Commitment to program required (years)	Conservation Use Classification: 15-year covenant; Environmentally Sensitive Classification: 10-year covenant.
Penalty for withdrawal from program	Repayment of amount of reduced tax plus interest; penalty varies depending on reason for withdrawal; selling parcel to a nonqualified person or organization may result in penalty of twice tax saved over the life of covenant plus interest.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Conservation Use Classification: Provision for inclusion of natural or actively managed fish and wildlife habitat; Environmentally Sensitive Classification: Provision for a wide range of environmental and natural resource values.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Periodic inspections at discretion of county tax assessor

Continued

SOUTH REGION (continued)

Table E.24A (continued)—Key Attributes of Principal Property Tax Incentive Program: Conservation Use Valuation Program: Georgia, 2014

Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$1.43 per acre
Total acres enrolled	14,252,600 (2012)
Total net benefits	\$20,381,218
Number of participants in program	191,200 (parcels) (2012)

^a *Official Code of Georgia*: Title 48 (Revenue and Taxation), Chapter 5 (Ad Valorem Taxation of Property) and Chapter 5A (Special Assessment of Forest Land Conservation Property). *Georgia Rules and Regulations*: "Taxation of Standing Timber" (560.11-5.01 – 5.06), 2013; "Conservation Use Property" (560-11-6-01 -- .06), 2013.

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/georgia/>. [Date accessed: December 2014].

<http://warnell.forestry.uga.edu/service/library/index.php3?docID=25&docHistory%5B%5D=6>. [Data accessed: December 2014].

<https://etax.dor.ga.gov/PTD/dcs/flpa/index.aspx>. [Date accessed: December 2014].

https://etax.dor.ga.gov/PTD/dcs/flpa/LGS_Forest_Land_Protection_Act_Land_Use_Values_2012.pdf. [Date accessed: December 2014].

<https://etax.dor.ga.gov/DigestConsolidation/Default.aspx>. [Date accessed: December 2014].

<https://etax.dor.ga.gov/PTD/cas/anrep/index.aspx>. [Date accessed: December 2014].

https://etax.dor.ga.gov/ptd/cas/anrep/PTA_Annual_Report_FY2012.pdf. [Date accessed: December 2014].

<http://www.ugacfb.com/wp-content/uploads/2012/11/Property-Tax-Incentives-GA-Landowner.pdf>. [Date accessed: December 2014].

In table E.24A the average net benefit per acre for forest land enrolled in Georgia's Conservation Use Valuation Area (CUVA) Program was determined as follows (reference tabulations below for details):

Forest Land Tax Liability in Preferential Classification: *Forest Land Classification*

Average Assessment Value Forest Land = \$192 per acre

Tax Liability (assessment value × statewide average mill rate) = \$5.15 per acre.

Forest Land Tax Liability in Nonpreferential Classification: *Statewide Average Agricultural Classification*

Average Assessed Value Agriculture Land: \$245 per acre

Tax Liability (assessed value × statewide average mill rate): \$6.58 per acre.

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$1.43 per acre.

\$6.58 per acre (Agricultural Classification) – \$5.15 (Forest Land Classification) = \$1.43 per acre.

SOUTH REGION (continued)

Table E.24A (continued)—Key Attributes of Principal Property Tax Incentive Program: Conservation Use Valuation Program: Georgia, 2014

Date and information from various reference tables listed below:

Timber Land Use Values and Tax Liability per Acre (FLPA and CUVA) – Soil Class Designation: W

Conservation use value area	Soil class	Value (FMV)	Assessment value (40 percent of FMV)	Tax liability
\$ per acre				
CUVA #1	W-1	696.00	278.00	7.47
	W-2	625.00	250.00	6.71
	W-3	567.00	227.00	6.09
	W-4	520.00	208.00	5.58
	W-5	477.00	191.00	5.12
	W-6	443.00	177.00	4.75
	W-7	416.00	166.00	4.46
	W-8	382.00	153.00	4.10
	W-9	348.00	139.00	3.73
CUVA #2	W-1	942.00	377.00	10.11
	W-2	852.00	341.00	9.14
	W-3	769.00	308.00	8.25
	W-4	697.00	279.00	7.48
	W-5	642.00	257.00	6.89
	W-6	603.00	241.00	6.47
	W-7	568.00	227.00	6.10
	W-8	522.00	209.00	5.60
	W-9	475.00	190.00	5.10
CUVA #3	W-1	942.00	377.00	10.11
	W-2	852.00	341.00	9.14
	W-3	769.00	308.00	8.25
	W-4	697.00	279.00	7.48
	W-5	642.00	257.00	6.89
	W-6	588.00	235.00	6.31
	W-7	495.00	198.00	5.31
	W-8	403.00	161.00	4.32
	W-9	337.00	135.00	3.62
CUVA #4	W-1	680.00	272.00	7.30
	W-2	609.00	244.00	6.54
	W-3	552.00	221.00	5.92
	W-4	506.00	202.00	5.43
	W-5	441.00	176.00	4.73
	W-6	412.00	165.00	4.42
	W-7	358.00	143.00	3.84
	W-8	310.00	124.00	3.33
	W-9	253.00	101.00	2.72
CUVA #5	W-1	580.00	232.00	6.22
	W-2	536.00	214.00	5.75
	W-3	493.00	197.00	5.29
	W-4	452.00	181.00	4.85
	W-5	409.00	164.00	4.39

(continued)

Timber Land Use Values and Tax Liability per Acre (FLPA and CUVA) – Soil Class Designation: W (continued)

Conservation use value area	Soil class	Value (FMV)	Assessment value (40 percent of FMV)	Tax liability
\$ per acre				
CUVA #5 (continued)	W-6	367.00	147.00	3.94
	W-7	323.00	129.00	3.47
	W-8	280.00	112.00	3.00
	W-9	233.00	93.00	2.50
CUVA #6	W-1	573.00	229.00	6.15
	W-2	527.00	211.00	5.66
	W-3	481.00	192.00	5.16
	W-4	438.00	175.00	4.70
	W-5	392.00	157.00	4.21
	W-6	347.00	139.00	3.72
CUVA #7	W-7	301.00	120.00	3.23
	W-8	255.00	102.00	2.74
	W-9	209.00	84.00	2.24
	W-1	614.00	246.00	6.59
	W-2	559.00	224.00	6.00
	W-3	509.00	204.00	5.46
CUVA #8	W-4	458.00	183.00	4.92
	W-5	404.00	162.00	4.34
	W-6	354.00	142.00	3.80
	W-7	301.00	120.00	3.23
	W-8	248.00	99.00	2.66
	W-9	197.00	79.00	2.11
CUVA #9	W-1	667.00	267.00	7.16
	W-2	605.00	242.00	6.49
	W-3	542.00	217.00	5.82
	W-4	481.00	192.00	5.16
	W-5	419.00	168.00	4.50
	W-6	358.00	143.00	3.84
CUVA #10	W-7	296.00	118.00	3.18
	W-8	234.00	94.00	2.51
	W-9	192.00	77.00	2.06
	W-1	675.00	270.00	7.24
	W-2	609.00	244.00	6.54
	W-3	552.00	221.00	5.92
CUVA #11	W-4	491.00	196.00	5.27
	W-5	428.00	171.00	4.59
	W-6	369.00	148.00	3.96
	W-7	307.00	123.00	3.29
	W-8	246.00	98.00	2.64
	W-9	192.00	77.00	2.06

Statewide average mill rate = 0.02683.

FLPA = Forest Land Protection Act; CUVA = Conservation Use Value Area; FMV = Fair Market Value.

SOUTH REGION (continued)

Table E.24A (continued)—Key Attributes of Principal Property Tax Incentive Program: Conservation Use Valuation Program: Georgia, 2014

Average Tax Liability across All CUVA Regions and Classes (FLPA and CUVA):

Soil class	Average value (FMV)	Assessment value (40 percent of FMV)	Tax liability
\$ per acre			
W-1	707.00	283.00	7.59
W-2	641.00	256.00	6.88
W-3	581.00	232.00	6.24
W-4	526.00	210.00	5.65
W-5	472.00	189.00	5.07
W-6	426.00	170.00	4.57
W-7	373.00	149.00	4.00
W-8	320.00	128.00	3.43
W-9	270.00	108.00	2.90
Average	480.00	192.00	5.15

Statewide average mill rate = 0.02683.

CUVA = Conservation Use Value Area;

FLPA=Forest Land Protection Act; FMV = Fair Market Value.

Agricultural Land Use Values and Tax Liability per Acre—Soil designation: A

Conservation use value area	Soil class	Value (FMV)	Assessment value (40 percent of FMV)	Tax liability
\$ per acre				
CUVA #1	A-1	1261.00	504.00	13.53
	A-2	1193.00	477.00	12.80
	A-3	1104.00	442.00	11.85
	A-4	1012.00	405.00	10.86
	A-5	915.00	366.00	9.82
	A-6	818.00	327.00	8.78
	A-7	728.00	291.00	7.81
	A-8	639.00	256.00	6.86
	A-9	548.00	219.00	5.88
CUVA #2	A-1	1382.00	553.00	14.83
	A-2	1231.00	492.00	13.21
	A-3	1097.00	439.00	11.77
	A-4	970.00	388.00	10.41
	A-5	868.00	347.00	9.32
	A-6	776.00	310.00	8.33
	A-7	696.00	278.00	7.47
	A-8	632.00	253.00	6.78
	A-9	568.00	227.00	6.10
CUVA #3	A-1	1052.00	421.00	11.29
	A-2	956.00	382.00	10.26
	A-3	857.00	343.00	9.20
	A-4	760.00	304.00	8.16
	A-5	663.00	265.00	7.12
	A-6	599.00	240.00	6.43

(continued)

Agricultural Land Use Values and Tax Liability per Acre—Soil designation: A (continued)

Conservation use value area	Soil class	Value (FMV)	Assessment value (40 percent of FMV)	Tax liability
\$ per acre				
CUVA #3 (continued)	A-7	491.00	196.00	5.27
	A-8	412.00	165.00	4.42
	A-9	348.00	139.00	3.73
CUVA #4	A-1	864.00	346.00	9.27
	A-2	773.00	309.00	8.30
	A-3	709.00	284.00	7.61
	A-4	634.00	254.00	6.80
	A-5	557.00	223.00	5.98
	A-6	463.00	185.00	4.97
	A-7	401.00	160.00	4.30
	A-8	312.00	125.00	3.35
	A-9	226.00	90.00	2.43
CUVA #5	A-1	641.00	256.00	6.88
	A-2	558.00	223.00	5.99
	A-3	519.00	208.00	5.57
	A-4	475.00	190.00	5.10
	A-5	424.00	170.00	4.55
	A-6	361.00	144.00	3.87
	A-7	297.00	119.00	3.19
	A-8	234.00	94.00	2.51
	A-9	172.00	69.00	1.85
CUVA #6	A-1	726.00	290.00	7.79
	A-2	637.00	255.00	6.84
	A-3	584.00	234.00	6.27
	A-4	536.00	214.00	5.75
	A-5	475.00	190.00	5.10
	A-6	396.00	158.00	4.25
	A-7	323.00	129.00	3.47
	A-8	248.00	99.00	2.66
	A-9	175.00	70.00	1.88
CUVA #7	A-1	843.00	337.00	9.05
	A-2	765.00	306.00	8.21
	A-3	680.00	272.00	7.30
	A-4	592.00	237.00	6.35
	A-5	507.00	203.00	5.44
	A-6	426.00	170.00	4.57
	A-7	330.00	132.00	3.54
	A-8	252.00	101.00	2.70
	A-9	170.00	68.00	1.82
CUVA #8	A-1	852.00	341.00	9.14
	A-2	806.00	322.00	8.65
	A-3	728.00	291.00	7.81
	A-4	649.00	260.00	6.97
	A-5	571.00	228.00	6.13

(continued)

SOUTH REGION (continued)

Table E.24A (continued)—Key Attributes of Principal Property Tax Incentive Program: Conservation Use Valuation Program: Georgia, 2014

Agricultural Land Use Values and Tax Liability per Acre—
Soil designation: A (continued)

Conservation use value area	Soil class	Value (FMV)	Assessment value (40 percent of FMV)	Tax liability
\$ per acre				
CUVA #8 (continued)	A-6	493.00	197.00	5.29
	A-7	382.00	153.00	4.10
	A-8	310.00	124.00	3.33
	A-9	230.00	92.00	2.47
CUVA #9	A-1	790.00	316.00	8.48
	A-2	762.00	305.00	8.18
	A-3	683.00	273.00	7.33
	A-4	609.00	244.00	6.54
	A-5	534.00	214.00	5.73
	A-6	458.00	183.00	4.92
	A-7	382.00	153.00	4.10
	A-8	305.00	122.00	3.27
	A-9	230.00	92.00	2.47

CUVA = Conservation Use Value Area; FMV = Fair Market Value.
Statewide average mill rate = 0.02683.

Average Tax Liability across all CUVA Regions and Classes:

Soil class	Value (FMV)	Assessment value (40 percent of FMV)	Tax liability	Benefit/acre (timber vs. agricultural land)
\$ per acre				
A-1	935.00	374.00	10.03	2.44
A-2	853.00	341.00	9.16	2.28
A-3	773.00	309.00	8.30	2.07
A-4	693.00	277.00	7.44	1.79
A-5	613.00	245.00	6.58	1.51
A-6	532.00	213.00	5.71	1.14
A-7	448.00	179.00	4.81	0.80
A-8	372.00	149.00	3.99	0.55
A-9	296.00	119.00	3.18	0.22
Average	613.00	245.00	6.58	1.43

CUVA = Conservation Use Value Area; FMV = Fair Market Value.
Statewide average mill rate = 0.02683.

Table E.24B—Key Attributes of Principal Property Tax Incentive Program: Forest Land Protection Program: Georgia, 2014

Program legal-common name	Forest Land Protection Property Tax Program ^a
Fundamental type of tax	Modified Rate-Assessment Tax (Current Use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water
Agencies engaged in program administration	County Tax Assessor; Georgia Forestry Commission; Division of Wildlife Resources (Department of Natural Resources); Division of Local Government Services (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Forest Land Protection Classification: Parcel owned by individuals or entities registered to do business in Georgia; land used primarily for commercial production of trees, timber, or other wood or wood fiber products; secondary permitted uses include wildlife habitat preservation, carbon sequestration, conservation of wetlands, enhancement of air and water quality; excludes residence on property; may include parcels that have been certified as environmentally sensitive by the Department of Natural Resources.
Resource restrictions	Potential attention to requirements of land certified as environmentally sensitive or land managed in accord with a recognized sustainable forestry certification program.
Application required	Application to county tax assessor
Legal filing required	County clerk of superior court (record of deeds).
Minimum/maximum area	200 or more contiguous acres
Commitment to program required (years)	15-year covenant; upon expiration of covenant, owner must file for release from the agreement (assuming all taxes and penalties have been satisfied).
Penalty for withdrawal from program	Penalty for violation of covenant's provisions involves the difference between the preferential tax amount due and the tax amount which would have otherwise been due with the exact amount depending on the time when the violation occurred (violation during years one through five—penalty three times the difference, year six through 10—2.5 times the difference, year 11 through 15—two times the difference); penalty also includes interest payments from time of violation; penalties and interest constitute a lien against the property.

Continued

SOUTH REGION (continued)

Table E.24B (continued)—Key Attributes of Principal Property Tax Incentive Program: Forest Land Protection Program: Georgia, 2014

Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Secondary permitted uses include wildlife habitat preservation, carbon sequestration, conservation of wetlands, maintenance of clean air and water.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$1.43 per acre
Total acres enrolled	3,853,000 (2012)
Total net benefits	\$5,509,790
Number of participants in program	7,500 (parcels) (2012)

^a *Official Code of Georgia*: Title 48 (Revenue and Taxation), Chapter 5 (Ad Valorem Taxation of Property) and Chapter 5A (Special Assessment of Forest Land Conservation Property). *Georgia Rules and Regulations*: "Taxation of Standing Timber" (560.11-5.01 – 5.06), 2013; "Forest Land Protection Act" (560-11-11-.01 -- .13), 2013; OCGA 48-5-7.7. Local Government Services Division, Department of Revenue.

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/georgia/>. [Date accessed: December 2014].

<http://warnell.forestry.uga.edu/service/library/index.php3?docID=25&docHistory%5B%5D=6>. [Date accessed: December 2014].

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<https://etax.dor.ga.gov/PTD/cas/anrep/index.aspx>. [Date accessed: December 2014].

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<http://www.ugacfb.com/wp-content/uploads/2012/11/Property-Tax-Incentives-GA-Landowner.pdf>. [Date accessed: December 2014].

In table E.24B the average net benefit per acre for forest land enrolled in Georgia's Forest Land Protection Act (FLPA) Property Tax Program was determined as follows (reference tabulations in notes of table E.24A for details):

Forest Land Tax Liability in Preferential Classification: Forest Land Classification

Average Assessment Value Forest Land = \$192 per acre

Tax Liability (assessment value × statewide average mill rate) = \$5.15 per acre

Forest Land Tax Liability in Nonpreferential Classification: Statewide Average Agricultural Classification

Average Assessed Value Agriculture Land: \$245 per acre

Tax Liability (assessed value × statewide average mill rate): \$6.58 per acre.

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$1.43 per acre.

\$6.58 per acre (Agricultural Classification) – \$5.15 (Forest Land Classification) = \$1.43 per acre

Date and information from various reference tables listed in the notes for Table E.24A.

SOUTH REGION (continued)

Table E.25—Key Attributes of Principal Forest Property Tax Incentive Program: Kentucky, 2014

Program legal-common name	General Property Tax Program (forest management) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Property Value Administrator; Local Board of Assessment Appeals; Division of Forestry (Department of Natural Resources); Office of Property Valuation (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Woodland-Timber Classification: Parcel used for the production and growing of timber crops (use identified within agricultural classification); any parcel meeting the requirements for payments pursuant to agriculture programs administered by the State or Federal Government; excludes land occupied by residential units on property.
Resource restrictions	Not specified
Application required	Application to county property value administrator
Legal filing required	County property value administrator
Minimum/maximum area	10 or more contiguous acres.
Commitment to program required (years)	Landowner required to inform (within 90 days) county property value administrator when land is changed to a nonconforming use.
Penalty for withdrawal from program	Reclassification of parcel with subsequent years taxed at standard rates.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Parcel must be physically examined no less than once every four years by county property valuation administrator
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$30.18 per acre
Total acres enrolled	8,610,000
Total net benefits	\$259,849,800
Number of participants in program	212,590 (estimate)

^a *Kentucky Revised Statutes*: Title 11 (Revenue and Taxation), Chapter 132 (Levy and Assessment of Properties), Sections 132.010, 132.450, 132.454, and 132.690; *Related Report*: "Tax and Related Incentives for Forest Management," Kentucky Legislative Research Commission (2003).

Continued

SOUTH REGION (continued)

Table E.25 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Kentucky, 2014

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/kentucky/>. [Date accessed: December 2014].

<http://revenue.ky.gov/NR/rdonlyres/08B1F5AB-D773-41D6-BDBE-256058514FD7/0/2012TAXRATEBOOKApril252013.pdf>. [Date accessed: December 2014].

<http://www.ca.uky.edu/cmssubclass/files/ghalich/ANRLandValueandCashRentSurvey2010.pdf>. [Date accessed: December 2014].

<http://www.ca.uky.edu/agecon/publications.php>. [Date accessed: December 2014].

http://www.ca.uky.edu/kywoodlandsmagazine/Vol6_No1/Researchinbriefpg20-21.pdf. [Date accessed: December 2014].

<http://revenue.ky.gov/NR/rdonlyres/832BECB1-65A6-4ABF-A162-341B9AD25B67/0/StatePropertyTaxRateRemainsSetat122Centsfor2012.pdf>. [Date accessed: December 2014].

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-02-2013.pdf>. [Date accessed: December 2014].

Personal Communication. August 13-14 2013. David Gordon, Executive Director, Office of Property Valuation, Kentucky Department of Revenue, 501 High St., Frankfort, KY 40601. david.gordon@ky.gov.

