

# Council of Forest Resource Organizations

*Landowners, Forest Products Industry, and Professional Foresters  
Working Together to Improve New York's Forest Resources*

## 2006 Legislative Priorities

### Assessment of Standing Timber

**Objective:** *Exclude trees from the definition of real property for the purpose of property tax assessment.*

**Rationale:** The Office of Real Property Tax Services has begun to advise municipalities on how to value trees and include this value in assessing forested ownerships. Some municipalities are now including the value of standing timber in the assessment of forested parcels while others have raised concerns about the difficulty inherent with valuing trees. The basis for these assessments is Section 102.12(a) of the Real Property Tax Law, which includes “trees” in the definition of real property. This practice is relatively new and shifts more value and thus more taxes onto forested ownerships. Contrary to the public interest, this tax shift creates a financial climate that discourages sustainable forest management and increases the pace of forest fragmentation. The Council requests a change in statute or interpretation that recognizes and treats standing timber as a forest crop instead of a permanent improvement to real property. [**Note:** The Council supports A.6638, a bill to exclude the value of trees for the purposes of real property assessment, and remains open to other means of achieving the same objective].

### School Tax Credit for Forestland

**Objective:** *Enact a refundable income tax credit to phase out school taxes on forested parcels over a ten-year period.*

**Rationale:** Rapidly escalating school taxes and increasing land values are making long term forest stewardship economically unsustainable in New York State. The Public Policy Institute of NYS released a report in May of 2005 showing school taxes increasing, on average, at a rate of 7.1 percent this year. At that rate of increase school taxes on forest land will more than double within the next 12 years. The private forests of New York State are being converted to developed uses at an alarming rate. This conversion threatens the viability of intact forest habitats, the forest industry of the state and the quality of our air and water. Governor Pataki and the State Legislature created just such a credit for farm land during the Governor's first year in office. The Council supports the

expansion of the current program or development of a new refundable income tax credit that would phase out school taxes on forested parcels over a ten year period.

### **Property Tax Reduction for Conservation Easements**

**Objective:** *Enact legislation to reduce property tax assessments by value of conservation easements, and require State payment of school and property taxes on value of easements.*

**Rationale:** No single initiative would do more to encourage forest landowners to protect their lands from development and cement Governor Pataki's legacy as the greatest protector of open space in the State's history than to extend the provisions of Section 533 of the Real Property Tax Law statewide and to conservation easements held by not-for-profit conservational organizations. Privately owned forestland remains one of the most significant open space resources of New York State. The acquisition of easements on these tracts of land can provide future New York State residents with a legacy of open space, clean air and water, diverse wildlife habitat, and sustainable timber resources. However, the lack of property tax relief for easements held by private land trusts (and by the State outside the Adirondacks, Catskills, and certain other areas) deters forest landowners from conveying easements. It is the Council's position that the property tax assessment of forestland encumbered by all conservation easements should be reduced by the appraised value of the easement, and that the property and school taxes due on that value should be paid by the State. An expanded Environmental Protection Fund is an appropriate source for making such State payments. [**Note:** The Council supports A.3620/S.1838 and A.4463/S.2810, but points out that these bills would provide little incentive to out of state, not for profit, and other landowners who are not in a position to take advantage of New York State income tax credits.]

### **State Funding for Forest Inventory and Analysis**

**Objective:** *Continued investment of State funds to ensure that forest inventory data for New York State are current.*

**Rationale:** The USDA conducts a periodic forest inventory to determine the status, health, productivity and timber volume in the forests of the U.S. New York State has invested additional funds to enhance the inventory and reduce the interval between surveys. This information is vital for both private and public decision-making. It allows public agencies, nonprofits and citizens to assess the

health, biological diversity and economic potential of forest land within the state. At the same time, many wood-using businesses use this information to make decisions regarding expansion or development of new production facilities. The Council of Forest Resource Organizations supports the continuing investment of state funds to insure that the forest inventory data for the State are current and timely.