Reserve Forestland Report Summary

DEPARTMENT OF FORESTS, PARKS, AND RECREATION

February 16, 2022

Background

2021 Legislative Session - Draft legislation proposed a new Use Value Appraisal (UVA) enrollment subcategory called Reserve Forestland. Land enrolled in this category would need to be managed for the purpose of attaining old forest values and functions.

June, 2021 - the Commissioner of the Department of Forests, Parks and Recreation (FPR), received a request by Committee Chair, Representative Amy Sheldon, to provide input on possible standards to implement this proposed new subcategory.

October, 2021 – FPR drafted a report as a good faith response to the request outlining a possible approach for implementing the proposed Reserve Forestland enrollment subcategory.

Context to Consider a Reserve Forestland Approach

- Use Value Appraisal is critical to support Vermont’s working forest landscape and a vibrant forest economy.
- Maintenance of a vibrant forest economy is among Vermont’s key strategies to keep our forests.
- Each forest condition -- young, maturing, old, managed, and unmanaged -- all make unique contributions to the benefits that forests provide. For this reason, it must be acknowledged that no acre of forestland can maximize all values or functions.
- Management approaches that support healthy forests should be viewed as complementary and necessary to realize all the benefits that forests provide for Vermont.
- It is estimated that old forests currently constitute less than 1% of Vermont's forestland.
- In UVA, family-owned forestland is not eligible to be managed for old forest using passive management at the parcel scale.

Primary Objectives of Approach

Objective 1: Maintain the primary purpose and outcome of the forestland category of UVA as: keep forestland in productive use.

Objective 2: Reduce the barriers to achieving old forests on UVA enrolled forestlands at a scale and pattern that helps Vermont benefit from old forests' values.

Reserve Forestland Eligibility – As Considered in Report

Parcels with 30% or more of enrolled acres that are comprised by site features described in the report at **"Significant or Sensitive Conditions"** that:

1. prevent timber management (steep slopes, etc.) and, or;

2. provide a strong ecological (or appropriate historical/cultural) basis for managing for values other than sawtimber;

Could be eligible Reserve Forestland and be managed for old forest without timber as a required objective.

What the Strategy Is and Is Not:

IS A STRATEGY THAT WOULD

Expand eligibility of restorative or passive management for old forests in UVA.

Maintain and complement the working lands focus of the program by targeting opportunities for attainment of old forests on those lands that have significant or sensitive ecological conditions.

Reduce barriers for eligibility of parcels with forever wild easements.

Support continued active management on those parcels with the fewest barriers to active management.

IS NOT A STRATEGY THAT WOULD

Maximize eligibility of old forest across the program.

Directly incentivize easements by conditioning eligibility on existence of an easement.

Fully or exclusively address the old forest targets in VCD.

UVA Eligible Parcels

A minimum of 25 acres will be enrolled as Forestland and a minimum of 20 acres are forested productive soils.

≥ 30% of Enrolled Parcel *(all UVA enrolled acres: Forestland plus Agricultural Land)* meets Significant or Sensitive Conditions

Any existing Ecologically Significant Treatment Areas (ESTAs)	Site IV lands	Special Places and Sensitive Sites	Steep slopes greater than 35%

All Forestland is Now Eligible for the Reserve Forestland Subcategory

Land enrolled in Reserve Forestland must be managed to advance old forest characteristics

Evaluation of Productive Forestland with a Reserve Forestland Subcategory						
UVA Status	Number of Parcels Meeting Threshold	Total Number of Parcels	Percent of Parcels Eligible	Total Acres of Significant Sensitive	Acres of Forestland Eligible for Reserve Forestland	Percent of Forest Landbase Eligible
Enrolled UVA Parcels	4,326	15,716	28%	339,673	629,899	32%
Eligible UVA Parcels	3,561	12,859	28%	143,049	230,210	30%

Additional details and explanation of these calculations are found on page 25 and 26 of the FPR's report: Considerations for a Reserve Forestland Subcategory in Vermont's Use Value Appraisal Program

Financial Considerations

General Fund and Education Fund – Difficult to estimate. Changes in enrollment of already enrolled parcels will have a minimal impact because the landowners are already receiving benefits. These parcels make up most of the eligibility potential. However, new enrollments of currently unenrolled parcels based on new management options would have an impact on program costs and the information necessary to estimate new enrollments is not available.

Forest Economy – There are many unknowns (articulated in the report) that make it difficult to assess how this approach could affect the forest economy. Most critically, any approach considered to advance old forest on UVA enrolled land is balanced with maintenance of working forestland – this approach does this in part by systematically limiting which lands are eligible for enrollment in Reserve Forestland.

FPR Implementation - Adding an enrollment category and associated requirements adds to the administrative needs and costs of the UVA program – already chronically understaffed at FPR and Tax (PVR) and may result in some expansion of enrollment. It is possible that 1 FTE would be necessary for the first 2 years of implementation and .7 FTE thereafter.

PVR Implementation – PVR and FPR administer UVA together. There would be administrative costs for PVR but they have not been estimated or evaluated by FPR.

Conclusion

Vermont needs forests. We need both more old forest and to maintain working forests. While there can be tension between these goals, if thoughtfully pursued, they are not just compatible, they can be complementary.

A strategically balanced and workable approach is possible to continue to support working lands while accelerating attainment of old forests/old forest function at a scale and in a pattern that could support significant progress toward old forest targets – and benefits -- in Vermont.