In table E.25 the average net benefit per acre for forest land enrolled in Kentucky's Agricultural Use: Timber Crops Property Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Agricultural Use—Woodland-Timber Tax Program

Average taxable value of woodland (use value) = \$125.16 per acre

Tax Liability = Taxable value × average statewide average tax rate

$\$125.16 \times 123.0286$ (12.30 percent) = \$15.39 per acre

Forest Land Tax Liability in Nonpreferential Classification: Statewide Average Cropland Use Value

Average taxable value of cropland (use value) = \$370.44 per acre

Tax Liability = Taxable value × average statewide tax rate

$\$370.44 \times 123.0286$ (12.30 percent) = \$45.57 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit per acre (not including \$0.10 per acre severance tax) = \$30.18 per acre

\$45.57 per acre (cropland) - \$15.39 per acre (woodland-timber crops) = \$30.18 per acre

Table E.26—Key Attributes of Principal Forest Property Tax Incentive Program: Louisiana, 2014

Program legal-common name	General Property Tax Program (forest management) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	Parish and District Tax Assessor; Louisiana Tax Commission (Department of Revenue); Office of Forestry (Department of Agriculture and Forestry); Forest Service (U.S. Department of Agriculture); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Timberland Classification: Parcel currently stocked with forest trees of any size or species or parcel formerly having tree cover (within last three years) and not currently used for nonforest purposes; devoted to the production, in reasonable commercial quantities, of timber and timber products; includes timberland under a contract with a State or Federal agency that restricts parcel's use for timber production.
Resource restrictions	Production of timber in reasonable commercial quantities; fair market value determined, in part, by timberland productivity class (Class I: producing more than 120 cubic feet of timber per acre per year, Class II: producing more than 85 but less than 120 cubic feet of timber per acre per year, Class III: producing less than 85 cubic feet of timber per acre per year, Class IV: producing less than 85 cubic feet of timber per acre per year generally considered swampland).

Continued

SOUTH REGION (continued)

Table E.26 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Louisiana, 2014

Eligibility requirements (continued)	
Application required	Application to parish or district tax assessor certifying that parcel is eligible for classification as timberland
Legal filing required	Parish or district tax assessor
Minimum/maximum area	3 acres or more, or having an average timber income of \$2,000 or more over four preceeding years.
Commitment to program required (years)	In addition to application, owner required to sign agreement that land will remain forest land and will be devoted to timber production; eligibility for preferential tax treatment remains permanent (except for two Parishes which require renewal every four years); change in land ownership requires new owner to file new application; if parcel is sold for a price four times greater than its use value, parcel is no longer eligible for classification as timberland.
Penalty for withdrawal from program	Change in use of parcel to a nonconforming use requires landowner to immediately notify tax assessor, at which time parcel immediately reassessed and taxed at rates applicable for the new classification.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$1.17 per acre (2012)
Total acres enrolled	11,860,400
Total net benefits	\$13,876,668
Number of participants in program	159,840 (estimate)

^a *Louisiana Revised Statutes*: Title 47 (Revenue and Taxation), Subtitle III (Provisions Relating to Ad Valorem Taxes), Chapter 6 (Use Value and Fair Market Value), Sections 2301 – 2309 (Use Value) and Sections 2321 – 2332 (Fair Market Value); *Related Report*: “Annual Report: 2014,” Louisiana Tax Commission (2015).

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/louisiana/>. [Date accessed: December 2014].

http://www.latax.state.la.us/Menu_AnnualReports/UploadedFiles/2012%20Annual%20Report.pdf. [Date accessed: December 2014].

<http://www.la.state.la.us/userfiles/file/SettingMillageRates.pdf>. [Date accessed: December 2014].

Personal Communication. August 11, 2014. Teri Callender, Property Tax Specialist, Louisiana Tax Commission, 5420 Corporate Blvd., Suite 107, Baton Rouge, LA 70896. teri.callender@la.gov.

Personal Communication. Mike Allen, Assistant Director, Louisiana Tax Commission, 5420 Corporate Blvd., Suite 107, Baton Rouge, LA 70896. mike.allen@la.gov.

SOUTH REGION (continued)

Table E.26 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Louisiana, 2014

In table E.26 the average net benefit per acre for forest land enrolled in Louisiana's Timberland Property Tax Classification Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Timberland Property Tax Classification (10 percent)

Forest land is assessed at 10 percent of Fair Market Value (FMV)—“other property” taxed at 15 percent of fair market value.

Timberland Assessment (Taxable) Value = FMV (per acre) \times 0.10

Tax Liability = Timberland Assessed Value (per acre) \times 0.1082 (10.82 percent statewide weighted average mill rate)

Taxable Assessed Value (FMV \times assessment rate)

Class I $\$391.29 \times 0.10 = \39.12 per acre

Class II $\$276.30 \times 0.10 = \27.63 per acre

Class III $\$121.42 \times 0.10 = \12.14 per acre

Class IV $\$76.63 \times 0.10 = \7.66 per acre

Tax Liability (taxable value \times average statewide tax rate 10.82 percent) (excluding \$0.08 per acre forestry tax)

Class I $\$39.12$ per acre \times 0.1082 = \$4.23 per acre [acres enrolled: 727,439]

Class II $\$27.63$ per acre \times 0.1082 = \$2.98 per acre [acres enrolled: 5,860,069]

Class III $\$12.14$ per acre \times 0.1082 = \$1.31 per acre [acres enrolled: 3,893,771]

Class IV $\$7.66$ per acre \times 0.1082 = \$0.82 per acre [acres enrolled: 1,379,174]

Forest Land Tax Liability in Nonpreferential Classification: Other Property Tax Classification (15 percent)

Tax liability of comparable land—15 percent assessment rate of “other property”

Tax Liability = Timberland Assessed Value (per acre) \times 0.15 (assessment rate) \times 0.1082 (10.82 percent average mill rate)

Taxable Assessed Value (FMV \times assessment rate)

Class I $\$391.29 \times 0.15 = \58.69 per acre

Class II $\$276.30 \times 0.15 = \41.44 per acre

Class III $\$121.42 \times 0.15 = \18.21 per acre

Class IV $\$76.63 \times 0.15 = \11.49 per acre

Tax Liability (taxable value \times average statewide tax rate 10.82 percent)

Class I $\$58.69$ per acre \times 0.1082 = \$6.35 per acre

Class II $\$41.44$ per acre \times 0.1082 = \$4.48 per acre

Class III $\$18.21$ per acre \times 0.1082 = \$1.97 per acre

Class IV $\$11.49$ per acre \times 0.1082 = \$1.24 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit per acre (excluding \$0.08 per acre forestry tax) = \$1.17 per acre

Class I $\$6.35 - \$4.23 = \$2.12$ per acre

Class II $\$4.48 - \$2.98 = \$1.50$ per acre

Class III $\$1.97 - \$1.31 = \$0.66$ per acre

Class IV $\$1.24 - \$0.82 = \$0.42$ per acre

SOUTH REGION (continued)

Table E.27—Key Attributes of Principal Forest Property Tax Incentive Program: Mississippi, 2014

Program legal-common name	General Property Tax Program (forest land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Board of Supervisors; Mississippi Forestry Commission; Division of Property Tax (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Forest Property Classification: Parcel devoted to production of commercial products of the soil, including timber; forest land generally considered uncultivable for tax assessment purposes; exempt properties include various charitable and not-for-profit organizations.
Resource restrictions	Naval stores management standards include, leaving 100 or more well-distributed trees 4 inches or more in diameter, or at least four seed trees 10 inches or more in diameter, unfaced or untapped per acre of forest land.
Application required	Application to county tax assessor
Legal filing required	County Tax Assessor
Minimum/maximum area	Not specified (varies by county)
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Not specified, although at county tax assessor's discretion property may be examined and may be re-assessed if classification is determined to be incorrect.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	True value of each class of property must be determined annually; county tax assessor discretion to enter property to determine compliance.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$29.36 per acre
Total acres enrolled	12,000,000
Total net benefits	\$352,320,000
Number of participants in program	125,000 (parcels)

Continued

SOUTH REGION (continued)

Table E.27 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Mississippi, 2014

^a *Mississippi Code*: Title 27 (Taxation and Finance), Chapter 29 (Ad Valorem: General Provisions), Chapter 31 (Ad Valorem: General Exemptions), Chapter 35 (Ad Valorem: Assessment); *Related Reports*: "Procedures Used to Calculate Property Taxes for Agricultural Land in Mississippi," Mississippi Agricultural & Forestry Experiment Station, Bulletin No. 1350 (2008); "Understanding Mississippi Property Taxes," Extension Service, Mississippi State University, Publication 2833 (2014).

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/mississippi/>. [Date accessed: December 2014].

<http://www.dor.ms.gov/taxareas/property/advalor.html>. [Date accessed: December 2014].

http://www.dor.ms.gov/docs/prop_2012-2013millagerates.pdf. [Date accessed: December 2014].

http://www.dor.ms.gov/docs/prop_2012classofcounties.pdf. [Date accessed: December 2014].

http://msucares.com/pubs/infosheets_research/i1349.pdf. [Date accessed: December 2014].

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http://www.lsu.edu/faculty/sjchang/forest_taxation/Mississippi.html. [Date accessed: December 2014].

<http://msucares.com/forestry/topics/timber-taxation.html>. [Date accessed: December 2014].

<http://www.co.jackson.ms.us/officials/tax-assessor/agusevalue.pdf>. [Date accessed: December 2014].

Personal Communication, September 26, 2013. Christina Hewitt, Tax Appraiser, Office of Property Tax, Mississippi Department of Revenue, 500 Clinton Center Dr., Clinton, MS 39056. christina.hewitt@dor.ms.gov.

In table E.27 the average net benefit per acre for forest land enrolled in Mississippi's Forest Land Property Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Timberland Uncultivable Land Classification

Timberland uncultivable land classification: Five soil classes reflective of suitability to produce timber

Timberland Use Value: Assessed Value (uncultivable land) per acre \times 0.15 (15 percent assessment rate)

Tax Liability by Timber Production Capability Class (use value \times average statewide mill rate 0.10819 [statewide average mill rate]) (does not include \$0.09 per acre forest acreage tax):

Class A \$199 per acre \times 0.10819 = \$21.53 per acre

Class B \$139 per acre \times 0.10819 = \$15.04 per acre

Class C \$80 per acre \times 0.10819 = \$8.65 per acre

Class D \$65 per acre \times 0.10819 = \$7.03 per acre

Class E \$20 per acre \times 0.10819 = \$2.16 per acre

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Cultivable Land Classification

Agricultural cultivable land classification: Five soil classes reflective of suitability to produce agricultural crops

Agricultural Use Value: Assessed Value (cultivable land) per acre \times 0.10819 (10.819 per average mill rate)

Tax Liability by Agricultural Production Capability Class (use value \times average statewide tax rate 10.819 [statewide average mill rate]):

Class 1 average \$843 per acre \times 0.10819 = \$91.20 per acre

Class 2 average \$509 per acre \times 0.10819 = \$55.07 per acre

Class 3 average \$241 per acre \times 0.10819 = \$26.07 per acre

Class 4 average \$142 per acre \times 0.10819 = \$15.36 per acre

Class 5 average \$125 per acre \times 0.10819 = \$13.52 per acre

Forest Land Net Benefit of Preferential Classification

Average net benefit per class (cultivable and uncultivable) per acre (calculation does not include \$0.09 per acre forest acreage tax)

Average benefit across all classes: \$29.36 per acre

Class 1 \$91.20 – Class A \$21.53 = \$69.67 per acre

Class 2 \$55.07 – Class B \$15.04 = \$40.03 per acre

Class 3 \$26.07 – Class C \$8.65 = \$17.42 per acre

Class 4 \$15.36 – Class D \$7.03 = \$8.33 per acre

Class 5 \$13.52 – Class E \$2.16 = \$11.36 per acre

SOUTH REGION (continued)

Table E.28—Key Attributes of Principal Forest Property Tax Incentive Program: North Carolina, 2014

Program legal-common name	General Property Tax Program (forest land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; North Carolina Forest Service (Department of Agriculture and Consumer Services); Division of Local Government (Department of Revenue); Property Tax Commission; Use-Value Advisory Board
Eligibility requirements	
Ownership and use limitations	Forestry Present Use Classification: Parcel actively devoted to the commercial growing of trees under a sound management program; owned by individuals, businesses, and certain trusts and partnerships that are actively engaged in management of parcel; excludes parcels that are part of a farm unit and corporations whose shares are publicly traded; parcel must be owner's place of residence and have been owned for four years preceding application for preferential tax treatment.
Resource restrictions	Management practices consistent with sound conservation principles and long-term improvement of land as specified in requirements of preferential tax classification or (optional) forest management plan.
Application required	Application to county tax assessor; application to include a sound, well-written forest management plan; tax assessor inspection of parcel to verify that the property qualifies for special tax classification; parcels currently qualified for preferential tax treatment do not require annual renewal unless ownership or land use changes.
Legal filing required	County tax assessor
Minimum/maximum area	20 acres or more; smaller tracts if under same ownership, land use, and county (or within 50 miles of qualifying parcel).
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Change in use requires payment of difference between the tax based on a present use valuation and the amount that would otherwise be due over previous three fiscal years, together with any accrued interest (also carried as a lien on the property as deferred tax); 10 percent penalty for failure to report change to a nonconforming land use.
Forest Management Plan	
Plan required	County tax assessor may require a forest management plan (optional); forest management plan to focus on obtaining the greatest net return from the land consistent with the land's long-term improvement and conservation; plan to contain landowner management objectives, forest inventory, best management forestry practices, and harvest and regeneration actions and timelines.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Applicant referred to potential preparers (professional foresters); plan must be approved by county tax assessor.
Plan implementation required	Tax assessor inspections to determine compliance with requirements of preferential tax classification or with (optional) forest management plan.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified, although landowners may qualify for special property tax programs that focus on objectives other than timber production (Donated Conservation Easement, Wildlife Conservation Land Program).
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	County tax assessor discretion as to when inspection is required, although at least one-eighth of qualified parcels in county must be annually inspected.
Basis for tax benefit provided	Value-based amount

Continued

SOUTH REGION (continued)

Table E.28 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: North Carolina, 2014

Annual tax benefits provided^a	
Average net benefit per acre	\$6.15 per acre
Total acres enrolled	8,000,000
Total net benefits	\$49,200,000
Number of participants in program	110,000 (estimate)

^a *North Carolina General Statutes*: Chapter 105 (Taxation), Article 12 (Property Subject to Taxation), Chapters 105-277.2 through 105-277.7; *Administrative Code*: Title 17 (Department of Revenue), Chapter 10 (Property Tax); *Related Reports*: “Use-Value Manual for Agricultural, Horticultural and Forest Land: 2016,” Use Advisory Board, Department of Revenue (2015); “North Carolina’s Forestry Present-Use Valuation (PUV) Property Tax Program,” North Carolina Cooperative Extension Service (2011).

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/northcarolina/>. [Date accessed: December 2014].

http://www.dornco.com/downloads/uvab_manual_2012.pdf. [Date accessed: December 2014].

http://www.dor.state.nc.us/publications/effective_rates.html. [Date accessed: December 2014].

http://www.dor.state.nc.us/publications/effective_taxrates_11-12.pdf. [Date accessed: December 2014].

http://www.ces.ncsu.edu/nreos/forest/resources/publications/economics_and_taxes.php. [Date accessed: December 2014].

<http://cnr.ncsu.edu/fer/directory/megalos.php>. [Date accessed: December 2014].

<http://www.ces.ncsu.edu/forestry/pdf/WON/won40.pdf>. [Date accessed: December 2014].

Personal Communication. September 29-30, 2013. Mark Megalos, Extension Forestry Specialist, Cooperative Extension Service, North Carolina State University, 2800 Faucette Dr., Raleigh, NC 27695. mark.megalos@ncsu.edu.

In table E.28 the average net benefit per acre for forest land enrolled in North Carolina’s Forestry Present Use Property Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Forestry Present Use Property Tax Program

Forest Land Net Present Values are divided by a 9 percent capitalization rate to determine per-acre assessment values in each Major Land Resource Area (MLRA) (forest land schedule). MLRAs are designated by the USDA Natural Resource Conservation Service and are areas having similar use, topography and population density.

Tax Liability: Timberland Use Value (per acre) \times 0.010314 (2011 statewide average effective tax rate). The 2011 Combined Effective Tax Rate (county + municipal): 1.0314 per \$100.

Average Use Value by Forest Land Class

Class I	Class II	Class III	Class IV	Class V	All class average
\$411.66	\$251.66	\$184.16	\$92.50	\$55.83	\$199.16

Forest Land Tax Liability per Class (average class taxable use value \times average effective tax rate 1.0314 percent) (excludes severance tax)

Class 1: \$411.66 per acre \times 0.010314 = \$42.45 per acre

Class 2: \$251.66 per acre \times 0.010314 = \$25.99 per acre

Class 3: \$184.16 per acre \times 0.010314 = \$18.99 per acre

Class 4: \$92.50 per acre \times 0.010314 = \$9.54 per acre

Class 5: \$55.83 per acre \times 0.010314 = \$5.75 per acre

Five-class median: \$2.05 per acre

Data range: \$0.41 per acre (minimum) to \$5.31 per acre (maximum)

Forest Land Tax Liability in Nonpreferential Classification: Cultivable Agricultural Classification

Tax Liability = Use Value (per acre) \times 0.10314 (average effective tax rate 10.314 percent)

Agricultural Average Taxable Use Value per Class (three Classes, six MLRAs): Class 1: \$1,073 per acre; Class 2: \$766 per acre; Class 3: \$545 per acre

Tax Liability (taxable use value \times 1.0314 percent average effective tax rate)

SOUTH REGION (continued)

Table E.28 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: North Carolina, 2014

Class 1 \$1,073 per acre \times 0.010314 = \$11.07 per acre
 Class 2 \$766 per acre \times 0.010314 = \$7.90 per acre
 Class 3 \$545 per acre \times 0.0100314 = \$5.62 per acre
 Three-class median = \$8.20 per acre
 Data range = \$3.97 per acre (minimum) to \$12.38 per acre (maximum)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Forest Land (excluding severance tax): \$6.15 per acre
 \$6.15 per acre = \$8.20 per acre (Agricultural Average Tax Liability) – \$2.05 per acre (Forest Land Average Tax Liability)
 (Benefit Range: \$3.56 – \$7.07 per acre)

Table E.29—Key Attributes of Principal Forest Property Tax Incentive Program: Oklahoma, 2014

Program legal-common name	General Property Tax Program (trees, managed timberland) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on agricultural productivity)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products, Protection and Supply of Water
Agencies engaged in program administration	County Assessor; County Treasurer; Division of Forestry Services (Department of Agriculture, Food and Forestry); Division of Ad Valorem (Oklahoma Tax Commission); Board of Equalization; Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Agricultural Use Classification: Parcel containing trees or timber specified as part of an agricultural classification generally (cropland, improved pasture, native pasture, timber, wasteland); excludes forest land that is being used to produce deferred income (extended rotation forests).
Resource restrictions	Assessed value for preferential classification based on soil types and soil productivity.
Application required	Application to county assessor
Legal filing required	County assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Not specified
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Preferential treatment of riparian forest buffers; participation in certain State or Federal conservation cost-share programs may entitle owner to an agricultural land conservation property tax adjustment.
Public access for recreation required	Not specified

Continued

SOUTH REGION (continued)

Table E.29 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Oklahoma, 2014

Evidence of compliance required (frequency)	County assessor must develop a plan that specifies the number of real property parcels to be inspected in each year of a four-year cycle.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$1.34 per acre
Total acres enrolled	7,000,000
Total net benefits	\$9,380,000
Number of participants in program	85,470 (estimate)

^a *Oklahoma Statutes*: Title 68 (Revenue and Taxation), Sections 2802 (Definitions), 2803 (Classification of Real Property), 2806 (Real Property Defined), and 2817 (Valuation and Assessment of Property); *Oklahoma Administrative Code*: Title 710 (Oklahoma Tax Commission), Chapter 10 (Ad Valorem) (2013).

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/oklahoma/>. [Date accessed: December 2014].

<http://www.tax.ok.gov/publicat/AR2012.pdf>. [Date accessed: December 2014].

<http://www.tax.ok.gov/advform/TES-14.pdf>. [Date accessed: December 2014].

<http://agecon.okstate.edu/oklandvalues/>. [Date accessed: December 2014].

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

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http://www.treasurer.tulsacounty.org/images/maps/Millage_Map.jpg. [Date accessed: December 2014].

<http://oklahoma.usassessor.com>. [Date accessed: December 2014].

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<http://www.forestry.ok.gov/Websites/forestry/Images/Oklahoma%20Forest%20Resource%20Assessment,%20FINAL%20FOR%20WEB.pdf>. [Date accessed: December 2014].

<http://okcountytreasurers.com>. [Date accessed: December 2014].

http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCoQFjAA&url=http%3A%2F%2Foklahomaforestry.org%2Fofawhite_pap8feb10.doc&ei=v_zSUZrFC6SY8QHcYDoCw&usq=AFQjCNGJIPKwfyVpJiceqGMni4KPdyxLuA&bvm=bv.48572450,d.b2U. [Date accessed: December 2014].

