

Service Area Plan

Department of Forestry

Reforestation Incentives to Private Forest Land Owners (50102)

Service Area Background Information

Service Area Description

This service area consists of administering the Reforestation of Timberlands Act (RT) and implementation of the cost share program pursuant to the Act. This service area is available as a result of a self - imposed forest products tax by the forest products industry. The agreement is between the General Assembly and the forest products industry in Virginia designed to meet the alarming shortfall of pine resource forecasted by forestry leaders. At the time of the RT Act, it was widely recognized that more pine timber resources were being harvested than being reforested. It is the RT Act which caused the reverse in the decline of the pine resource by providing financial incentives to the private landowner to invest in pine reforestation across Virginia.

The DOF, upon request of a landowner, examines timberland and makes recommendations concerning reforestation. DOF may make available to landowners, with or without charge, use of specialized state-owned equipment and tree seedlings, tree seed, materials, and services of professional personnel for the purpose of preparing land for reforestation and reforesting land devoted to growing timber, in accordance with administrative regulations.

Upon the completion of each separate reforestation project in accordance with the recommendations and approval of the State Forester, the DOF determines the total cost of the project including money paid or payable to a contractor for services performed on the project, for labor, and for other costs incurred by the landowner, including a standard rental rate value for use of state-owned equipment and the cost of tree seedlings, tree seed, materials, and specialized state personnel used on the project. The State Forester, from funds appropriated for the purposes of this article, may pay to the landowner an amount not to exceed seventy-five percent of the total cost of the project.

Service Area Alignment to Mission

This service area aligns directly with the DOF's mission to protect and develop healthy, sustainable forest resources for Virginians. DOF encourages greater reforestation in the Commonwealth through the authority to offer financial incentives to forest landowners to invest in trees for the long term. In addition, this area aligns directly with the long - term objectives for Virginia to protect, conserve and wisely develop our natural, historical, and cultural resources.

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Service Area Statutory Authority

§ 10.1-1170. Administration of article.

The State Forester shall administer the provisions of this article, including the protection, preservation and perpetuation of forest resources by means of reforestation to allow continuous growth of timber on lands suitable therefore, and is authorized to employ personnel; purchase equipment, materials, and supplies; maintain and transport equipment; and make other expenditures and payments authorized by law, and as directed by the regulations adopted for the administration of this article. In any one fiscal year, the expenditures for salaries of administrative supervisory personnel shall not exceed ten percent of the general fund appropriation and forest products taxes collected and deposited in the Reforestation of Timberlands Fund as provided in § 10.1-1174 for that particular year.

§ 10.1-1171. Exceptions.

A. This article shall not apply to any tract of land in excess of 500 acres under the sole ownership of an individual, corporation, partnership, trust, association, or any other business unit, device, or arrangement.

B. This article shall not apply to any acre or part of an acre on which the landowner is receiving federal financial assistance for growing timber.

§ 10.1-1172. Reforestation Board; regulations.

The Reforestation Board shall be appointed by the Governor and consist of the following members: three representatives of the pine pulpwood industry, three representatives of the pine lumber industry, one of whom shall be the owner of a sawmill annually producing not more than five million board feet, and three small forest landowners. The State Forester shall be a nonvoting member of the Reforestation Board and shall serve as secretary of the Board.

All members shall be appointed for three-year terms and appointed members may not serve for more than two consecutive terms.

The Reforestation Board shall annually elect a chairman and shall formulate regulations for its organization and procedure.

The Reforestation Board shall meet not less than twice each year, at such location as it may designate, to formulate recommendations to the State Forester concerning regulations and other matters applicable to this article including, but not limited to, types of equipment to be purchased, rental rates for equipment, and reforestation practices.

§ 10.1-1173. Authority of State Forester; reforestation options; lien.

The State Forester is authorized, upon the request of a landowner, to examine timberland and make recommendations concerning reforestation. He may make available to landowners, with or without charge, use of specialized state-owned equipment and tree seedlings, tree seed, materials, and services of specialized state personnel for the purpose of preparing land for reforestation and reforesting land devoted to growing timber, in accordance with administrative regulations.