In table E.29 the average net benefit per acre for forest land enrolled in Oklahoma's Agricultural Use Property Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Agricultural Use Property Tax Program

Tax Liability = Taxable Value (per acre) × assessment percent (11.0 percent – 13.5 percent) × 0.08 (2011 statewide weighted average mill rate)

Eastern Oklahoma Average Land Value (18 counties: 5.1 million acres forested [8.8 million total forest land in State]): \$1,472 per acre (2011)

Assessed Value Range: \$161.92 per acre (11 percent assessment) to \$198.72 per acre (13.5 percent assessment)

Average Tax Liability Range: \$12.95 [11 percent = \$161.92 × 0.08] to \$15.89 per acre [13.5 percent = \$198.72 × 0.08]

Forest Land Tax Liability in Nonpreferential Classification: Statewide Average Agricultural Land Value

Tax Liability = Taxable Value (per acre) × assessment percent (11.0 percent – 13.5 percent) × 0.08 (2011 statewide average mill rate)

Average Land Value: \$1,609 per acre (2011)

Assessed Value Range: \$176.99 per acre (11 percent assessment) to \$217.21 per acre (13.5 percent assessment)

Average Liability Range: \$14.15 per acre [11 percent = \$176.99 × 0.08] to \$17.37 per acre [13.5 percent = \$217.21 × 0.08]

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Forest Land (per acre): \$1.34 per acre

11.0 percent assessed difference: \$1.20 per acre (\$14.15 – \$12.95)

13.5 percent assessed difference: \$1.48 per acre (\$17.37 – \$15.89)

SOUTH REGION (continued)

Table E.30—Key Attributes of Principal Forest Property Tax Incentive Program: South Carolina, 2014

Program legal-common name	General Property Tax Program (trees, forestry) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; South Carolina Forestry Commission; Department of Revenue; Board of Real Estate Appraisers
Eligibility requirements	
Ownership and use limitations	Agricultural Use Classification: Parcel devoted to forestry (within agricultural real property classification) and used to raise, produce, or harvest trees; entire parcel qualified for preferential tax classification if at least 50 percent qualifies as forestry use; excludes residence of landowner and uses such as recreation and hunting and fishing clubs.
Resource restrictions	Standards for parcel's eligibility for preferential tax classification may include nature of terrain, past use of land, density and merchantability of timber, management and harvesting practices carried out, implementation of a timber management plan, business or occupation of parcel's owner, and soil productivity class (considered in determining use value)
Application required	Application to county tax assessor; annual filings not required if parcel's ownership and use remain the same.
Legal filing required	County tax assessor
Minimum/maximum area	Timber Growing Parcels: 5 or more contiguous acres under same management system; parcels less than 5 acres are eligible when owned in combination with other parcels that qualify as agricultural real property; Nontimber Growing Parcels: 10 or more contiguous acres under same management system; parcels less than 10 acres (including parcels devoted to Christmas trees) are eligible if owner earned at least \$1,000 gross farm income for at least three of the five preceding taxable years.
Commitment to program required (years)	Indefinite if parcel's use and ownership remains the same; at time of application, owner must certify that parcel meets requirements to qualify as forestry use (agricultural real property).
Penalty for withdrawal from program	For each of five years immediately preceding the year in which a change in parcel use occurs, required payment of rollback taxes in an amount equal to the difference between taxes paid on parcel's preferential forest land classification and taxes payable had parcel been assigned to a nonpreferential classification.
Forest Management Plan	
Plan required	Optional (varies by county)
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Parcel may be inspected at discretion of county assessor.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$0.69 per acre
Total acres enrolled	7,615,000
Total net benefits	\$5,254,350

Continued

SOUTH REGION (continued)

Table E.30 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: South Carolina, 2014

Number of participants in program	177,920 (estimate)
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^a *South Carolina Code*: Title 12 (Taxation), Chapter 37 (Assessment of Property Taxes), Chapter 43 (County Equalization and Reassessment), Sections 220 (Classifications), 230 (Treatment of Agricultural Property), and 232 (Requirements for Agricultural Use). *Code of Regulations*: Chapter 117 (Department of Revenue), Section 1780.1 (Definition of Agricultural Real Property), Section 1780.2 (Agricultural Special Assessment Applications), Section 1780.3 (Roll Back Provisions on Agricultural Land), Section 1840.2 (Use Values and Soil Productivity—Timberland).

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/southcarolina/>. [Date accessed: December 2014].

<http://www.sctax.org/Tax+Information/property/Prop+Tax+Assessment+Ratios.htm>. [Date accessed: December 2014].

<http://www.sctax.org/NR/rdonlyres/6FDEC068-4A31-4BC2-B89B-60A63836F0E7/0/SCPropertyTaxBook2012Edition.pdf> - publication. [Date accessed: December 2014].

<http://www.state.sc.us/forest/refmgt.htm>. [Date accessed: December 2014].

<http://www.sccounties.org/Data/Sites/1/media/publications/ptax-report-2012.pdf>. [Date accessed: December 2014].

<http://www.sccounties.org/property-tax-rates>. [Date accessed: December 2014].

http://scommerce.com/sites/default/files/document_directory/Tax_Policy_and_Economic_Growth_-_Property_Tax_-_Issues_in_South_Carolina.pdf. [Date accessed: December 2014].

<http://scommerce.com/sc-advantage/growth-incentives/tax-structure>. [Date accessed: December 2014].

http://ors.sc.gov/economics/files/2011_LGR.pdf. [Date accessed: December 2014].

http://www.clemson.edu/public/ciecd/focus_areas/research/files/Complete_Report_MarketSearchJuly2909.pdf. [Date accessed: December 2014].

<http://www.clemson.edu/extfor/SC%20Landowners%20Guide%202.pdf>. [Date accessed: December 2014].

<http://www.scforestry.org/PublicationsResources.aspx>. [Date accessed: December 2014].

http://www.scpowerteam.com/client_resources/2013taxincentivemanualwebpubcopy.pdf (p.173). [Date accessed: December 2014].

<http://www.scstatehouse.gov/coderegs/statmast.php>. [Date accessed: December 2014].

Personal Communication. October 15, 2013. Anne Pearce, Counsel for Regulatory Litigation, Tax and Regulatory Services, Office of General Counsel, South Carolina Department of Revenue, P.O. Box 12265, Columbia, SC 29211. pearcea@sctax.org.

Personal Communication. January 15, 2014. Tamara Cushing, Extension Forestry Specialist, Cooperative Extension Service, Clemson University, 103 Barre Hall, Clemson, SC 29634. tcushing@clemson.edu.

In table E.30, the average net benefit per acre for forest land enrolled in South Carolina's Property Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: *Agricultural Use Classification*: 4 Percent Assessed Value
Assessment rate for timberland (under agricultural use classification) is 4.0 percent of use value for privately owned, noncorporate land. Assessed value per acre by soil productivity class (use value per acre × assessment rate [4 percent]):

Class	Assessed value		
	Low	Average	High
	\$ per acre		
Class 1 (least)	8.51	9.27	10.03
Class 2	6.49	7.32	8.13
Class 3	4.68	5.49	6.29
Class 4	3.53	4.00	4.50
Class 5	3.24	3.13	3.56
Class 6	2.13	2.80	3.56
Class 7 (most)	0.36	—	—

— = no value given.

SOUTH REGION (continued)

Table E.30 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: South Carolina, 2014

Timberland tax liability per acre (assessed value \times 0.296 [statewide average mill rate]):

Class	Timberland tax liability		
	Low	Average	High
	\$ per acre		
Class 1(least)	2.52	2.74	2.97
Class 2	1.92	2.17	2.41
Class 3	1.39	1.63	1.86
Class 4	1.04	1.18	1.33
Class 5	0.96	0.93	1.05
Class 6	0.63	0.83	1.05
Class 7(most)	0.11	—	—

— = no value given.

Statewide average mill rate = 0.296.

Average Tax Liability: \$1.38 per acre across all soil classes for 4 percent rate

Forest Land Tax Liability in Nonpreferential Classification: *Agricultural Use Classification: 6 Percent Assessed Value*
Assessment rate for timberland (under agricultural use classification) is 6.0 percent of use value for privately owned, non-corporate land [tax liability = use value (per acre) \times assessment rate (6 percent) \times 296 mills (statewide average mill rate: 296)]. Assessed value per acre by soil productivity class (use value per acre \times assessment rate: 6 percent):

Class	Assessed value		
	Low	Average	High
	\$ per acre		
Class 1 (least)	8.51	9.27	10.03
Class 2	6.49	7.32	8.13
Class 3	4.68	5.49	6.29
Class 4	3.53	4.00	4.50
Class 5	3.24	3.13	3.56
Class 6	2.13	2.80	3.56
Class 7 (most)	0.36	—	—

— = no value given.

Timberland tax liability per acre (assessed value \times 0.296 [statewide average mill rate]):

Class	Timberland tax liability		
	Low	Average	High
	\$ per acre		
Class 1 (least)	2.52	2.74	2.97
Class 2	1.92	2.17	2.41
Class 3	1.39	1.63	1.86
Class 4	1.04	1.18	1.33
Class 5	0.96	0.93	1.05
Class 6	0.63	0.83	1.05
Class 7 (most)	0.11	—	—

— = no value given.

Statewide average mill rate = 0.296.

Average Tax Liability across All Soil Classes for 6 percent Assessment Rate: \$2.07 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for forest land (per acre) = \$0.69 per acre

\$2.07 per acre (at 6 percent assessment rate) – \$1.38 per acre (at 4 percent assessment rate) = \$0.69 per acre

SOUTH REGION (continued)**Table E.31—Key Attributes of Principal Forest Property Tax Incentive Program: Tennessee, 2014**

Program legal-common name	General Property Tax Program (forests, open space) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Register of Deeds; Division of Forestry (Department of Agriculture); Division of Property Assessments (Comptroller of the Treasury); State Board of Equalization (Comptroller of the Treasury); Local and State Government Advisory Committee
Eligibility requirements	
Ownership and use limitations	Forest Land Classification: Parcel constitutes a forest engaged in growing of trees under a sound program of sustained yield management or a parcel of 15 or more acres having tree growth in such quantity and quality and so managed as to constitute a forest; Open Space Classification: Parcel of not less than 3 acres characterized by open or natural conditions, the preservation of which provides public benefits important to the conservation of natural resources (water, air, wildlife); owner of parcel is person holding title to land, which may be an individual, partnership, corporation, organization, association, or other legal entity.
Resource restrictions	Forest Land Classification: Tree growth in such quantity and quality and managed to constitute a forest; eligibility determined by factors such as amount and type of timber, potential timber growth rate, and application of practices considered important to sustained yield management; Open Space Classification: open or natural conditions considered important to natural resource conservation.
Application required	Forest Land Classification: Application to county tax assessor to include area of parcel, amount and type of timber, actual and potential timber growth rate, and forest management practices to be applied; county tax assessor may request advice of the Division of Forestry (Department of Agriculture) in determining appropriateness of parcel's classification as forest land; Open Space Classification: Application to county tax assessor who subsequently determines if the parcel is consistent with county or local municipality comprehensive land use plan (which must include open space designation); parcel may be classified as open space land for purposes of property taxation, if there has been no change in the use of the parcel that would adversely affect its open space character between the date of the adoption of the comprehensive plan and the date of the proposed open space classification.
Legal filing required	County register of deeds
Minimum/maximum area	Forest Land Classification: 15 or more acres; Open Space Classification: 3 or more acres; less than 1,500 acres combined in Forest Land Classification and Open Space Classification.
Commitment to program required (years)	Indefinite, unless parcel changes ownership
Penalty for withdrawal from program	Tax savings attributable to an open space or forest land classification is recaptured when property is converted to a nonqualifying use or provisions of a classification have not been met; rollback payment is the difference between preferential assessment and general valuation assessment for each of the preceding three years for forest land or five years for open space land.
Forest Management Plan	
Plan required	Forest Land Classification: Forest management plan is required to accompany application for preferential classification; Open Space Classification: Forest management plan is required and is considered part of comprehensive open space plan implemented by local government jurisdictions.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Advice may be provided by Division of Forestry (Department of Agriculture).

Continued

SOUTH REGION (continued)

Table E.31 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Tennessee, 2014

Forest Management Plan (continued)	
Plan implementation required	Not required, except that open space easements may require adherence to certain special provisions
Notice of timber harvest required	Not required
Special provisions for water, wildlife, open space	Forest management plan requires consideration of a broad range of forest uses and management activities; open space classification includes greenbelt lands primarily devoted to recreation use.
Public access for recreation required	Right of physical public access denied unless specified in special easements set forth for forest land and open space classifications.
Evidence of compliance required (frequency)	Reviewed by county tax assessor on a periodic basis at discretion of assessor.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$19.24 per acre
Total acres enrolled	1,539,000 (2012)
Total net benefits	\$29,610,360
Number of participants in program	17,100 Parcels (forest land; average parcel size 90 acres)

^a *Tennessee Code*: Title 67 (Taxes and Licenses), Chapter 5 (Property Taxes), Part 10 (Classification and Assessment—Agricultural, Forest and Open Space Land), Sections 1001 through 1050; *Related Report*: “Greenbelt Handbook for Assessors of Property: 2013,” Division of Property Assessments, Tennessee Comptroller of the Treasury (2014).

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/tennessee/>. [Date accessed: December 2014].

<http://www.comptroller.tn.gov/pa/pdf/2012TaxAggregateReport.pdf>. [Date accessed: December 2014].

<https://www.comptroller.tn.gov/pa/pdf/20130722GreenbeltHandbookJuly2013.pdf>. [Date accessed: December 2014].

<https://www.comptroller.tn.gov/pa/CountyInfo.asp>. [Date accessed: December 2014].

<https://www.comptroller.tn.gov/pa/PrintLR.asp?W=12>. [Date accessed: December 2014].

<http://www.comptroller.tn.gov/pa/pdf/2012TaxAggregateReport.pdf>. [Date accessed: December 2014].

<https://www.comptroller.tn.gov/SBOE/ratio13.asp>. [Date accessed: December 2014].

<https://www.comptroller.tn.gov/pa/pahtfytb.asp>. [Date accessed: December 2014].

<https://www.comptroller.tn.gov/pa/SS.asp?W=11>. [Date accessed: December 2014].

<http://www.commercialappeal.com/data/tennessee-greenbelts/>. [Date accessed: December 2014].

<http://www.commercialappeal.com/data/greenbelt-properties/>. [Date accessed: December 2014].

Personal Communication. September 30, 2013. Grant Smith, Auditor, Office of State Assessed Properties, Tennessee Comptroller of Treasury, 505 Deaderick St., Suite 1700, James K. Polk Building, Nashville, TN 37243-1402. grantsmith04@gmail.com.

In table E.31 the average net benefit per acre for forest land enrolled in Tennessee’s Greenbelt Law Tax Program (Agriculture, Forest, and Open Space Land Act of 1976) was determined as follows (Greenbelt acres assessed at 25 percent of Fair Market Value):

Forest Land Net Benefit of Preferential Classification: Greenbelt Program (Forest Land and Open Space)

Average net benefit per acre determined by multiplying the difference in general market and special use assessments (forest land, open space land), per \$100 value, by respective county tax rates. Information about net tax benefits was obtained, via a State computerized information management system, from counties which are required to report such information to the Division of Property Assessments, Tennessee Comptroller of the Treasury.

SOUTH REGION (continued)

Table E.32—Key Attributes of Principal Forest Property Tax Incentive Program: Texas, 2014

Program legal-common name	General Property Tax Program (timber, recreation, open space) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water
Agencies engaged in program administration	County Tax Assessor; Texas Forest Service; Division of Property Tax Assistance (Comptroller of Public Accounts); Division of Standards and Enforcement Services (Texas Appraiser Licensing and Certificate Board); Forest Service (U.S. Department of Agriculture); Natural Resources Conservation Service (U.S. Department of Agriculture)
Eligibility requirements	
Ownership and use limitations	Eligible Timberland Appraisal Classification: Parcel currently and actively devoted principally to production of timber or forest products with intent to produce income to an intensity generally accepted in the area; land devoted principally to production of timber or forest products five of the preceding seven years; Ineligible Timberland Appraisal Classification: Parcel located within towns and cities (with certain exceptions), land owned by nonresident aliens, and certain corporations and similar legal entities with foreign government ownership; if separately owned, land and timber may be appraised independently. Restricted Use Timberland Classification: Parcel on which timber harvesting is restricted for aesthetic, conservation, water protection, or plant or animal protection; parcel must be located within an aesthetic management zone, critical wildlife habitat zone, or streamside management zone.
Resource restrictions	Eligible Timberland Appraisal Classification: Parcel valuation and assessment determined by conditions such as forest type, soil type, annual timber growth, and income and cost of producing timber. Restricted Use Timberland Classification: Parcel subject to zoning, easement and environmental rules; parcel focused on intent to produce income and having been regenerated for timber production to the intensity generally accepted for commercial timber land.
Application required	Application to county tax assessor; owner intent on devoting parcel to the production of timber and forest products as may be supported by evidence such as the existence of a forest management plan, participation in certain cost-sharing incentive programs, parcel's certification as a Tree Farm, or prior use of extension and related assistance programs.
Legal filing required	County tax assessor
Minimum/maximum area	Minimum and maximum parcel size varies by county
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Rollback tax involving an additional tax equal to the difference between the taxes imposed for each of the preceding five years plus 7 percent interest; tax lien attached to deed to the land.
Forest Management Plan	
Plan required	Eligible Timberland Appraisal Classification: Plan not required, although intent to devote property to production of timber and forest products is supported by the existence of a forest management plan; Restricted Use Timberland Classification: Management plan required for guidance of use and management activities in aesthetic management zones, critical wildlife habitat zones, and streamside management zones.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified, although parcel classified as occurring in a restricted use timberland zone must comply with general use and management prescriptions for such zones.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Special provisions for conversion of timberland classification to open space, and for timber appraisal in zones involving aesthetics, wildlife habitat and streamside buffers.

Continued

SOUTH REGION (continued)

Table E.32 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Texas, 2014

Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$1.50 per acre
Total acres enrolled	6,156,000
Total net benefits	\$9,234,000
Number of participants in program	89,740 (estimate)

^a *Texas Code*: Tax Code, Title 1 (Property Tax Code), Subtitle D—Chapter 23 (Appraisal Methods and Procedures), Subchapter E (Appraisal of Timberland) and Subchapter H (Appraisal of Restricted-Use Timberland); *Related Report*: “Manual for Appraisal of Timberland: 2004,” Property Tax Division, Texas Comptroller of Public Accounts (Property Tax Rule 9.4011).

^b Information Sources

<http://www.window.state.tx.us/taxinfo/proptax/timber04/index.html>. [Date accessed: December 2014].

<http://www.timbertax.org/statetaxes/states/proptax/texas/>. [Date accessed: December 2014].

<http://www.window.state.tx.us/propertytax/administration/pvs/findings/2012f/>. [Date accessed: December 2014].

http://www.nass.usda.gov/Publications/Todays_Reports/reports/land0813.pdf. [Date accessed: December 2014].

<http://www.window.state.tx.us/taxinfo/proptax/caprates.html>. [Date accessed: December 2014].

<http://www.texasalmanac.com/sites/default/files/images/maps/timber.pdf>. [Date accessed: December 2014].

[http://txforestservice.tamu.edu/uploadedFiles/Sustainable/tax/Publications/Articles/2012 Texas Timber Tax Presentation-Timberland Property Tax 2012.pdf](http://txforestservice.tamu.edu/uploadedFiles/Sustainable/tax/Publications/Articles/2012%20Texas%20Timber%20Tax%20Presentation-Timberland%20Property%20Tax%2012.pdf). [Date accessed: December 2014].

<http://texasforestservice.tamu.edu/main/>. [Date accessed: December 2014].

Personal Communication. September 30, 2013; October 11, 2013. Omkar Joshi, Forest Economist, Office of the Director, Texas A&M Forest Service, Texas A&M University, 200 Technology Way, College Station, TX 77845-3424. ojoshi@tfs.tamu.edu.

In table E.32 the average net benefit per acre for forest land enrolled in Texas’ Timberland Productivity Tax Assessment Program (Timberland Productivity Appraisal) was determined as follows:

Forest Land Tax Liability in Preferential Classification: Timberland Productivity Tax Assessment Program

Tax Liability = Productivity/Assessment Value (per acre) × 0.0176095 (average tax rate [county and school districts]: 1.76095 percent). Timberland Productivity/Assessment Values 2012:

Soil productivity class	Pine	Mixed	Hardwood
	<i>\$ per acre</i>		
Class I	298.82	302.84	171.68
Class II	180.33	196.56	90.88
Class III	84.83	102.25	66.33
Class IV	152.25	88.86	37.68
Average	179.06	172.63	91.64

Timberland Tax Liability (weighted average): \$171.32 per acre × 0.0176095 (average tax rate [county and school districts]: 1.76095 percent) = \$3.02 per acre. Tax Liability (across all four classes):

Soil productivity class	Pine	Mixed	Hardwood
	<i>\$ per acre</i>		
Class I	5.26	5.33	3.02
Class II	3.18	3.46	1.60
Class III	1.49	1.80	1.17
Class IV	2.68	1.56	0.66
Average	3.15	3.04	1.61

SOUTH REGION (continued)

Table E.32 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Texas, 2014

Forest Land Tax Liability in Nonpreferential Classification: Average Cropland Assessed Value

Average Cropland Value: \$257.12 per acre

Tax Liability: \$4.52 per acre ($\257.12×0.0176095 (average tax rate [county and school districts]: 1.76095 percent))

Average (dry) Cropland Value: \$194.15 per acre

Average (dry) Cropland Tax Liability: $\$194.15 \times 0.0176095$ (average tax rate [county and school districts]: 1.76095 percent) = \$3.41 per acre

Average (irrigated) Cropland Value: \$320.10 per acre

Average (irrigated) Cropland Tax Liability: $\$320.10 \times 0.0176095$ (average tax rate [county and school districts]: 1.76095 percent) = \$5.63 per acre

Forest Land Net Benefit of Preferential Classification

Timberland compared to average cropland: \$1.50 per acre

Timberland compared to average (dry) cropland: $\$3.41 - \$3.02 = \$0.39$ per acre

Timberland compared to average (irrigated) cropland: $\$5.63 - \$3.02 = \$2.61$ per acre

Table E.33—Key Attributes of Principal Forest Property Tax Incentive Program: Virginia, 2014

Program legal-common name	General Property Tax Program (forest land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on site productivity)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Conservation of Soils and Wetlands, Production of Timber and Fiber Products, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; Department of Forestry; Department of Taxation; Department of Agriculture; Department of Conservation and Recreation; College of Agriculture (Virginia Polytechnic Institute and State University); Natural Resources Conservation Service (U.S. Department of Agriculture); State Land Use Evaluation Advisory Council
Eligibility requirements	
Ownership and use limitations	Productive Forest Land Classification and Nonproductive Forest Land Classification: Parcel (including standing timber) devoted to tree growth in such quantity and so spaced and maintained as to constitute a forest area under standards prescribed by the Department of Forestry; includes recreational activities conducted for profit as long as such do not change the character of the forest area; portion of parcel being used for nonforest purposes (as determined by zoning or special use permit) are considered separate parcels for purposes of tax assessment.
Resource restrictions	Parcel has trees in quantity and spacing that meet standards established by Department of Forestry (minimum of 20 acres). Productive Forest Land Classification: Land eligible for forest use classification has (a) well distributed, commercially valuable trees of any size sufficient to compose at least 40 percent of normal stocking of forest trees, (b) active growth of a commercial forest crop that is physically accessible for harvesting when mature, and (c) has been recently harvested of merchantable timber and is being regenerated into a new forest. Nonproductive Forest Land Classification: Land ineligible for forest use classification (not capable of growing a crop of industrial wood) because of (a) inaccessibility, (b) adverse site conditions (steep outcrops of rock, shallow soil on steep mountain sides, excessive steepness, heavily eroded areas, coastal beach sand, tidal marsh), or (c) other conditions that prohibit the growth and harvesting of a crop of trees suitable for commercial use.
Application required	Application to county tax assessor
Legal filing required	County tax assessor
Minimum/maximum area	20 or more contiguous acres.
Commitment to program required (years)	Indefinite, contingent on meeting standards for forest use and consistent payment of levied taxes; owner must certify that parcel is being used in a planned program of timber management and soil conservation practices which are intended to (a) enhance the growth of commercially desirable species through generally accepted silvicultural practices, and (b) reduce or prevent soil erosion by the application of forestry best management practices.

Continued

SOUTH REGION (continued)

Table E.33 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Virginia, 2014

Eligibility requirements (continued)	
Penalty for withdrawal from program	Repayment of amount of reduced tax for preceding five years, plus interest.
Forest Management Plan	
Plan required	Certification of owner intent can be shown by (a) signed commitment to maintain and protect forest land by documenting land-use objectives to include methods of resource management and soil and water protection, or (b) development and implementation of a forest management plan prepared by a professional forester (county governments participate in defining requirements for a plan).
Effective duration of plan specified	10 years or more.
Qualified preparer or approver required	Professional forester; landowner may seek advice and guidance of Department of Forestry.
Plan implementation required	Landowner-signed commitment to maintain and protect forest land or development and implementation of a forest management plan prepared by a professional forester.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Riparian Buffers: Tax credit (25 percent of timber value up to \$17,500) for preserving wooded buffers along streams and rivers; buffer must be 35 to up to 300 feet wide and be intact for 15 years; eligibility requires a forest stewardship plan. Open Space Designation: Special tax consideration for 5 or more acres of open space designation.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$12.26 per acre
Total acres enrolled	700,000 (2011)
Total net benefits	\$8,582,000
Number of participants in program	9,310 (estimate)

^a *Virginia Code*: Title 58.1 (Taxation), Chapter 32 (Real Property Tax), Sections 3230 (Real Estate Subject to Local Taxation) through Section 324 (Eminent Domain Takings), and Section 3666 (Wetlands and Riparian Buffers); *Virginia Administrative Code*: Title 4 (Conservation and Natural Resources), Agency 10 (Department of Forestry), Chapter 20 (Standards for Classification of Real Estate as Devoted to Forest Use under the Virginia Land Use Assessment Law); Title 23 (Taxation), Agency 10 (Department of Taxation), Chapter 20 (General Provisions Applicable to All Taxes Administered by the Department of Taxation); *Related Reports*: "Manual of the SLEAC: 2013," State Land Evaluation and Advisory Council.

^b Information Sources

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<http://usevalue.agecon.vt.edu/Presentations.htm>. [Date accessed: December 2014].

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http://usevalue.agecon.vt.edu/myweb3/Estimates/TY_2012/TY2012_Forest.pdf. [Date accessed: December 2014].

http://www.nass.usda.gov/Publications/Todays_Reports/reports/land0813.pdf. [Date accessed: December 2014].

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<http://pubs.ext.vt.edu/448/448-037/448-037.html>. [Date accessed: December 2014].

<http://www.tax.virginia.gov/Documents/Annual%20Report%20FY%202012%2002282013%20905.pdf>. [Date accessed: December 2014].

<http://usevalue.agecon.vt.edu/myweb3/Rental%20Rates/TY2011%20Rental%20Rates.pdf>. [Date accessed: December 2014].

Personal Communication. August 1, 2, 8, 2013. Dean Cumbia, Forest Management Chief, Virginia Department of Forestry, 900 Natural Resources Dr., Charlottesville, VA 22903. dean.cumbia@dof.virginia.gov. Gordon Groover, Extension Economist, Virginia Cooperative Extension, Department of Agricultural and Applied Economics, Virginia Polytechnic Institute and State University, 250 Drillfield Dr., Blacksburg, VA 24061. groover@vt.edu. Jason Hughes, Senior Property Appraisal Consultant, Virginia Department of Taxation, 1957 Westmoreland St., Richmond, VA 23230. jason.hughes@tax.virginia.gov.

SOUTH REGION (continued)

Table E.33 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Virginia, 2014

In table E.33 the average net benefit per acre for forest land enrolled in Virginia's Forest Land Use Tax Assessment Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Forest Land Use Tax Assessment Program

Tax Liability = Use Value (per acre) \times 0.0846 (statewide weighted average tax rate: 8.46 percent)

Forest Land Use Values 2011 (based on soil productivity, each class averaged across all 64 forest counties):

Average: \$302.20 per acre

Non-Productive: \$88.85 per acre

Fair: \$240.78 per acre

Good: \$357.16 per acre

Excellent: \$526.02 per acre

Tax Liability (four classes based on soil productivity)

Average: \$25.56 per acre = $\$302.20 \times 0.0846$ (statewide weighted average mill rate: 8.46 percent)

Non-Productive: $\$88.85 \text{ per acre} \times 0.0846$ (statewide weighted average mill rate: 8.46 percent) = \$7.52 per acre

Fair: $\$240.78 \text{ per acre} \times 0.0846$ (statewide weighted average mill rate: 8.46 percent) = \$20.37 per acre

Good: $\$357.16 \text{ per acre} \times 0.0846$ (statewide weighted average mill rate: 8.46 percent) = \$30.22 per acre

Excellent: $\$526.02 \text{ per acre} \times 0.0846$ (statewide weighted average mill rate: 8.46 percent) = \$44.50 per acre

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Use Value (2011)

Tax Liability = Use Value (per acre) \times 0.0846 (statewide weighted average tax rate: 8.46 percent)

Average Agricultural Use Value = \$447.16 per acre (based on soil productivity, average of all 64 counties)

Tax Liability Average = \$37.82 per acre ($\447.16×0.0846 [statewide weighted average mill rate: 8.46 percent])

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre) = \$12.26 per acre

\$37.82 per acre (agricultural land tax liability) – \$25.56 per acre (forest land tax liability) = \$12.26 per acre

ROCKY MOUNTAIN REGION

Table E.34—Key Attributes of Principal Forest Property Tax Incentive Program: Arizona, 2014

Program legal-common name	General Property Tax Program (timberland) ^a
Fundamental type of tax	Flat Tax (percent of assessed value)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Assessor; County Board of Equalization; Division of Property Evaluation and Equalization (Department of Revenue); State Board of Tax Appeals; State Board of Equalization; Property Tax Oversight Commission
Eligibility requirements	
Ownership and use limitations	General Property Tax Classification: Parcel on which there exists standing timber (historically, standing timber per se is exempt from taxation) which is considered to be marketable, based upon quality, quantity, and accessibility; exempt from taxation are parcels owned by veterans, disabled persons, certain charitable organizations (educational, religious), and property which is owned for purposes of preserving and protecting scientific, biological, geological, paleontological, and natural or archaeological resources.
Resource restrictions	Not specified
Application required	Application to county assessor; initial and annual affirmation of use and ownership.
Legal filing required	County assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Failure to inform county assessor of a change in land use results in immediate reclassification to general property tax classification, retroactive of foregone taxes, and liability for a 25 percent additional tax payment.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Annual affirmation of use and ownership; representative of the Division of Property Evaluation and Equalization (Department of Revenue) may enter and examine property to determine compliance with provisions of preferential tax classification.
Basis for tax benefit provided	Standard amount (percent of assessed value)
Annual tax benefits provided	
Average net benefit per acre	Not determined
Total acres enrolled	760,000 (estimate)
Total net benefits	Not determined
Number of participants in program	24,520 (estimate)

^a *Arizona Revised Statutes*: Title 42 (Taxation), Chapters 11 (Property Tax), 12 (Property Classification), 13 (Valuation of Locally Assessed Property), 15 (Assessment Process), 16 (Property Tax Appeals and Reviews), 17 (Levy), 18 (Collection and Enforcement); *Arizona Constitution*: Preamble 9 (Public Debt, Revenue and Taxation), Section 2 (Property Subject to Taxation: Exemptions); *Related Reports*: "Personal Property Manual: 2015 (2015), "Conservation Easement Evaluation: Guideline" (1997), "Land: Manual" (2001), "Agricultural Property: Manual" (2012), "Property Use Code Manual" (2000), Division of Property Evaluation and Equalization (Department of Revenue).

ROCKY MOUNTAIN REGION (continued)

Table E.35—Key Attributes of Principal Forest Property Tax Incentive Program: Colorado, 2014

Program legal-common name	General Property Tax Program (forest land, conservation land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Assessor; County Treasurer; County Clerk and Recorder; Colorado State Forest Service; Division of Property Taxation (Department of Local Affairs); State Board of Equalization (Department of Local Affairs); Board of Assessment Appeals (Department of Local Affairs); Board of Real Estate Appraisers
Eligibility requirements	
Ownership and use limitations	Agricultural Timberland Classification: Parcel used to produce tangible wood products originating from the land's productivity for the primary purpose of obtaining a monetary profit; includes roadside, streamside, and shelterbelt strips of timber which have a crown width of at least 120 feet, and includes forest land on unimproved roads and trails, streams, and clearings which are less than 120 feet wide; ineligible is farm or ranch land (domestic livestock grazing); exempt (or deferred) are properties that are owned and used for religious, charitable, and certain public purposes (such as schools, libraries) and properties owned by military personnel and by certain elderly and low income households; land must have been eligible for agricultural classification (includes forest land) during the 10 years preceding assessment.
Resource restrictions	Parcel 10 percent or more stocked with forest trees of any size, or land formerly having such tree cover and that will be naturally or artificially regenerated; forest trees are woody plants with a well-developed stem or stems, usually are more than 12 feet in height at maturity, and have a generally well-defined crown.
Application required	Application to county assessor and Colorado State Forest Service; landowner affirmation of ownership and eligibility of land.
Legal filing required	County assessor
Minimum/maximum area	40 or more acres of forest land; 80 or more acres of certain land that is subject to a perpetual conservation easement devoted to conservation purposes (including preservation of forest land open space).
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Withdrawal from program results in landowner no longer eligible for preferential tax rate (although retroactive repayment of taxes not required); termination, violation, or substantial modification of conservation easements may result in a seven-year retroactive reassessment of property and subsequent payment of back taxes.
Forest Management Plan	
Plan required	Forest management plan
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Forester with a bachelor or higher degree from an accredited school of forestry; plan must be approved by Colorado Forest Service.
Plan implementation required	Annual inspection to determine if terms and conditions of plan are being met.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Favorable classification (agricultural) and tax treatment for land subject to a conservation easement (granted by a qualified public or private organization) and devoted to conservation purposes, including preservation for outdoor recreation, education of the public, protection of natural habitat for fish, wildlife, plants, or similar ecosystems, and for preservation of open space where such preservation will yield a significant public benefit, including scenic enjoyment of the public or where such is pursuant to a conservation policy clearly delineated by Federal, State, or local governments.

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.35 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Colorado, 2014

Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Annual inspections and owner annually affirming ownership, use, and resource conditions
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$0.59 per acre (2013)
Total acres enrolled	250,077 (2013)
Total net benefits	\$147,545
Number of participants in program	1,050 (estimate)

^a *Constitution State of Colorado*: Article 10 (Revenue); *Colorado Revised Statutes*: Title 39 (Taxation: Property Taxation), Article 1 (General Provisions), Article 2 (Division of Property Taxation), Article 3 and 3.5 (Exemptions and Deferrals), Article 5 (Valuation and Taxation); *Code of Colorado Regulations*: 8-CCR-1304-2 (Rules and Regulations for Exempt Properties); “Real Property Valuation Manual: 2014” (2014) and “43rd Annual Report to Governor and General Assembly: 2013” (2014), “Comprehensive Index of Colorado Revised Property Tax Statutes by Topic: 2014” (2014), Division of Property Taxation, Colorado Department of Local Affairs.

^b Information Sources

<http://www.colorado.gov/cs/Satellite%3Fblobcol%3Durldata%26blobheadname1%3DContent-Disposition%26blobheadname2%3DContent-Type%26blobheadvalue1%3Dinline%253B%2Bfilename%253D%2522Agricultural%2BValuation.pdf%2522%26blobheadvalue2%3Dapplication%252Fpdf%26blobkey%3Ddid%26blobtable%3DMungoBlobs%26blobwhere%3D1251655482007%26ssbinary%3Dtrue>. [Date accessed: December 2014].

http://dola.colorado.gov/dpt/publications/docs/2013_Annual_Report/AGRICULT.pdf. [Date accessed: December 2014].

<http://www.colorado.gov/cs/Satellite?c=Page&childpagename=DOLA-Main%2FCBONLayout&cid=1251654511637&pagename=CBONWrap>. [Date accessed: December 2014].

http://dola.colorado.gov/dpt/publications/docs/2013_Annual_Report/SECXI.pdf. [Date accessed: December 2014].

In table E.35 the average net benefit per acre for forest land enrolled in Colorado’s Agricultural Timberland Designation Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: *Agricultural Timberland Designation*

Tax Liability: Use Value (per acre) \times 0.07247 (State’s county-wide average mill rate: 79.247)

Average Use Value: \$16.44 per acre (2013)

Tax Liability: $\$16.44 \times 0.079247 = \1.30 per acre

Forest Land Tax Liability in Nonpreferential Classification: *Agricultural Dry Farm Land*

Tax Liability: Use Value (per acre) \times .07247 (State’s county-wide average mill rate: 79.247)

Average Use Value: \$23.92 per acre (2013)

Tax Liability: $\$23.92 \times 0.079247 = \1.89 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$0.59 per acre (\$1.89 per acre – \$1.30 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.36—Key Attributes of Principal Forest Property Tax Incentive Program: Idaho, 2014

Program legal-common name	General Property Tax Program (forest land, forest products) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use; bare land productivity)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Treasurer; County Board of Equalization; Division of Property Tax (Idaho State Tax Commission); Committee on Forestland Taxation Methodology
Eligibility requirements	
Ownership and use limitations	Forest Lands and Products Classification: Private forest landowners (legal entities) holding property rights under law to the forest land surface; land must be used primarily for the continuous purpose of growing and harvesting trees of a marketable species; excluded are Christmas trees, annual fruit crops (nuts, berries, foliage, cones) and forest products harvested for domestic use of a landowner (exemption for single ownership not to exceed \$25 per year); conservation easements entered into with private nonprofit corporations are exempt from tax; tax payment choice to landowner is (a) current use productivity valuation or (b) bare land productivity valuation plus yield tax.
Resource restrictions	Forest land is evidenced by (a) presence of forest uses and silvicultural treatments, (b) occurrence of forest growth, (c) presence of a forest land management plan that specifies eventual harvest of a forest crop, (d) land from which trees have been removed through harvest (including clearcuts or by natural disaster) and which within five years after harvest will be reforested as specified by the State forest practices act; forest land not meeting minimum stocking requirements because of natural disaster is eligible for a reduction in value for the first 10 property tax years following the loss; valuation consideration include productive capacity of the soil to grow forest products, location of parcel in State forest valuation zone (based on timber types, growth rates, access, operability), and methods used to value productivity.
Application required	Application to county tax assessor; annual filing for preferential classification
Legal filing required	County assessor
Minimum/maximum area	Forest land valuation and assessment depends on the size of the parcel: (a) parcels less than 5 contiguous acres (taxed as real property without regard to timber productivity); (b) parcels 5 or more, but less than 5,000 acres (taxed as real property without regard to productivity or taxed as real property using a special timber productivity valuation process); (c) parcels over 5,000 acres (taxed as real property using a special timber productivity valuation process).
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Recapture of deferred taxes if use of land is changed or fails to comply with specifications of preferential tax classification.
Forest Management Plan	
Plan required	Forest management plan
Effective duration of plan specified	20 years
Qualified preparer or approver required	Forest resource professional
Plan implementation required	Not specified
Notice of timber harvest required	Compliance with State forest practices act
Special provisions for water, wildlife, open space	Exemption for conservation easements entered with private nonprofit corporations.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	State Tax Commission authorized to examine condition of forest land and associated landowner records.

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.36 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Idaho, 2014

Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$2.92
Total acres enrolled	2,200,000 (estimate)
Total net benefits	\$6,424,000
Number of participants in program	12,200 (estimate)

^a *Idaho Code*: Title 63 (Revenue and Taxation): Chapter 6 (Exemptions from Taxation [Section 605: Land Used to Protect Wildlife and Wildlife Habitat]), Chapter 17 (Taxation of Forest Lands and Forest Products); *Idaho Administrative Code*, *Idaho State Tax Commission*: Chapter 35.01.03: Sections 960-968.

^b Information Sources

<http://tax.idaho.gov/i-1015.cfm>. [Date accessed: December 2014].

<http://tax.idaho.gov/i-1128.cfm>. [Date accessed: December 2014].

<http://tax.idaho.gov/search-formspublications.cfm?ch=app&t=pt>. [Date accessed: December 2014].

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<http://www.uidaho.edu/~media/Files/orgs/CNR/PAG/Reports/PAGReport20>. [Date accessed: December 2014].