Upon the completion of each separate reforestation project in accordance with the recommendations and approval of the State Forester, the State Forester shall determine the total cost of the project including money paid or payable to a contractor for services performed on the project, for labor, and for other costs incurred by the landowner, including a standard rental rate value for use of state-owned equipment and the cost of tree seedlings, tree seed, materials, and specialized state personnel used on the project.

The following incentive to reforesting land may be utilized by the State Forester: whenever a landowner completes a reforestation project in accordance with the recommendations and approval of the State Forester, through the use of his own equipment, material and personnel, or through the employment of a contractor where no state equipment, materials or personnel are used, or are used only in part, the State Forester shall determine the total cost of the project based on current commercial rental rate for machines similar to types used, cost of material, and cost of personnel where the landowner does his own work on the project, or based on the contractor's statement of cost or paid receipts furnished by the landowner where work is done by a

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contractor together with and at the standard rental value for use of any state-owned specialized equipment, tree seedlings, tree seed, materials, and specialized state personnel used on the project. The State Forester, from funds appropriated for the purposes of this article, may pay to the landowner an amount not to exceed seventy-five percent of the total cost of the project, as above determined, or ninety dollars per acre, whichever is the lesser.

§ 10.1-1174. Reforestation of Timberlands Fund.

All moneys paid to or collected by the State Forester for rental equipment, tree seedlings, seed and material furnished, and specialized personnel services rendered to a landowner and all moneys collected or received from settlement of liens, including principal, interest and fines, authorized under this article shall be paid into the state treasury. All such moneys shall be credited by the State Comptroller as special revenues to the Reforestation of Timberlands Fund of the Department of Forestry to be expended solely for reforesting privately owned timberlands of the Commonwealth as provided in this article.

§ 10.1-1175. Certain rights of landowner not limited.

This article shall not limit the right of any landowner to contract with individuals, organizations, and public bodies to provide for the utilization of the land for recreational purposes, or to grant open space easements over the land to public bodies.

§ 10.1-1176. When provisions of article effective.

This article shall not be effective during any biennium for which the General Assembly fails to appropriate from the state general fund a sum which equals or exceeds the total revenues collected from the forest products tax for the immediately preceding two years; a report of such sum shall be submitted by the State Forester to the Governor on or before November 1 of the last year of the preceding biennium

Service Area Customer Base

Customer(s)	Served	Potential
Private forest landowners	1,400	300,000

Service Area Partners

Virginia Forest Industry

The forest products industry whose revenues are taxed, collected and set aside for the RT Act Fund is the primary partner. The forest industry recommended and accepted the self-imposed forest products tax to insure future forest products in the Commonwealth. Because of the industry support, the Commonwealth only has to match the revenues used in reforestation efforts. This appropriation shall be deemed sufficient to meet the provisions of the Titles 10.1 and 58.1 of the Code of Virginia in the Appropriations Act.

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Service Area Products and Services

- Provide forest management planning and scientific recommendations for reforestation to ensure appropriate tree species on the different sites and the proper silvicultural management of each.
- Provide technical information and assistance to landowners to help landowners initiate reforestation establishment and improvement projects.
- Assess forest resources of private landowners and provide specific recommendations to achieve desired reforestation and forest management results.
- Coordinate the work of tree planting and tree improvement contractors who perform work for private landowners to ensure the work is completed in accordance within acceptable forestry guidelines.
- Develop, administer and implement regional and statewide contracts for forestry services (planting and aerial spraying) to competitively bidded and awarded contractors for the establishment and improvement of private forestland.
- Provide source for tree seedlings and plant materials to accommodate the specific forestry goal on private forestland.
- Administer cost share assistance and guidance through state programs to private forestland owners.
- Conduct assessments and checks to assure quality assurance on silvicultural projects of private forest landowners.
- Follow-up with recommendations to improve silvicultural projects on private forestland.
- Provide forestry information and education products and services regarding silvicultural operations to private forestland owners increase their awareness of available help and resources available to assist them.
- Train internal staff and partners on appropriate silvicultural practices for private forestlands.
- Track all planting and improvement accomplishments annually on Virginia's private forestlands and complete and share report to show annual accomplishments
- Provide specialized forest establishment equipment for rental and use for reforestation work on private forestlands.
- Support tree improvement work by providing \$176,000 to the Tree Improvement program to assure forest landowners of the highest quality genetically superior forest seedlings for the future.