In table E.36 the average net benefit per acre for forest land enrolled in Idaho's Taxation of Forest Lands and Forest Products was determined as follows:

Forest Land Tax Liability in Preferential Classification

Forest landowners with at least 5 acres, but less than 5,000 acres statewide have a choice between two tax systems: a Productivity Tax or a Bare Land and Yield Tax system. Forest landowners with more than 5,000 acres statewide are taxed using the Productivity Tax, and forest landowners with less than 5 acres statewide are assessed at fair market value.

Bare Land and Yield Tax Productivity Values

	Zone 1 (3 counties)	Zone 2 (7 counties)	Zone 3 (15 counties)	Zone 4 (19 counties)	All zones combined (44 counties)
<i>\$ per acre</i>					
Good	149	144	102	74	117.25
Medium	104	91	65	47	76.75
Poor	61	46	34	25	41.50

Productivity Tax

	Zone 1	Zone 2	Zone 3	Zone 4	All zones combined
<i>\$ per acre</i>					
Good	518	451	197	187	338.25
Medium	284	245	104	103	184.00
Poor	128	110	43	50	82.75

ROCKY MOUNTAIN REGION (continued)

Table E.36 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Idaho, 2014

Tax Liability: Tax Liability = Productivity/Assessment Value (per acre) × (State's average tax rate: 1.070 percent)

	Bare land and yield tax	Productivity tax
	\$ per acre	
Good	1.25	3.62
Medium	0.82	1.97
Poor	0.44	0.89
Average	0.84	2.16

Forest Land Tax Liability in Nonpreferential Classification: *Agricultural Cropland*

Cropland	Assessed (use) value	Tax liability
	\$ per acre	
Good	717	7.67
Average	414	4.42
Poor	110	1.18
Average rural tax rate (2013) = 1.070 percent.		

Forest Land Net Benefit of Preferential Classification

\$2.26 per acre for Productivity Tax System (\$4.42 – \$2.16 per acre)

\$3.58 per acre for Bare Land and Yield Tax System (\$4.42 – \$0.84 per acre)

Table E.37—Key Attributes of Principal Forest Property Tax Incentive Program: Kansas, 2014

Program legal-common name	General Property Tax Program (trees, forest products) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on agricultural productivity)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; Kansas Forest Service; Division of Property Evaluation (Department of Revenue)
Eligibility requirements	
Ownership and use limitations	Agricultural Property Tax Classification: Parcel devoted to the production of trees and forest products (within agricultural classification); excluded is land used for residences and recreational purposes.
Resource restrictions	Not specified
Application required	Application to county tax assessor
Legal filing required	County tax assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	County tax assessor automatically re-enrolls eligible parcels.
Penalty for withdrawal from program	Penalty generally not assessed, although owner may be required to return payment received in the form of cost-share management incentives.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.37 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Kansas, 2014

Forest Management Plan (continued)	
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Inspection and reappraisal at discretion of county tax assessor, although every parcel of real property must be viewed and inspected by county tax assessor at least once every six years.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$60.28 per acre (2012)
Total acres enrolled	953,000 (estimate)
Total net benefits	\$57,446,840 (2012)
Number of participants in program	50,420 (estimate)

^a *Kansas Statutes*: Chapter 79 (Taxation), Article 14 (Property Evaluation and Assessment), Chapter 1476 (Statewide Reappraisal of Real Property).

^b Information Sources
Miles 2013.

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

<http://www.ksrevenue.org/pvdaguse.html>. [Date accessed: December 2014].

<http://www.ksrevenue.org/pdf/drymethod.pdf>. [Date accessed: December 2014].

<http://www.ksrevenue.org/pvd12aguse.html>. [Date accessed: December 2014].

<http://www.timbertax.org/statetaxes/states/proptax/kansas/>. [Date accessed: December 2014].

http://www.nass.usda.gov/Statistics_by_State/Kansas/Publications/County_Estimates/Coest/cashrents12.pdf. [Date accessed: December 2014].

<http://www.ksrevenue.org/pvd12aguse.html>. [Date accessed: December 2014].

<http://www.ksrevenue.org/PVDMAP.html>. [Date accessed: December 2014].

In table E.37 the average net benefit per acre for forest land enrolled in the Kansas Agricultural Property Tax Classification Program was determined as follows for the year 2012:

Forest Land Tax Liability in Preferential Classification: Nonirrigated Cropland Classification: 14 Counties

Land devoted to agricultural use is assessed at 30 percent of appraised value, based on soil productivity rating. Forest growth is considered an “agricultural use” and such land is appraised accordingly.

Tax Liability = Agricultural Use Value (dry/non-irrigated cropland) per acre × 30 percent × mill rate (average mill for 14 counties was 13.65 percent) (14 counties with at least 20 percent forest land cover: Wyandotte, Chautauqua, Linn, Leavenworth, Geary, Doniphan, Montgomery, Bourbon, Crawford, Miami, Wilson, Douglas, Riley, and Pottawatomie).

Average Use Value of Counties (14) with at least 20 percent forest land cover = \$162 per acre

Taxable Value = \$162 × 0.30 (30 percent of fair market value assessment) = \$48.60 per acre

Tax Liability = \$48.60 × 0.1365 (average mill rate 14 counties in 2012 = 13.65 percent) = \$6.63 per acre

Tax Liability Range = \$0.41 – \$14.37 per acre (\$10 per acre = 14 county low use value average) (\$351 per acre = high 14 county average).

Forest Land Tax Liability in Nonpreferential Classification: Nonirrigated Cropland Classification: Statewide

Average value of dry/non-irrigated cropland in Kansas = \$1,700 per acre

Taxable Value = \$1,700 × 0.30 (30 percent of fair market value assessment) = \$510 per acre

Tax Liability = \$510 × 0.1312 (average statewide mill rate in 2012 = 13.12 percent) = \$66.91 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Kansas’ Agricultural Use Property Tax Classification (per acre): \$60.28 per acre (\$66.91 per acre – \$6.63 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.38—Key Attributes of Principal Forest Property Tax Incentive Program: Montana, 2014

Program legal-common name	Forest Land Property Tax Program (forest land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Appraiser; County Tax Appeal Board; County Treasurers Office; Division of Forestry (Department of Natural Resources and Conservation); Division of Property Tax Assessment (Department of Revenue); Montana State Tax Appeal Board; Forest Land Taxation Advisory Committee
Eligibility requirements	
Ownership and use limitations	Forest Land Tax Classification: Privately owned land (individuals, corporations, associations, companies, firms, joint ventures, syndicates, trusts) capable of producing commercial quantities of timber, including land from which trees have been harvested (including clear-cuts) or subject to natural disasters (including wildfire); excludes land withdrawn or reduced from timber production by statute or other legal restriction (which may be eligible for reduced tax rate), or land used to produce saleable fruit trees, ornamental trees, or Christmas trees; exempt from tax are disabled veterans and spouses of deceased veterans with an approved application and land devoted to certain environmental studies.
Resource restrictions	Parcel capable of producing 25 or more cubic feet of wood annually at the culmination of mean annual increment; excludes land incapable of yielding wood products because of inaccessibility or adverse site conditions; forests destroyed by wildfire, disease, insect infestation, or other natural disasters affecting the ability to meet minimum stocking requirements of law are eligible for a 20-year reduction in assessed value, or a reduction in assessed value of forest land by 50 percent of the original forest productivity value per year (with proper landowner evidence).
Application required	Application to county tax appraiser; automatic renewal.
Legal filing required	County tax appraiser
Minimum/maximum area	15 or more contiguous acres
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Not specified
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Annual listing of property, obligation to pay taxes on classified land.
Basis for tax benefit provided	Value-based amount

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.38 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Montana, 2014

Annual tax benefits provided^a	
Average net benefit per acre	\$4.38 per acre (2012)
Total acres enrolled	3,946,170 (2012)
Total net benefits	\$17,284,224
Number of participants in program	34,430 (estimate)

^a *Montana Code Annotated*: Title 15 (Taxation), Chapter 6 (Property Subject to Taxation), Chapter 44 (Forest Lands Tax); *Department of Revenue*: Administrative Rules, Chapter 42.19 (General Property Tax Provisions), Chapter 42.20.7 (Forest Land).

^b Information Sources

<http://leg.mt.gov/bills/mca/15/6/15-6-143.htm>. [Date accessed: December 2014].

<http://leg.mt.gov/bills/mca/15/44/15-44-103.htm>. [Date accessed: December 2014].

http://cfac.mt.gov/content/forindividuals/taxes_licenses_fees_permits/Property_Taxes/05_forest_manual.pdf. [Date accessed: December 2014].

http://cfac.mt.gov/forindividuals/taxes_licenses_fees_permits/Property_Taxes/Classes_of_Property/class10.mcp.x. [Date accessed: December 2014].

<http://revenue.mt.gov/home/property/property-types.aspx#horizontalTab2>. [Date accessed: December 2014].

<http://svc.mt.gov/msl/mtcadastral/>. [Date accessed: December 2014].

<http://revenue.mt.gov/home/property/contact-us.aspx>. [Date accessed: December 2014].

<http://revenue.mt.gov>. [Date accessed: December 2014].

http://revenue.mt.gov/Portals/9/publications/biennial_reports/2010-2012/BiennialReport_2010-2012.pdf. [Date accessed: December 2014].

http://cfac.mt.gov/forindividuals/taxes_licenses_fees_permits/Property_Taxes/Classes_of_Property/class10.mcp.x. [Date accessed: December 2014].

In table E.38 the average net benefit per acre for forest land enrolled in Montana's Forest Lands Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: *Forest Land Tax Act*

Tax Liability = Assessment Value (per acre) × 0.0031 (assessment rate: 0.31 percent) = Taxable Value × (State's county-wide average mill rate: 0.54883).

Average Assessment Value: \$522.12 per acre

Average Taxable Value: \$1.60 per acre (\$522.12 × 0.0031)

Average Tax Liability: \$0.87 per acre (\$1.60 × 0.54883)

Forest Land Tax Liability in Nonpreferential Classification: *Nonqualified Agricultural Land: Class 3*

Tax Liability = Assessment Value (per acre) × 0.1841 (assessment rate: 18.41 percent) = Taxable Value × (State's county-wide average mill rate: 0.54883)

Average Assessment Value: \$57.00 per acre

Average Taxable Value: \$10.49 per acre (\$57.00 × 0.1841)

Average Tax Liability: \$5.25 per acre (\$10.49 × 0.50026)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$4.38 per acre (\$5.25 per acre – \$0.87 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.39—Key Attributes of Principal Forest Property Tax Incentive Program: Nebraska, 2014

Program legal-common name	General Property Tax Program (trees, timber) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests
Agencies engaged in program administration	County Tax Assessor; Nebraska Forest Service; Division of Property Tax Assessment (Department of Revenue); Nebraska Tax Equalization and Review Commission
Eligibility requirements	
Ownership and use limitations	Agriculture and Horticulture Classification: Parcel used for agricultural or horticultural products, including trees and timber; parcels not suitable for grazing and thus designated as timberland or forest land; excludes land with buildings and enclosed structures; excludes land located within city, village, or improvement district boundaries, except that subject to conservation easement.
Resource restrictions	Land considered timberland or forest land is wooded by nature or by humans and consists of a dense growth of trees and underbrush that is not suitable for grazing.
Application required	Application to county tax assessor
Legal filing required	County tax assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Not specified
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Not specified
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$5.06 per acre
Total acres enrolled	527,000 (estimate)
Total net benefits	\$2,666,620
Number of participants in program	50,420

^a *Nebraska Statutes*: Chapter 77 (Revenue and Taxation), Sections 201, 202, and Sections 1343 through 1371; *Nebraska Administrative Code*: Title 350 (Nebraska Department of Revenue), Chapter 14 (Agricultural Land and Horticultural Land Assessment Regulations).

^b Information Sources

<http://usda01.library.cornell.edu/usda/nass/AgriLandVa//2010s/2011/AgriLandVa-08-04-2011.pdf>. [Date accessed: December 2014].

http://www.revenue.ne.gov/PAD/research/annual_reports/2011/annrpt2011_table_19A-19B_StateCnty_01Adams-33Furnas.pdf. [Date accessed: December 2014].

http://www.revenue.ne.gov/PAD/legal/regs/11-Special_Valuation.html. [Date accessed: December 2014].

http://www.revenue.ne.gov/PAD/research/annual_reports/2012/annrpt2012_table_1.pdf. [Date accessed: December 2014].

http://www.revenue.ne.gov/PAD/real_property.html. [Date accessed: December 2014].

Personal Communication. August 5, 2013. John Hassler. Agricultural Specialist, Property Assessment Division, Nebraska Department of Revenue, 301 Centennial Mall South, Lincoln, NE 68509-8919. john.hassler@nebraska.gov.

ROCKY MOUNTAIN REGION (continued)

Table E.39 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Nebraska, 2014

In table E.39 the average net benefit per acre for forest land enrolled in Nebraska's Agriculture and Horticulture Classification Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Tax Liability of Land in Program

Land devoted to Agriculture is assessed at 75 percent of fair market value (FMV). Land not meeting the definition of agricultural land is assessed at 100 percent of market value. To determine the property tax liability, the assessed value is multiplied by the consolidated property tax rate for a county.

Statewide Average Taxable Agricultural Land Value: $\$43,692,746,812 \div 46,041,469.50$ (agricultural acres) = \$948.98 per acre (2011)

Tax Liability: $\$948.98 \times 1.6001$ percent (average tax rate in 2011) = \$15.18 per acre

Forest Land Tax Liability in Nonpreferential Classification: Tax Liability of Land Not in Program

Annual per acre tax benefit was estimated by comparing the tax liability of lands in the program (75 percent FMV) to the tax liability of comparable land not in the program (100 percent FMV). Statewide average FMV was used as the reference point. Average Value of Agricultural Land: \$1,265 per acre (100 percent FMV assessment [2011])

Taxable Liability: $\$1,265 \times 1.6001$ percent (average tax rate [2011]) = \$20.24 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Nebraska's Agricultural Property Tax Classification (per acre): \$5.06 per acre (\$20.24 per acre – \$15.18 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.40—Key Attributes of Principal Forest Property Tax Incentive Program: Nevada, 2014

Program legal-common name	General Property Tax Program (timberland) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Water
Agencies engaged in program administration	County Tax Assessor; Division of Forestry (Department of Conservation and Natural Resources); State Office of Historic Preservation (Department of Conservation and Natural Resources); Nevada Tax Commission (Department of Taxation); State Board of Equalization (Department of Taxation); Board of Appraiser Certification (Department of Taxation)
Eligibility requirements	
Ownership and use limitations	Agricultural Classification: Contiguous area of real property used as a business venture for profit, which produces a minimum gross income of \$5,000 per calendar year; acceptable is land used for raising, harvesting, and selling crops, including timber, and other products of the soil; land must be devoted exclusively to agricultural use, including timber, for at least three consecutive years immediately preceding assessment date. Open Space Classification: Contiguous parcel of land, the preservation of which conserves and enhances natural or scenic resources, protects streams and water supplies, and maintains natural features which enhance control of floods or preserves sites designated as historic.
Resource restrictions	Agricultural Classification: Application of acceptable agricultural practices (including forest practices) that are common practices necessary to obtain a monetary profit and customarily used for agricultural and forestry purposes; Open Space Classification: Property devoted exclusively to open space and subject to regulations designed to promote the conservation of open space and the protection of other natural and scenic resources from unreasonable impairment.
Application required	Agricultural Classification: Application to county tax assessor if the property contains 20 acres or more, with the Division of Forestry (Department of Conservation and Natural Resources) if the property contains less than 20 acres. Open Space Classification: Application to county tax assessor with applications subject to public hearing review by conducted county and city governing bodies; owner required to report changes from open space classification to other classifications.
Legal filing required	County tax assessor for agricultural classification; if open space application, with county tax assessor and affected governing bodies of local governments.
Minimum/maximum area	Agricultural Classification: Minimum of 7 acres. Open Space Classification: Not specified.
Commitment to program required (years)	Agricultural Classification: Parcel must be exclusively devoted to agricultural use, including timber, for at least three consecutive years immediately preceding assessment date; continuous enrollment unless change in ownership or conversion to other land uses which requires a new application. Open Space Classification: Owner required to report changes from open space classification.
Penalty for withdrawal from program	Property converted to non-agricultural use or non-open space use may be reassessed for the current year and for the six previous years to effectively recapture accrued special assessment tax benefits; penalty of 20 percent of accumulated deferred tax if county tax assessor is not notified of change in parcel's use within 30 days.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Open Space Classification provides for the preservation of land in such manners as would conserve and enhance natural or scenic resources, protect streams and water supplies, preserve historic sites, and maintain natural features which enhance control of floods.

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.40 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Nevada, 2014

Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Country tax assessor may inspect property and request records showing evidence of compliance with requirements of preferential tax classification.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$4.49 per acre (2014)
Total acres enrolled	106,000 (estimate)
Total net benefits	\$475,940
Number of participants in program	18,280 (estimate)

^a *Nevada Revised Statutes*: Title 32 (Revenue and Taxation), Chapter 361 (Property Tax), Chapter 361A (Taxes on Agricultural Real Property and Open Space); *Related Report*: "Annual Report Fiscal 2012-2013," Nevada Department of Taxation (2014).

^b Information Sources

http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/LGS_Ag_Bulletin/. [Date accessed: December 2014].

http://tax.nv.gov/LocalGovt/PolicyPub/LGS_Archive_Publications/. [Date accessed: December 2014].

<http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Redbook/>. [Date accessed: December 2014].

In table E.40 the average net benefit per acre for forest land enrolled in Nevada's Agriculture and Open Space Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Agriculture and Open Space Tax Program – Grazing Land (enrolled)

Tax Liability = Productivity/Assessment Value (per acre) × 0.0364 (State county-wide average tax rate: 3.64 percent)

Productivity land class	Grazing land productivity values (2014)	Tax liability
<i>\$ per acre</i>		
Class I	8.99	0.32
Class II	4.50	0.16
Class III	3.00	0.10
Class IV	1.50	0.05
Average	4.49	0.16

Forest Land Tax Liability in Nonpreferential Classification: Agriculture and Open Space Tax Program – Cultivated Land

Productivity land class	Cultivated land productivity values (2014)	Tax liability
<i>\$ per acre</i>		
Class I	188.00	6.84
Class II	146.50	5.33
Class III	104.25	3.79
Class IV	73.25	2.66
Average	128.00	4.65

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$4.49 per acre (\$4.65 per acre – \$0.16 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.41—Key Attributes of Principal Forest Property Tax Incentive Program: New Mexico, 2014

Program legal-common name	General Property Tax Program (trees, forest products) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Valuation Protest Board; Division of State Forestry (Department of Energy, Minerals and Natural Resources); Division of Property Tax (Department of Taxation and Revenue)
Eligibility requirements	
Ownership and use limitations	Agricultural Use Classification: Parcel used for production of trees and forest products (included within broad agricultural use classification) produced for subsistence use or sale or use by others; includes uses that meet the requirements for payment or other compensation from incentive programs implemented under agreement with an agency of the Federal Government (such as soil conservation programs); excludes homesites; exempt from taxation are veterans and certain heads-of-households.
Resource restrictions	Not specified
Application required	Application to county tax assessor; application to contain description of parcel, use of land in preceding year, planned recreation use of land (if any); reapplication in subsequent tax years not required if land use does not change.
Legal filing required	County tax assessor
Minimum/maximum area	Ineligible are parcels less than 1 acre in size (considered capable of being used for agricultural purposes or the production of tree and forest products).
Commitment to program required (years)	Automatic annual renewal of initial application; parcel inspections at discretion of county tax assessor.
Penalty for withdrawal from program	Landowner must report to the county tax assessor whenever parcel's use changes to conflict with requirements of the preferential classification; failure to so notify results in a civil penalty equal to the greater of \$25 or 25 percent of the difference between the property taxes ultimately determined to be due and the property taxes originally paid for the tax years for which the person failed to make the required report.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Parcel inspections at discretion of county tax assessor.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$4.55 per acre (2014)
Total acres enrolled	827,400 (estimate) (excludes Tribal landowners)
Total net benefits	\$3,764,670
Number of participants in program	27,490 (estimate)

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.41 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: New Mexico, 2014

^a *New Mexico Statutes*: Chapter Seven (Taxation), Articles 35 (Property Tax), 36 (Imposition of Property Tax), and 37 (Administration and Enforcement of Property Taxes); *New Mexico Administrative Code*: Title 3 (Taxation), Chapter 6 (Property Taxes), Part 5 (Classification of Property).

^b Information Sources

Property Tax Rates: http://nmdfa.state.nm.us/Certificate_of_Property_Tax.aspx. [Date accessed: December 2014].

Agriculture and Grazing Land Values: (Personal Communication. November 5, 2014. Rickey Jenkins, Appraisal Specialist, Property Tax Division, New Mexico Taxation and Revenue Department, 1220 S. St. Francis Drive, Santa Fe, NM 87504-5126. rickey.jenkins@state.nm.us.)

In table E.41 the average net benefit per acre for forest land enrolled in New Mexico's Agricultural Use Property Tax Program (trees and forest products) in 2014 was determined as follows:

Forest Land Tax Liability in Preferential Classification: Dry Farmland: Forest Land

Land value determined primarily based on capacity to produce agricultural products, including trees and forest products.

Forest land qualifying for preferential assessment is classified as dry farm land.

Tax Liability = use value \times mill rate (percent)

Average Use Value per Acre (2014): Forest land (dry farm land): \$60.27 per acre

Average Mill Rate (2014): 23.90 mills (2.39 percent)

Average Tax Liability (2014): \$1.44 per acre ($\60.27×0.0239)

Forest Land Tax Liability in Nonpreferential Classification: Irrigated Farmland

Average Use Value per Acre (2014): Irrigated Farm Land: \$250.75 per acre

Average Mill Rate (2014): 23.90 mills (2.39 percent)

Average Tax Liability (2014): \$5.99 per acre ($\250.75×0.0239)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (tax savings per acre): \$4.55 per acre ($\$5.99 \text{ per acre} - \1.44 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.42—Key Attributes of Principal Forest Property Tax Incentive Program: North Dakota, 2014

Program legal-common name	Forest Stewardship Property Tax Program (natural forest, planted forest) ^a
Fundamental type of tax	Flat Tax
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Auditor; County Board of Commissioners; North Dakota State Forest Service; Division of Property and Utility Taxes (Office of State Tax Commissioner); State Board of Equalization
Eligibility requirements	
Ownership and use limitations	Forest Stewardship Classification: Parcel normally supporting a growth of planted tree cover, woodlands, or windbreaks; excludes grazing.
Resource restrictions	Clearing, burning or other destructive actions prohibited; application of special forest stewardship efforts recognized.
Application required	Application to county tax assessor; North Dakota State Forest Service examination of parcel to determine eligibility for preferential tax treatment.
Legal filing required	County tax assessor and county auditor
Minimum/maximum area	10 or more acres of natural forest cover; 5 or more acres of planted forest cover, not less than 60 feet in width; 10 acres or more of combined natural and planted forest cover.
Commitment to program required (years)	Five years; approved application considered a contract running with land; if at the end of five years, contract not renewed by mutual consent of owner and county board of commissioners, parcel is removed from preferential classification.
Penalty for withdrawal from program	Parcel's preferential classification reverts to classification based on fair market value rates.
Forest Management Plan	
Plan required	Forest stewardship plan adopted at discretion of landowner; suggested plan content includes landowner objectives and recommendations for managing timber and related resources; approval and implementation of plan must be by mutual consent of the landowner and the North Dakota State Forest Service.
Effective duration of plan specified	Five years
Qualified preparer or approver required	Landowner in cooperation with North Dakota State Forest Service
Plan implementation required	Not required, plan adopted and implemented at discretion of landowner.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	North Dakota State Forest Service annual written report as to compliance with preferential tax classification; copy of report provided to county auditor; field inspections, questionnaires, documented observations may be conducted.
Basis for tax benefit provided	Standard amount
Annual tax benefits provided^b	
Average net benefit per acre	\$6.55 per acre
Total acres enrolled	368,800
Total net benefits	\$2,415,640
Number of participants in program	11,000

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.42 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: North Dakota, 2014

^a *North Dakota Century Code*: Title 57 (Taxation), Chapter 57-02-27 (Assessment and Valuation), Chapters 57-57-01 through 57-57-11 (Forest Stewardship Tax Act); Related Report: “Guide to Assessing Agricultural Land in North Dakota,” Office of State Tax Commissioner, State of North Dakota. 2008.

^b Information Sources

<http://www.timbertax.org/statetaxes/states/proptax/northdakota/>. [Date accessed: December 2014].

<http://www.nd.gov/tax/property/pubs/agriculturalvaluesperacre-2012.pdf?20130729102116>. [Date accessed: December 2014].

<http://www.timbertax.org/statetaxes/states/proptax/northdakota/>. [Date accessed: December 2014].

<http://www.nd.gov/tax/genpubs/nd-tax-overview.pdf?20130709192042>. [Date accessed: December 2014].

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-03-2012.pdf>. [Date accessed: December 2014].

<http://www.nd.gov/tax/genpubs/2012-redbook.pdf?20130709164036>. [Date accessed: December 2014].

http://www.nrs.fs.fed.us/pubs/rb/rb_nrs31.pdf. [Date accessed: December 2014].

Personal Communication. July 23, 29 2013. Sara Meier, Property Tax Specialist, Office of State Tax Commissioner, 600 E. Boulevard Avenue, Bismarck, ND 58505-0599. semeier@nd.gov.

In table E.42 the average net benefit per acre for forest land enrolled in North Dakota’s Forest Stewardship Tax Program was determined as follows (2011):

Forest Land Tax Liability in Preferential Classification: Forest Stewardship Tax Program

Forest lands enrolled in the Forest Stewardship Tax Program are assessed at \$0.50 per acre tax. The tax is in lieu of all ad valorem taxes by the State, counties, towns, townships, school districts, and other municipalities upon any property rights attached to the forests.

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Land Classification (value based on production)

Average value of North Dakota agricultural land = \$452.47 per acre (2012)

Agricultural land is assessed at 50 percent of Agricultural Value (also known as “true and full value”)

Average assessed value = \$226.23 per acre

Taxable value = \$226.23 (assessed value) × 10 percent = \$22.62 per acre

Average Agricultural Land Tax Liability: Taxable Value × Millage Rate

$\$22.62 \times 0.31204$ (312.04 mills, statewide average mill rate [2012]) = \$7.05 per acre

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for Land Classified under Forest Stewardship Tax (per acre): \$6.55 per acre (\$7.05 per acre – \$0.50 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.43—Key Attributes of Principal Forest Property Tax Incentive Program: South Dakota, 2014

Program legal-common name	General Property Tax Program (timber, woodland) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use based on agricultural productivity)
Principal statutorily defined ecosystem services of interest	Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Director of Equalization; County Board of Commissioners; Division of Conservation and Forestry (Department of Agriculture); Division of Property Tax (Department of Revenue); Natural Resources Conservation Service (U.S. Department of Agriculture); Extension Service (U.S. Department of Agriculture).
Eligibility requirements	
Ownership and use limitations	Agricultural Land Classification: Woodland held and operated in conjunction with agriculture and under same ownership; parcel devoted to raising and harvesting crops or timber for purposes of profit, includes woodlands; excludes land not used in an agricultural pursuit, such as dwellings and roads; exempt are parcels of certain nonprofit and charitable organizations and certain veterans and their dependents.
Resource restrictions	Capacity to produce (timber products) based on average yields under natural conditions; capacity may consider soil types, terrain, and surface conditions.
Application required	Application to county tax assessor
Legal filing required	County tax assessor, county director of equalization
Minimum/maximum area	20 or more acres, or part of contiguous ownership of not less than 80 acres; up to 160 acres upon approval of county commissioners.
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Intentional evasion or deceit of proper classification requires a penalty of an additional 50 percent of the amount not listed; fraudulent property listing is a misdemeanor.
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	County tax assessor and director of equalization may enter and inspect parcels for purpose of determining compliance with requirements of approved preferential classification.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	Average: \$4.83 per acre
Total acres enrolled	492,000 (2009); 23,520,953 (2011) (Agriculture and Timberland)
Total net benefits	\$2,376,360
Number of participants in program	12,000

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.43 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: South Dakota, 2014

^a *South Dakota Codified Laws*: Title 10 (Taxation), Chapter 6 (Annual Assessment of Property), Sections 31.3 through 33.32; *Related Report*: “Annual Report: 2014,” Department of Revenue (2015).

^b Information Sources

<http://dor.sd.gov/publications/annrpt/2011%20Annual%20Report.pdf>. [Date accessed: December 2014].

http://dor.sd.gov/taxes/property/assesseddollar/D_A_2011.pdf. [Date accessed: December 2014].

<http://dor.sd.gov/taxes/property/>. [Date accessed: December 2014].

http://dor.sd.gov/taxes/property/assesseddollar/D_A_2011.pdf. [Date accessed: December 2014].

<http://www.state.sd.us/drr2/prospectax/property/publications.htm>. [Date accessed: December 2014].

http://ageconsearch.umn.edu/bitstream/123843/2/SD_Land_Values_2012.pdf. [Date accessed: December 2014].

<http://dor.sd.gov/taxes/property/Reports/publications/Recap11.pdf>. [Date accessed: December 2014].

<http://www.timbertax.org/statetaxes/states/proptax/southdakota/>. [Date accessed: December 2014].

Personal Communication. July 25, 2013. Wendy Semmler, Property Tax Program Manager, Property Tax Division, South Dakota Department of Revenue, 445 East Capitol Ave., Pierre, SD 57501-3185. wendy.semmler@state.sd.us.

In table E.43 the average net benefit per acre for forest land enrolled in South Dakota’s Agricultural Land Classification Tax Program was determined as follows (2011):

Forest Land Tax Liability in Preferential Classification: *Agricultural Land Classification*

Tax Liability = (assessed value per acre) × (tax rate)

Property tax rate for Agricultural Land in South Dakota: 1.04 percent (2011)

Average assessed agricultural land value = \$596.33 per acre

Estimated Tax Liability: \$596.33 per acre × 1.04 percent = \$6.20 (per-acre tax liability for agricultural land)

Forest Land Tax Liability in Nonpreferential Classification: *Other Non-Agricultural Land Classification*

Effective property tax rate for “Other Property” (commercial, utility and residential property not occupied by the owner) in South Dakota: 1.85 percent (2011).

Estimated Tax Liability: \$596.33 per acre × 1.85 percent = \$11.03 (per acre tax liability for “other property”)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit for land qualifying for Agricultural classification (per acre): \$4.83 per acre (\$11.03 per acre [1.85 percent rate]) – \$6.20 per acre [1.04 percent rate])

ROCKY MOUNTAIN REGION (continued)

Table E.44—Key Attributes of Principal Forest Property Tax Incentive Program: Utah, 2014

Program legal-common name	General Property Tax Program (profitable trees) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Board of Equalization; County Auditor, Recorder, and Treasurer; Division of Forestry, Fire and State Lands (Department of State Lands); Property Tax Division (State Tax Commission); State Farmland Evaluation Advisory Committee (State Tax Commission)
Eligibility requirements	
Ownership and use limitations	Farmland Greenbelt Classification: Parcel actively devoted to the production of useful plants, including trees, with a reasonable expectation of a profit; forest land evidenced by existence of a harvest or a forest management and reforestation plan and by economically viable forestry or forest operation (produces about half of harvest expectations from an economically feasible operation [about 4,000 board feet of timber per acre per year or about one truckload of approximately 25 tons]); eligible are parcels that meet requirements for compensation under a cropland retirement program; excluded are parcels used to produce firewood, nonmarketable timber, by-product logs, and land in platted subdivisions, planned unit developments, and land under certain structures and buildings (farmhouse); exempt are certain military personnel and their dependents and certain low-income segments of society.
Resource restrictions	Parcel must be capable of producing trees as evidenced by soil type, topography, available water, and growing season; parcel must produce 50 percent or more of the average production per acre for comparable land types and uses in a county; actively devoted to trees for at least two successive years immediately preceding the tax year, although crops (trees) with a long maturation period excluded from requirement; taxable land value based on the productive capability of the land.
Application required	Application to county tax assessor; owner affirmation of ownership, use and resource restrictions; reaffirmation at county discretion
Legal filing required	County tax assessor
Minimum/maximum area	5 or more acres, although smaller parcels qualify if used in conjunction with other eligible land under identical ownership, located in the same county, has a direct relationship to the agricultural (forest) enterprise, and makes a significant contribution to the enterprise's total production.
Commitment to program required (years)	Landowner consent to lien and field audits (annual physical inspection of property to determine eligibility); agree to actively devote to preferential use for at least two successive years immediately preceding the tax year in issue; landowner may withdraw from preferential tax classification upon proper notice of intent to do so.
Penalty for withdrawal from program	Change in use or withdrawal from preferential classification results in recapture (rollback) of taxes deferred over last five years, unless property qualifies as a conservation easement; change in ownership does not trigger recapture taxes if new owner files (and meets) preferential treatment requirements.
Forest Management Plan	
Plan required	Plan not required, although existence of harvest or a forest management plan can be used as evidence that land is forest land; preference is for plan to include a reforestation plan and specification of trees to be harvested.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.44 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Utah, 2014

Special provisions for water, wildlife, open space	Special valuation of land immediately adjacent to a reservoir, ditch, or canal; exempt from rollback provisions is land included in a conservation easement (including forest stewardship program) or deeded in perpetuity to a government entity or charitable organization.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Landowner annually affirms ownership, use, and resource conditions; two-year evidence of preferential use.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$3.28 per acre
Total acres enrolled	970,500 (estimate)
Total net benefits	\$3,183,240
Number of participants in program	32,030 (estimate)

^a *Utah Constitution Article 13* (Revenue and Taxation), Section 2 (Property Tax) and 3 (Property Tax Exemptions); *Utah Code*: 59 (Revenue and Taxation), Chapter 2 (Property Tax Act), Sections 501–515 (Farmland Assessment Act); *Utah Administrative Code*: Title R884 (Tax Commission), Paragraph 24P (Property Tax), Section 42 (Farmland Assessment Audits), 52 (Guide for Evaluation of Farmland), and 72 (Farmland Evaluation Advisory Committee); “Annual Report: 2012–2013 Fiscal Year” (2014) and “Farmland Assessment Act: Standards of Practice” (2013) Property Tax Division (State Tax Commission).

^b Information Sources

http://propertytax.utah.gov/library/pdf/taxrate_pdfs/budgetratesbyentity2013.pdf. [Date accessed: December 2014].

<http://propertytax.utah.gov/property-tax-rates/2012-10-22-20-17-01/approved-budget-rates>. [Date accessed: December 2014].

Personal Communication. July 30, 2014. Mike Kuhns, Forestry Extension Specialist, Department of Wildland Resources, Utah State University, 5230 Old Main Hill, Logan, UT 84322-5230. mike.kuhns@usu.edu.

In table E.44 the average net benefit per acre for forest land enrolled in Utah’s Farmland Assessment (Greenbelt Act) Tax Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Greenbelt Forest/Woodland/Grazing Classification

Tax Liability: Taxable Value (per acre) × State county-wide average tax rate

Average Taxable Value: \$28.66 per acre (2013)

Average Tax Liability: \$0.28 per acre (2013)

Forest Land Tax Liability in Nonpreferential Classification: Irrigated Agricultural Land

Tax Liability: Taxable Value (per acre) × State county-wide average tax rate of irrigated agricultural land

Average Taxable Value: \$349.60 per acre (2013)

Tax Liability: \$3.56 per acre (2013)

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$3.28 per acre (\$3.56 per acre – \$0.28 per acre)

ROCKY MOUNTAIN REGION (continued)

Table E.45—Key Attributes of Principal Forest Property Tax Incentive Program: Wyoming, 2014

Program legal-common name	General Property Tax Program (raising of timber products) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; County Board of Commissioners; Division of Forestry (Office of State Lands and Investments); Division of Property Tax (Department of Revenue); State Board of Equalization
Eligibility requirements	
Ownership and use limitations	Agricultural Rangeland Classification: Parcel under one operation (contiguous or noncontiguous, owned or leased) devoted primarily to production of timber products; used in manners consistent with size, location, and capability to produce timber products; eligible are parcels enrolled in a bona fide State or Federal conservation program; owner must annually derive \$500 or more gross revenue (at least \$1,000 if leased land) from parcel, unless (a) no income from crop (forest) will occur in a tax year, (b) production or market failure occurs, or (c) land is part of a bona fide conservation program; excluded are parcels within a platted subdivision; exempt from taxation are honorably discharged veterans (spouse and dependents, maximum exemption of \$3,000 of assessed value) and certain persons with limited income.
Resource restrictions	Land capable of producing timber products
Application required	Application to county tax assessor; owner initially affirms ownership, use, and resource conditions.
Legal filing required	County tax assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	Landowner annual affirmation of parcels to be consistent with preferential classification.
Penalty for withdrawal from program	Recapture of previous five years of deferred taxes or removal of property from preferential classification
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Special valuation for parcels enrolled in certain federal conservation programs
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Owner annually affirms ownership, use, and resource conditions; at any time, county tax assessor (or representative) may enter and examine parcel for purposes of determining compliance with preferential classification.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^b	
Average net benefit per acre	\$1.06 per acre (2013)
Total acres enrolled	827,500 (estimate) (2006)
Total net benefits	\$877,150
Number of participants in program	11,990 (estimate)

Continued

ROCKY MOUNTAIN REGION (continued)

Table E.45 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Wyoming, 2014

^a *Wyoming Statutes Annotated*: Title 39 (Taxation and Revenue), Chapter 13 (Ad Valorem Taxation), Sections 101 through 111; *Related Reports*: “Annual Report 2013,” “Property Tax Valuation: Agricultural Property Tax Valuation,” Property Tax Division, Department of Revenue (2013).

^b Information Sources

https://0ebaeb71-a-84cef9ff-s-sites.googlegroups.com/a/wyo.gov/wy-dor/PropertyFactSheet2014.pdf?attachauth=ANoY7crGUSfJZ1Z85q9_GOkC5URearF5X-90Nn9xCybsgCi5p-gdLvMVXbXiz27xaD2SpBdkmhxoani3zyltOXJQxKwxAFZl-46Rftr9loHl44kihurAgCvHoPoepW6Nz1tkFgMvPpLjuXj0bHDlnzHsQE7UqFioMHqfGGEW3FM5fC2B5uVRvkGNP4PBgRTKWTBkiROQj5tTPPpqsoLFJfWv9ymvGaEg%3D%3D&attredirects=0. [Date accessed: December 2014].

https://0ebaeb71-a-84cef9ff-s-sites.googlegroups.com/a/wyo.gov/wy-dor/2013PropertyTaxMillLevybyTaxDistrict.pdf?attachauth=ANoY7crnePOQgoRWu_9bjNG0VbqYKUEFJj18HV49WfVsw7mV55QZ0akSfGCRiYLLkecyKRavegbU_eE6elbJKR_-DlnP-ptBtwnNf1Pzii4r11U_SK5OFWH7hgydCXX_rj0-AmYVyXdtcL4YfaDctyYqaoT2VcdHWQQ3PoQ5l1Jg7JRKQRPgLGVINw0RkbyjbpL0hxmV-YhgTQVV-rDINH7D1pzrt0liOk1fCF3dEJvJyYYkmQaU%3D&attredirects=0. [Date accessed: December 2014].

https://0ebaeb71-a-84cef9ff-s-sites.googlegroups.com/a/wyo.gov/wy-dor/2014AgLandValuationStudy.pdf?attachauth=ANoY7coQAb8eSfCtnz4h2pgVkMRAU_M_T6wL4LcRyOofac1NyT630v6Kpakl_z9JEWz1uQVfZdH8fLrLZxrKVLKBVSBO5fj-sNiH87WhHA2bv62yO2e5u4jJpzCM3EK1U9OeYLFt6elUVyJ8FXH6VAm4wxFOJfEhHZgR1mb0-RD7bgluuaRTkz60vGhCLNurxvLVuauyENTzHnBEITOOea3PPHfBN2ISg%3D%3D&attredirects=0. [Date accessed: December 2014].

https://0ebaeb71-a-84cef9ff-s-sites.googlegroups.com/a/wyo.gov/wy-dor/Chapter10.pdf?attachauth=ANoY7cofBUReP7B6hgzmS5hgdeMJAiG34VADeH0ifLyWPIhKvI68W6FX5g1WqkZJRlLcCzVw15ZwGo_U-quu0adF1WbjxSHSdLrXR1vRhsD_fJM-lpahE2JF680omPRalJKiDNjrym41Oy_tA7pSRwl6fih6e7vveZp6ga0a6o5bUCTZodXb6zTwuTB24p4yUDdrmi9rS8&attredirects=0. [Date accessed: December 2014].

<https://0ebaeb71-a-84cef9ff-s-sites.googlegroups.com/a/wyo.gov/wy-dor/2013AgLandValuationStudy.pdf?attachauth=ANoY7co8fMfB-bsVah5iTakeOzNi9BTQxFgNdtESkJEVWbKpt85plotsuEv2dhEOQolqvylEU9pOgB8lZBB0Ndeg7KkbHqlp3X80qlwxJpScpG4N7SbtUfexfWO8TC0sew-QrTmBc5F461ZaFh0sAJX7qUfYGCDoElz4YFefJl5VyZkkGem45FrSUE7bspFMqgBz6pwrfzTinUuQuFBFhdMGzGQ%3D%3D&attredirects=0>. [Date accessed: December 2014].

In table E.45 the average net benefit per acre for forest land enrolled in Wyoming’s Agricultural Use (Rangeland Category) was determined as follows (2013):

Forest Land Tax Liability in Preferential Classification: Agricultural Use (Rangeland Category)

Tax Liability = Productivity/Assessment Value (per acre) × State’s county-wide average tax rate (percent)

Productivity Values Rangeland Category (assessed value per acre)

Soil productivity zone	Region 1	Region 2	Region 3	Region 4	Region 5	Waste
<i>\$ per acre</i>						
I – HIGH	60	20	15	10	8	5
I – LOW	38	15	10	8	5	1
II – HIGH	59	15	10	8	5	3
II – LOW	29	10	8	5	3	1
III – HIGH	50	10	8	5	3	1
III – LOW	25	8	5	3	1	1
IV – HIGH	50	10	8	5	3	1
IV – LOW	25	8	5	3	1	1
V – HIGH	40	8	5	3	1	1
V – LOW	20	5	3	1	1	1
Average – HIGH	51.80	12.60	9.20	6.20	4.40	2.20
Average – LOW	27.40	9.20	6.20	4.00	2.20	1.00

All Zones Average: HIGH: \$14.40 per acre; LOW: \$8.33 per acre

Range Median: \$11.36 per acre

Average Tax Liability: \$0.77 per acre [assessed value (\$11.36) × average county mill rate (6.8352 percent)]

ROCKY MOUNTAIN REGION (continued)

Table E.45 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Wyoming, 2014

Forest Land Tax Liability in Nonpreferential Classification: Agricultural Use (Dry Cropland)

Productivity Values Dry Cropland Category (assessed value per acre)			
Soil productivity zone	Region 3	Region 4	Region 5–8
	\$ per acre		
I, II, II – HIGH	38.00	31.00	24.00
I, II, III – LOW	31.00	24.00	14.00
IV – HIGH	34.00	24.00	18.00
IV – LOW	24.00	18.00	11.00
V – HIGH	51.00	38.00	24.00
V – LOW	38.00	24.00	18.00
Average – HIGH	41.00	31.00	22.00
Average – LOW	31.00	22.00	14.33

All Zones Average: HIGH: \$31.33 per acre; LOW: \$22.44 per acre

Range Median: \$26.88 per acre

Average Tax Liability: \$1.83 per acre [assessed value (\$26.88) × average county mill rate (6.8352 percent)]

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$1.06 per acre (\$1.83 per acre – \$0.77 per acre)

PACIFIC COAST REGION

Table E.46—Key Attributes of Principal Forest Property Tax Incentive Program: Alaska, 2014

Program legal-common name	General Revenue and Tax Programs (timber, conservation easements) ^a
Fundamental type of tax	Exemption
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Conservation of Soils and Wetlands, Production of Timber and Fiber Products; Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; County Board of Equalization; Division of Forestry (Department of Natural Resources); Division of Tax (Department of Revenue); Division of Community and Regional Affairs (Department of Commerce)
Eligibility requirements	
Ownership and use limitations	General Property Tax Classification: All land is assessed at full and true value (land is not classified according to use); exemptions from taxation include: (a) senior citizens, disabled veterans, nonprofit organizations, and military service widows, (b) timber, minerals, and unharvested aquatic plants and animals, (c) organizations using land exclusively for community purposes, (d) certain property subject to conservation easements (scenic and recreation areas, conservation and wetland areas), and (e) land infested by insects (or at risk of being infested) from which timber can be harvested.
Resource restrictions	Not specified
Application required	Application to county tax assessor
Legal filing required	County tax assessor
Minimum/maximum area	Not specified
Commitment to program required (years)	Not specified
Penalty for withdrawal from program	Not specified
Forest Management Plan	
Plan required	Not specified
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Not specified
Plan implementation required	Not specified
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Not specified
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Annual affirmation of use and ownership
Basis for tax benefit provided	Exemption from all land assessed at full and true value
Annual tax benefits provided	
Average net benefit per acre	Not determined
Total acres enrolled	35,875,000 (private forest land exempt)
Total net benefits	Not determined
Number of participants in program	82,000

^a *Alaska Statutes*: Title 29 (Municipal Government), Chapter 45 (Optional Exemptions and Exclusions), Title 34 (Property), Title 34 (Revenue and Taxation), Title 45 (Trade and Commerce); "Alaska Property Tax Law: 2013," "Annual Report: 2013," "Property Values by Use and Exempted Values: 2013" Tax Division, Alaska Department of Revenue (2013).

PACIFIC COAST REGION (continued)

Table E.47—Key Attributes of Principal Forest Property Tax Incentive Program: California, 2014

Program legal-common name	Timberland Productivity Tax Incentive Program (standing timber, open space land) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Board of Supervisors; County Recorder Office; County Planning Commission; State Board of Equalization; State Board of Forestry and Fire Protection; Department of Forestry and Fire Protection; Timber Advisory Committee (State Board of Equalization); State Water Resources Control Board
Eligibility requirements	
Ownership and use limitations	Timberland Productivity Classification: Privately owned land that is devoted to the growing and harvesting of timber and certain compatible uses; compatible uses are any use that does not significantly detract or inhibit the production and harvesting of timber; property must be located within a specially designated area (timber production zone; 10 year restriction on land use) devoted to the growing and harvesting of timber; exempted from taxation are certain properties: (a) owned by disabled veterans, charitable, religious, and scientific organizations devoted to public purposes, (b) certain open-space properties designated as such by legally established easements, (c) foundations, charitable funds, and limited liability corporations the primary interest of which is to preserve (yet willing to provide access to the general public, subject to reasonable restrictions) native plants or animals, biotic communities, and geological or geographical formations of scientific or educational interest, and (d) open space lands used solely for recreation and for the enjoyment of scenic beauty; State public improvement projects must avoid, whenever practicable, locating any public improvements in timberland production zones, except when a public works project is required in order to enhance, improve, or preserve fish and wildlife conditions.
Resource restrictions	Land capable of growing an average annual volume of wood fiber of at least 15 cubic feet per acre; growing and harvesting within a timber production zone is subject to regulation by State statutes and regulations, including timber operations which must be conducted pursuant to the provisions of the State's forestry practices law (Z'berg-Nejedly Forest Practice Act of 1973).
Application required	Application to county tax assessor and to State board of equalization
Legal filing required	County tax assessor, State board of equalization
Minimum/maximum area	Eligible parcels may not exceed 160 acres, with minimum parcel size established by county board of supervisors. Parcels zoned as timberland production may not be divided into parcels containing less than 160 acres unless the original owner prepares a joint timber management plan prepared or approved by a registered professional forester for the parcel to be created.
Commitment to program required (years)	Parcels designated for timber production in timberland production zones are zoned as such for an initial term of 10 years, with year-by-year continuation after initial zoning; rezoning of parcels in a timber production zone requires certain findings, including that (a) rezoning is in the public interest; (b) soils, slopes, and watershed conditions are suitable for the proposed use; (c) proposed use does not have substantial and unmitigated adverse effects on the continued timber-growing use or open space use of other land zoned as timberland production.
Penalty for withdrawal from program	Upon immediate rezoning of a parcel in a timberland production zone, a tax recoupment fee is imposed on the landowner and becomes a lien against the property.
Forest Management Plan	
Plan required	Timber Management Plan
Effective duration of plan specified	Three years and, under certain conditions, may be extended for an additional two years, which provides a maximum life of five years; a timber management plan jointly prepared for multiple parcels owned by multiple owners extends duration of plan.
Qualified preparer or approver required	Professional registered forester (State of California)
Plan implementation required	Required in deference to granting preferential tax treatment in timber management zone.
Notice of timber harvest required	Required by the State forestry practices law (Z'berg-Nejedly Forest Practice Act of 1973).

Continued

PACIFIC COAST REGION (continued)

Table E.47 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: California, 2014

Special provisions for water, wildlife, open space	Exemption for conservation easements entered with private nonprofit organizations; numerous special conditions to adhere to for purposes of protecting water, wildlife, and recreational resources.
Public access for recreation required	Public must be provided access (subject to reasonable conditions) to certain properties owned by foundations, charitable funds, and limited liability corporations whose primary interest is preserving native plants or animals, biotic communities, geological or geographical formations, or open space lands used for recreation and for the enjoyment of scenic beauty.
Evidence of compliance required (frequency)	Annual land use inspection and inspection prior to and after timber harvesting activities.
Basis for tax benefit provided	Value-based amount (according to timberland productivity in specified timberland site classes)
Annual tax benefits provided^a	
Average net benefit per acre	\$22.35 per acre (2013)
Total acres enrolled	5,418,000 (2001)
Total net benefits	\$121,092,230
Number of participants in program	356,450 (estimate)

^a *California Constitution*: Article 12 (Revenue and Taxation); *California Revenue and Taxation Code*: Division 1 (Property Taxes), Part 2 (Assessment), Chapters 1 through 7; *California Government Code*: Article 1 (General Provisions); *California Timberland Productivity Act* of 1982), Article 2 (Timberland Production Zones); *Related Reports*: "Property Taxes Law Guide: 2015," California State Board of Equalization, "California Property Tax: An Overview," California State Board of Equalization (2012).

^b Information Sources

http://www.boe.ca.gov/meetings/pdf/111412_N7_2013_Timberland_Production_Zone_Values.pdf. [Date accessed: December 2014].

<http://www.boe.ca.gov/proptaxes/pdf/lta12018.pdf>. [Date accessed: December 2014].

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<http://www.boe.ca.gov/proptaxes/pdf/timbermanualfinal.pdf>. [Date accessed: December 2014].

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http://frap.cdf.ca.gov/publications/timberland_site_class_on_private_land_zoned_for_timber_production.pdf. [Date accessed: December 2014].

<http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>. [Date accessed: December 2014].

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http://www.conservation.ca.gov/dlrp/lca/stats_reports/Documents/2012%20WA%20Status%20Report.pdf. [Date accessed: December 2014].

<http://www.conservation.ca.gov/dlrp/lca/Pages/Index.aspx>. [Date accessed: December 2014].

<http://usda01.library.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-02-2013.pdf>. [Date accessed: December 2014].

In table E.47 the average net benefit per acre for California's forest land classified within a Timberland Production Zone was determined as follows:

Forest Land Tax Liability in Preferential Classification: Timber Production Zone

Tax Liability = Productivity/Assessment Value (per acre) × 0.01 (statewide tax rate of 1 percent)

Productivity Values Timber Production Zone (TPZ) (2013)
taxable value per acre

	Redwood region	Whitewood region	Pine-mixed conifer region (Sierra Nevada)	All regions
	\$ per acre			
Site I	205.00	145.00	113.00	154.33
Site II	167.00	107.00	81.00	118.33
Site III	145.00	91.00	61.00	99.00
Site IV	127.00	67.00	44.00	79.33
Site V	41.00	35.00	23.00	33.00
Average	137.00	89.00	64.40	96.80

PACIFIC COAST REGION (continued)

Table E.47 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: California, 2014

Tax Liability = 1 percent of Use (Taxable) Value:

Forest Land Tax Liability in Nonpreferential Classification: *Nonirrigated Cropland (Farmland Security Zones/Williamson Act)* Farmland Security Zone contracts are valued for property assessment purposes at 65 percent of its Williamson Act valuation, or 65 percent of parcel's Proposition 13 valuation, whichever is lower.

Tax Liability = NASS Fair Market Value (FMV) × 0.65 (65 percent assessment rate) × 0.01 (statewide tax rate)

	FMV	Taxable value (65 percent of FMV)	Tax liability (1 percent of taxable value)
	<i>\$ per acre</i>		
Nonirrigated cropland	3,600.00	2,340.00	23.40
Pastureland	2,000.00	1,300.00	13.00
Farmland	7,300.00	4,745.00	47.45

NASS values (2013).

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): Nonpreferential classification tax liability – Forest land tax liability

	Redwood region	Whitewood region	Pine-mixed region	All regions average
	<i>\$ per acre</i>			
Nonirrigated cropland	21.79	22.51	22.76	22.35
Pastureland	11.39	12.11	12.36	11.95
Farmland	45.84	46.56	46.81	46.40

Table E.48—Key Attributes of Principal Forest Property Tax Incentive Program: Hawaii, 2014

Program legal-common name	General Property Tax Program (tree farm property) ^a
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products
Agencies engaged in program administration	County Tax Assessor; District Administrative Board of Review; Board of Land and Natural Resources; Division of Forestry and Wildlife (Department of Land and Natural Resources); Department of Taxation; Tax Review Commission
Eligibility requirements	
Ownership and use limitations	General Property Tax Classification: Parcel suitable for raising commercial tree species and other forest products in quantities sufficient to establish a business supported by the sale thereof; land so identified is eligible for classification as a Tree Farm and may be located within an agricultural district or a conservation district; tree farm parcels may include parcels under lease having an unexpired term of less than 20 years; use of parcel for raising commercial tree species must not have a significant negative effect on native forest ecosystems; owner of parcel has the right to harvest timber within (a) an agricultural district, any new trees generated in accord with an agreed to forest management plan, (b) in a conservation district, any trees on degraded forest and pasture lands zoned for commercial forest use (harvest right is subject to the power of the State to protect health, safety, and welfare) (degraded forests are those that have had considerable disturbance, are altered from their natural state, and contain less than 20 percent crown canopy of native tree species). Native Forest Classification: Parcels 3 or more acres; 60 percent or more covered with native forest; forest management plan established and implemented; 20-year dedication to native forest classification; preferential agricultural tax rates applied.

Continued

PACIFIC COAST REGION (continued)

Table E.48 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Hawaii, 2014

Eligibility requirements (continued)	
Resource restrictions	Parcel must be suitable for the raising of, in sufficient quantity, commercial tree species and other forest products.
Application required	Application to Board of Land and Natural Resources; application must be signed by all persons having an interest in or holding any encumbrance upon the parcel.
Legal filing required	Board of Land and Natural Resources
Minimum/maximum area	Parcel not less than 10 acres; additional noncontiguous property of 5 acres or more if under the same ownership and in the same vicinity.
Commitment to program required (years)	Owner must establish and maintain trees of commercial species as specified in a forest management plan; classification as a tree farm requires owner and the Board of Land and Natural Resources to execute an agreement committing parcel to tree farm classification; tree farm classification requires owner commitment for a period of not less than 20 years; by written application, owner may withdraw at any time all or part of parcel from tree farm classification; agreement may be terminated and parcel declassified if, upon investigation, determination is made that parcel's owner has not complied with provisions of an agreed-to forest management plan.
Penalty for withdrawal from program	Return to general tax classification if provisions of an agreed-to forest management plan have not been followed; change in parcel's use to a nonconforming land use results in the imposition of a deferred or rollback tax.
Forest Management Plan	
Plan required	Approved management plan setting forth requirements for the application of good forestry management practices; applicant (all persons, if more than one) must formally agree to comply with approved plan; plan must be made available for public comment not less than 30 days before approval.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Preparer not specified; approver of plan is Board of Land and Natural Resources.
Plan implementation required	Plan periodically reviewed at intervals of no more than every five years (by Board of Land and Natural Resources); review must determine if owner has met the objectives in the management plan; plan may be altered (in consultation with owner) to be consistent with current management conditions and practices.
Notice of timber harvest required	Not specified
Special provisions for water, wildlife, open space	Use of parcel for raising commercial tree species must not have a significant negative effect on native forest ecosystems; for conservation districts, general reference to prohibited land use classifications that could lead to significant negative effects on efforts to preserve fragile ecosystems or on efforts to ensure sustainability of water supplies; use of land within conservation districts should be consistent with conditions necessary for forest growth and for the conservation and preservation of open space areas for public use and enjoyment.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Status of forest management plan implementation must be reviewed at intervals of no more than every five years by employees (or authorized agents) of the Board of Land and Natural Resources.
Basis for tax benefit provided	Value-based amount
Annual tax benefits provided^a	
Average net benefit per acre	\$17.95 per acre (2014) (based on approximately 53 parcels in Hawaii County [2014]; 67,900 records [Hawaii County, Agriculture and Native Forest Combined])
Total acres enrolled	577,500 (estimate)
Total net benefits	\$10,366,125
Number of participants in program	113,235 (estimate)

Continued

PACIFIC COAST REGION (continued)

Table E.48 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Hawaii, 2014

^a *Hawaii Revised Statutes*: Title 12 (Conservation and Resources), Chapter 183C (Conservation District), Chapter 186 (Tree Farms), Chapter 205 (Land Use Commission: Classification of Lands); Title 14 (Taxation), Chapter 246 (Real Property Tax Law); *Hawaii Administrative Rules*: “Rules for Establishing Tree Farms,” Chapter 186 (1993), Division of Forestry and Wildlife, Department of Land and Natural Resources; *Hawaii County Code*: Native Forest Dedications (Chapter 10, Article 8, Section 19-59).

^b Information Sources

http://www.hawaiipropertytax.com/tax_rates.html#. [Date accessed: December 2014].

[http://www.hawaiipropertytax.com/forms/RP%20Form%2019-59%20\(Native%20Forest%20Dedications%20Information\).pdf](http://www.hawaiipropertytax.com/forms/RP%20Form%2019-59%20(Native%20Forest%20Dedications%20Information).pdf). [Date accessed: December 2014].

https://www.realpropertyhonolulu.com/content/rpadcms/documents/2013/13_rec.pdf. [Date accessed: December 2014].

<http://www.ctahr.hawaii.edu/forestry/incentive.html>. [Date accessed: December 2014].

Personal Communication. September 3, 2014. Lisa Nahoopii, Real Property Assistant Administrator, Real Property Tax Office, County of Hawaii, Hilo Office, Aupuni Center, 101 Pauahi St., Hilo, HI 96720. lisa.nahoopii@hawaiicounty.gov.

In table E.48 the average net benefit per acre for forest land enrolled in Hawaii County’s Native Forest Dedication Program was determined as follows:

Forest Land Tax Liability in Preferential Classification: Native Forest Dedication Program (County of Hawaii)

Productivity level	Assessment value	Tax liability
<i>\$ per acre</i>		
Good	210.00	1.94
Average	60.00	0.55
Poor	14.00	0.13

Tax Liability = Assessment Value (per acre) × 0.00925 (average tax rate: 0.925 percent)

Agricultural Assessment Rates

Agricultural category	Current rate	
Intensive Agriculture		
Truck Crops, Nurseries, and Cut Flowers & Foliage		
5A	Non-dedicated	\$4,000
5B	Dedicated (10 years)	\$2,000
5C	Dedicated (20 years)	\$1,000 (no longer available)
Confined Animals, Aquaculture, and Bee-Keeping		
5P	Non-dedicated	\$4,000
5Q	Dedicated (10 years)	\$2,000
5R	Dedicated (20 years)	\$1,000 (no longer available)
State Diversified Agriculture Leases		
5Z	Non-dedicated	\$4,000
Orchards		
Fruit Trees, Nut Trees, and Vine Crops		
6A	Non-dedicated	\$3,000
6B	Dedicated (10 years)	\$1,500
6C	Dedicated (20 years)	\$750 (no longer available)
Feed Crops & Fast Rotation Forestry		
Forage & Biomass Crops		
7A	Non-dedicated	\$1,000
7B	Dedicated (10 years)	\$500
7C	Dedicated (20 years)	\$250 (no longer available)

Continued

PACIFIC COAST REGION (continued)

Table E.48 (continued)—Key Attributes of Principal Forest Property Tax Incentive Program: Hawaii, 2014

Agricultural Assessment Rates (continued)

Agricultural category (continued)		Current rate
Feed Crops & Fast Rotation Forestry (continued)		
Fast Rotation Forestry		
7P	Non-dedicated	\$1,000
7Q	Dedicated (10 years)	\$500
7R	Dedicated (20 years)	\$250 (no longer available)
Pasture, Slow Rotation Forestry, and Native Forest		
Good Pasture		
8A	Non-dedicated	\$420
8B	Dedicated (10 years)	\$210
8C	Dedicated (20 years)	\$105 (no longer available)
Native Forest—Comparable to Good Pasture		
8D	Native Forest (20 years)	\$210
Slow Rotation Forestry		
8E	Non-dedicated	\$420
8F	Dedicated (10 years)	\$210
8G	Dedicated (20 Years)	\$105 (no longer available)
Average Pasture		
8H	Non-dedicated	\$120
8I	Dedicated (10 years)	\$60
8J	Dedicated (20 years)	\$30 (no longer available)
Native Forest—Comparable to Average Pasture		
8K	Native Forest (20 years)	\$60
Poor Pasture		
8P	Non-dedicated	\$28
8Q	Dedicated (10 years)	\$14
8R	Dedicated (20 years)	\$7 (no longer available)
Native Forest—Comparable to Poor Pasture		
8S	Native Forest (20 years)	\$14
Restricted State Pasture Lease		
8Z	Non-dedicated	\$420

Forest Land Tax Liability in Nonpreferential Classification: Intensive Agriculture Classification

Productivity level	Assessment value	Tax liability
	\$ per acre	
Intense agriculture	2,000.00	18.50

Tax Liability = Assessment Value (per acre) \times 0.00925.
(average tax rate: 0.925 percent).

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (per acre): \$17.95 per acre (\$18.50 per acre – \$0.55 per acre)

PACIFIC COAST REGION (continued)

Table E.49—Key Attributes of Principal Forest Property Tax Incentive Programs: Oregon, 2014^a

Program legal-common name	General Property Tax Program (tree farm property) ^b
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife
Agencies engaged in program administration	County Tax Assessor; State Board of Forestry; Department of Forestry; Division of Private Forests (Department of Forestry); Division of Property Tax (Department of Revenue); Board of Property Tax Appeals (Department of Revenue); Department of Fish and Wildlife; Emergency Fire Cost Committee (Department of Forestry)
Eligibility requirements	
Ownership and use limitations	Forestland Classification: Forested parcel held or used for the predominant purpose of growing and harvesting trees of a marketable species; includes certain roads, but does not include buildings, structures, machinery, equipment, or fixtures erected on land. Small Tract Forestland Classification: Forestland having a higher value as commercial or residential property but designated to be used predominantly for growing and harvesting trees; annual property tax on designated STF is partially delayed until after timber is harvested (severance tax is imposed on harvested timber) and landowner is not eligible for any other special assessment programs; certain land used for growing hardwood timber may be assessed as farmland; exempt from taxes are owners of certain properties, including religious organizations, veterans and active duty military personnel; property tax assessment and rates differ according to regional location of parcel (eastern and western Oregon).
Resource restrictions	Forestland Classification and Small Tract Forestland Classification: Parcel must have sufficient trees to meet stocking and species standards of Oregon Forest Practices Act; if not, parcel may qualify if at least 20 percent (minimum 2 acres) of parcel meets such standards and if there exists a stocking plan focused on meeting the standards within five years; parcels not adequately stocked within five years are disqualified; property location and ability to grow timber determines amount of tax (eastern and western Oregon).
Application required	Forestland Classification: Application to county assessor; Small Tract Forestland Classification: Application to county assessor; application must contain all forest land acres in contiguous parcels of a single landowner.
Legal filing required	County tax assessor
Minimum/maximum area	Forestland Classification: Parcels must be at least 2 contiguous acres of forest land in one ownership. Small Tract Forestland Classification: Landowner must own at least 10 acres but less than 5,000 acres of forest land.
Commitment to program required (years)	Forestland Classification and Small Tract Forestland Classification: Parcel may be removed at discretion of landowner, although retroactive tax penalty may apply; parcel may retain preferential tax treatment if sold or legally transferred to a new owner.
Penalty for withdrawal from program	Forestland Classification: Failure to meet program standards results in disqualification for special tax treatment and subsequent payment of the difference between the tax paid for the previous five years and tax that would have been paid for the same five-year period had the land been taxed at real market value. Small Tract Forestland Classification: Failure to adhere to program requirements (land area, sale of property, change in use, stocking requirements) results in disqualification of special tax treatment and required reimbursement of special tax benefits; landowner not eligible to reenter program for five years.

Continued

PACIFIC COAST REGION (continued)

Table E.49 (continued)—Key Attributes of Principal Forest Property Tax Incentive Programs: Oregon, 2014^a

Forest Management Plan	
Plan required	Forestland Classification and Small Tract Forestland Classification: Required (a) stocking plan specifying actions to be taken to meet stocking standards considered acceptable for preferential tax classification (standards established by the Oregon Forest Practices Act), and (b) management plan specifying landowner's long-term objectives for use and management of parcel (tree species to be managed, protection of trees, long-term harvest plans, control of competing vegetation, stocking adjustments such as thinning).
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Qualified public or private forester; for certain activities and practices (such as timber harvesting) preparer must be a professional forester as defined by the Oregon Forest Practices Act.
Plan implementation required	As required by Oregon Forest Practices Act.
Notice of timber harvest required	As required by Oregon Forest Practices Act.
Special provisions for water, wildlife, open space	Certain riparian lands may be exempt from taxation; lands subject to conservation easements, designation as open space, and wildlife conservation and management receive special assessments for property tax purposes when managed in accord with terms of such designations.
Public access for recreation required	Not specified
Evidence of compliance required (frequency)	Initial inspection and subsequent reaffirmation of owner intent and condition of enrolled forest land.
Basis for tax benefit provided	Value-based amount.
Annual tax benefits provided^c	
Average net benefit per acre	Forestland Program (2013): \$2.03 (-\$0.24 per acre western Oregon; \$4.29 per acre eastern Oregon); Small Tract Forestland Program (2013): \$5.20 (\$4.74 per acre western Oregon; \$5.65 per acre eastern Oregon).
Total acres enrolled	Forestland Program (2013): 7,410,000 acres; Small Tract Forestland Program (2013): 655,134 acres.
Total net benefits	Forestland Program (2013): \$15,042,300; Small Tract Forestland Program (2013) \$3,406,697).
Number of participants in program	Forestland Program: 182,060 (estimate); Small Tract Forestland Program: Program: 14,309 (2013).

^a Table is a summary of multiple programs.

^b *Oregon Revised Statutes*: Title 29 (Revenue and Taxation), Chapter 307 (Exemptions), Chapter 308A (Land Special Exemptions and Tax Treatments: Easements, Riparian, Open Space, Wildlife Management), Chapter 321 (Timber and Forestland: Forest Valuation, Notice of Intent to Harvest, Small Tract Forestland Program, Special Assessment Western-Eastern Oregon); *Related Reports*: "Forestland Property Tax Manual: 2013," (2014), and "Special Assessment Programs for Forestland: 2010" (2014), Department of Revenue.

^c Information Sources

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<http://www.oregon.gov/DOR/STATS/Pages/statistics.aspx#property>. [Date accessed: December 2014].

Personal Communication. July 10, 2014. Matthew Frison, Timber Appraisal Analyst, Property Tax Division, Oregon Department of Revenue, 955 Center St. NE, Salem, OR 97301-2555. matthew.r.frison@oregon.gov.

PACIFIC COAST REGION (continued)

Table E.49 (continued)—Key Attributes of Principal Forest Property Tax Incentive Programs: Oregon, 2014

In table E.49 the average net benefit per acre for forest land enrolled in Oregon's Forestland Program and Small Tract Forestland Program was determined as follows:

Forestland Program:

Forest Land Tax Liability in Preferential Classification: Forestland Program

Productivity Values				
Forest land class	Productivity values		Tax liability	
	MSAV	SAV	MSAV	SAV
\$ per acre				
Western Oregon FA	622.86	1,012.00	9.98	16.22
Western Oregon FB	494.13	801.00	7.92	12.84
Western Oregon FC	413.83	673.00	6.63	10.79
Western Oregon FD	351.54	573.00	5.64	9.19
Western Oregon FE	233.88	380.00	3.75	6.09
Western Oregon FF	168.81	275.00	2.71	4.41
Western Oregon FG	70.55	117.00	1.13	1.88
Western Oregon FX	8.26	11.70	0.13	0.19
Western Oregon averages	295.48	480.34	4.74	7.70
Eastern Oregon	70.55	140.00	1.13	2.24
Western Oregon Average Tax Liability			6.22	
Eastern Oregon Average Tax Liability			1.69	

MSAV = Maximum Specially Assessed Value; SAV = Specially Assessed Value.

Tax Liabilities: Productivity Value x 0.01603 (Average Assessed Tax Rate for 2013).

Forest Land Tax Liability in Nonpreferential Classification: Assessed Farmland Liability

Average Assessed Farmland Value: \$373.19; Average Farmland Tax Liability: \$5.98

Forest Land Net Benefit of Preferential Classification

Forest land class	Western Oregon		Eastern Oregon	
	MSAV	SAV	MSAV	SAV
\$ per acre				
Average net benefit	1.25	-1.72	4.85	3.74
Average net benefit for region	-0.24		4.29	

MSAV = Maximum Specially Assessed Value; SAV = Specially Assessed Value.

Average Net Benefit (Tax Savings) per acre: (Farmland Liability) – (Forest land Liability).

PACIFIC COAST REGION (continued)

Table E.49 (continued)—Key Attributes of Principal Forest Property Tax Incentive Programs: Oregon, 2014

Small Tract Forestland Program:

Forest Land Tax Liability in Preferential Classification: *Small Tract Forestland Program*

Forest Productivity Values and Tax Liability, by Oregon Forest Land Class

Forest land class	Productivity values		Tax liability	
	MSAV	SAV	MSAV	SAV
<i>\$ per acre</i>				
Western Oregon FA	123.58	202.40	1.98	3.24
Western Oregon FB	98.06	160.20	1.57	2.57
Western Oregon FC	81.92	134.60	1.31	2.16
Western Oregon FD	69.83	114.60	1.12	1.84
Western Oregon FE	45.65	76.00	0.73	1.22
Western Oregon FF	33.54	55.00	0.54	0.88
Western Oregon FG	13.36	23.40	0.21	0.38
Western Oregon FX	1.30	2.34	0.02	0.04
Western Oregon averages	58.41	96.07	0.94	1.54
Eastern Oregon	13.36	28.00	0.21	0.45
Western Oregon Average Tax Liability			1.24	
Eastern Oregon Average Tax Liability			0.33	

MSAV = Maximum Specially Assessed Value; SAV = Specially Assessed Value.

Productivity Values: 20 percent of those listed under Forestland Program.

Tax Liabilities: Productivity Value x 0.01603 (Average Assessed Tax Rate – 2013).

Forest Land Tax Liability in Nonpreferential Classification: *Assessed Farmland Liability*

Average Assessed Farmland Value: \$373.19; Average Farmland Tax Liability: \$5.98

Forest Land Net Benefit of Preferential Classification

Average Net Benefit (tax savings per acre): (Farmland Liability) – (Forest Land Liability)

Forest Land Net Benefit of Preferential Classification

Forest land class	Western Oregon		Eastern Oregon	
	MSAV	SAV	MSAV	SAV
<i>\$ per acre</i>				
Average net benefit	5.05	4.44	5.77	5.53
Average net benefit for region	4.74		5.65	

MSAV = Maximum Specially Assessed Value; SAV = Specially Assessed Value.

Productivity Values: 20 percent of those listed under Forestland Program.

PACIFIC COAST REGION (continued)

Table E.50—Key Attributes of Principal Forest Property Tax Incentive Programs: Washington, 2014^a

Program legal-common name	Designated Forestland and Open Space Timber Programs ^b
Fundamental type of tax	Modified Rate-Assessment Tax (current use)
Principal statutorily defined ecosystem services of interest	Integrity and Sustainability of Forests, Open Space and Scenic Resources, Production of Timber and Fiber Products, Protection and Supply of Fish and Wildlife, Protection and Supply of Water, Recreational Uses and Resource Preservation
Agencies engaged in program administration	County Tax Assessor; County Board of Equalization; Board of Natural Resources; Forest Practices Board; Division of Forest Resources (Department of Natural Resources); Department of Revenue; State Board of Tax Appeals
Eligibility requirements	
Ownership and use limitations	Designated Forestland Classification: Parcel of land that is devoted primarily to growing and harvesting timber (defined as forest trees, standing or down); parcel may include (a) land used for incidental uses deemed compatible with the growing and harvesting of timber, but no more than 10 percent of parcel's area, and (b) land area which has appurtenances necessary for the production, preparation, or sale of the timber products. Open Space Timber Classification: Land area designated as open space by an official comprehensive land use plan of a county and zoned accordingly, or any land area, the preservation of which would promote separately or in combination objectives such as the following: (a) conserve and enhance natural or scenic resources, (b) protect streams or water supplies, (c) promote conservation of soils, wetlands, beaches, or tidal marshes, (d) enhance the value of neighboring parks, forests, wildlife preserves, nature reservations, or sanctuaries (e) enhance recreation opportunities, (f) preserve historic sites, (g) preserve visual quality along highway, road, and street corridors or scenic vistas; various nonprofit organizations are exempt from property taxes generally, regardless of land classification as are certain classes of veterans and their widows.
Resource restrictions	County assessors rely on various indexes of productivity (tree species, site productivity indexes, operation classes, geographic regional variations) to certify forest land values when preparing property valuation rolls. Such indexes are not used as conditions for property classification and program eligibility.
Application required	Application to county tax assessor (must act on application within six months of receipt)
Legal filing required	County assessor
Minimum/maximum area	Designated Forestland Classification: Parcel of land 20 or more acres or multiple parcels of land that are contiguous and total 20 or more acres. Open Space Timber Classification: Parcel of land 5 or more acres or multiple parcels of land that are contiguous and total 5 or more acres.
Commitment to program required (years)	Designated Forestland Classification: Parcel may be removed from designation any time at request of landowner or by determination of county tax assessor if assessor determines that the land is no longer being used to grow timber, or restocking has not occurred in a specified period of time, or a violation of the State's forestry practices law has occurred. Open Space Timber Classification: Parcel continues in classification until request for removal is made by owner; land may not be used for any other purpose for at least 10 years; eight years from the classification date, the owner may request withdrawal, and the request is irrevocable.
Penalty for withdrawal from program	Designated Forestland Classification: If land is removed (by county assessor or at request of landowner), owner may be required to pay a compensating tax to the county, namely annually accumulated difference in tax rates occurring over a period of up to 10 years. Open Space Timber Classification: If land is removed (by county assessor or at request of landowner), owner becomes liable for an additional tax which is the difference between the taxes paid and the taxes which would have been paid but for the open space classification, for the preceding seven years plus interest. In the event of a land use change that is not in compliance with the authorized withdrawal after eight years, the owner becomes liable for the additional tax plus a 20 percent penalty.

Continued

PACIFIC COAST REGION (continued)

Table E.50 (continued)—Key Attributes of Principal Forest Property Tax Incentive Programs: Washington, 2014^a

Forest Management Plan	
Plan required	Designated Forestland Classification and Open Space Timber Classification: Timber management plan required; plan must focus on the use of the land to grow and harvest timber; information in plan may include: whether land is held in contiguous ownership of 5 or more acres and is primarily devoted to growing and harvesting timber; if the land has been harvested, the owner's plan to restock the land within three years; whether the land has been used in compliance with the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of the State's forestry practices law; approved Forest Stewardship Plan (Washington Department of Natural Resources Forest Stewardship Program) will usually meet the requirements for a timber management plan.
Effective duration of plan specified	Not specified
Qualified preparer or approver required	Prepared by a trained forester, or any other person with adequate knowledge of timber management practices.
Plan implementation required	Timelines for implementing management practices and harvest activities are specified in forest management plan.
Notice of timber harvest required	Required by the State forestry practices law.
Special provisions for water, wildlife, open space	Provisions for recognizing uses considered compatible with the growing and harvesting of timber, and provisions for preserving various uses and practices within designated open space.
Public access for recreation required	Open Space Timber Classification: Public access not required on land established to promote conservation of wetlands.
Evidence of compliance required (frequency)	Annual reviews and inspections as to use and condition of enrolled parcels.
Basis for tax benefit provided	Value-based amount (based on forest productivity)
Annual tax benefits provided^c	
Average net benefit per acre	Designated Forestland: \$1.22 per acre; Open Space Timber: Not determined.
Total acres enrolled	Designated Forestland: 3,031,199 (5,891,000—high estimate, 171,398—low estimate) (2013); Open Space Timber: 121,023 (2013).
Total net benefits	Designated Forestland: \$3,698,063 (\$7,187,020—high acreage estimate, \$209,106—low acreage estimate); Open Space Timber: Not determined.
Number of participants in program	Designated Forestland: 171,250 (estimate); Open Space Timber: Not determined.

^a Table is a summary of multiple programs.

^b *Washington Revised Code*: Title 76 (Forests and Forest Products), Chapter 9 (Forest Practices and Forest Practices Board); Title 84 (Property Taxes), Chapter 9 (General Provisions), Chapter 33 (Timber and Forest Lands), Chapter 34 (Open Space, Agricultural, Timber Lands — Current Use — Conservation Futures), Chapter 36 and 39 (Exemptions); *Washington Administrative Code*: Title 458 (Department of Revenue), Chapter 40 (Taxation of Forest Land and Timber), Section 530 (Property Tax, Forest Land: Land Grades and Operability Classes); Open Space Taxation Act: Fact Sheet" (2014), "Designated Forest Land: Fact Sheet" (2014), "Consolidation of Current Use Timberland Classification and Designated Forest Land Program" (2014), Property Tax Division, Department of Revenue.

^c Information Sources

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Personal Communication. August 15, 2014. Mark Lo, Tax Specialist, Washington Department of Revenue, P.O. Box 47471, Olympia, WA 98504-7471. mark.lo@dor.wa.gov.

PACIFIC COAST REGION (continued)

Table E.50—Key Attributes of Principal Forest Property Tax Incentive Programs: Washington, 2014

In table E.50 the average net benefit per acre for forest land enrolled in Washington's Designated Forestland and Open Space Timber Programs was determined as follows:

Forest Land Tax Liability in Preferential Classification: *Designated Forestland and Open Space Timber*

Average Property Tax Rate (2013): 1.0248 percent (\$12.48 per \$1,000)

Average Tax Liability (2013):

Designated Forestland—\$4.44 per acre ($\355.99×0.01248)

Open Space Timber—\$39.66 per acre ($\$3,178.41 \times 0.01248$)

Forest Land Tax Liability in Nonpreferential Classification: *Farm and Agriculture Use*

Farm and Agriculture Use: \$5.66 per acre ($\453.47×0.01248)

Forest Land Net Benefit of Preferential Classification

Designated Forestland:

Farm and Agriculture Use (\$5.66) – Designated Forestland (\$4.44) = \$1.22 per acre net benefit

Open Space Timber:

Farm and Agriculture Use (\$5.66) – Open Space Timber (\$39.66) = –\$34.01 per acre net benefit.

Kilgore, Michael A.; Ellefson, Paul B.; Funk, Travis J.; Frey, Gregory E. 2017. State property tax incentives for promoting ecosystem goods and services from private forest land in the United States: a review and analysis. e-Gen. Tech. Rep. SRS-228. Asheville, NC: U.S. Department of Agriculture Forest Service, Southern Research Station. 174 p.

Financial incentives provided by State property tax programs are a means of promoting ecosystem services from private forest land. Identified by this 50-State 2015 review, categories of ecosystem services frequently promoted by such programs are open space and scenic resources, conservation of soils and wetlands, protection and supply of fish and wildlife, protection and supply of water, production of timber and fiber products, recreational uses and resource preservation, and integrity and sustainability of forests. Focusing on the promotion of these services, preferential property programs required participants to meet certain conditions, including proof of legitimate ownership and use of forest land, appropriate size of parcel and forest conditions, implementation of a professionally prepared forest management plan, informing authorities of intent to harvest timber, engaging in reviews and inspections, and acceptance of the imposition of financial or procedural penalties. Implementation of these conditions required actions by various agencies in many levels of government, most frequently offices of local governments, citizen advisory committees and boards, tax review appeals and equalization boards, forestry boards and commissions, forestry divisions within State natural resource departments, and State departments of finance and revenue. In 2014, promotion of ecosystem services from private forest land involved 58 different State property tax programs enrolling nearly 210 million acres of forest land nationwide. With enrollment in any one program ranging from 400 to more than 413,000 participants, more than 3.85 million participants were the immediate beneficiaries. These participants cumulatively received more than \$1.61 billion in annual property tax reduction for purposes of promoting ecosystem services. The annual value of this reduction was an acre-weighted average of \$7.68 per acre.

Keywords: Ecosystem services, private forest land, property tax programs, tax incentives.



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