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Factors Impacting Service Area Products and Services

Funding is the principal factor impacting products and services in this service area. Funding is provided from two sources. First, the forest products industry agreed with the General Assembly of Virginia to provide a law requiring a self imposed timber products tax. The amount collected from the industry is by law to be matched by General Fund in a like amount and the total must be used to provide the establishment and improvement of the pine resource. This helps assure a pine resource will be available in the future. The collection of the forest products tax and the subsequent matching from the General Fund can impact this service area.

The RT program is administered by employees of the DOF. Full staffing is an important factor which can impact this service area.

Anticipated Changes To Service Area Products and Services

When funds are decreased, the program will serve less private forestland owners with reforestation and forest improvement. Landowners will delay forestry projects or cancel the projects until funding is available.

Increases in funds have a positive affect on forestry and private forest landowner willingness to invest money into forestry long term practices. The incentive from cost share reimbursement helps reduce the initial costs and increase the yield to the landowner who must wait approximately 20 years before the first thinning and coincidentally the first revenue from the investment.

Service Area Human Resources Summary

Service Area Human Resources Overview

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date:	
Total Authorized Position level	0
Vacant Positions	0
Non-Classified (Filled).....	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0

Factors Impacting Service Area Human Resources

Anticipated Changes in Service Area Human Resources

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Service Area Financial Summary

DOF is responsible and charged by the Code of Virginia to administer the Reforestation of Timberlands Act and funds. The RT program was designed by agreement between state government and forest industry to create a self imposed forest products tax on raw forest products as they are harvested and matched by a like amount of funding from the Commonwealth of Virginia through the General Fund. The purpose of the funds collected from the RT program is to assist forest landowners with financial incentives to establish and maintain pine resources on their land. The RT program provides for partial reimbursement of the landowner's expenses and DOF is the lead state agency in implementing procedures, program oversight and accounting of the funds.

Reforestation Incentives to Private Forest Landowners receives funding from General Fund Appropriations (34%), and special revenue funds (66%). The Special revenues in this service area are primarily from forest products taxes and expenses are primarily for incentive payments to small timber owners for reforestation. The reference to percentage of funding refers only to the base budget and not the changes to the base budget.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$750,000	\$1,436,554	\$750,000	\$1,436,554
Changes To Base	\$467,324	\$20,109	\$467,324	\$20,109
SERVICE AREA TOTAL	\$1,217,324	\$1,456,663	\$1,217,324	\$1,456,663

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Service Area Objectives, Measures, and Strategies

Objective 50102.01

Approve and complete pine reforestation and improvement practices on sufficient areas to maintain the pine forest resource for Virginia.

The pine resource provides the most significant economic impact to Virginia's forest based economy. The pine resource is an economic based tree species which can produce the most growth, value and benefit under active management. The Reforestation of Timberlands program provides financial incentives, technical expertise, and specialized equipment for land preparation, tree planting, and follow-up timber stand improvement.

This Objective Supports the Following Agency Goals:

- Improve the stewardship, health, and diversity of the forest resources.
(The Reforestation of Timberlands Act provide cost share funding incentives and technical expertise to achieve the pine planting and improvement component of this goal.)

This Objective Has The Following Measure(s):

- **Measure 50102.01.01**

Establishment and improvement of pine resources

Measure Type: Input **Measure Frequency:** Annually

Measure Baseline: The baseline is the number of acres of land established to pine and the number of acres of pine improvement. The baseline consists of the annual average of 54000 acres calculated from 1996 to 2005. The number fluctuates with budget.

Measure Target: The measure target for planting and improvement is 50,000 acres.

Measure Source and Calculation:

DOF employees account for all tree planting and timber stand improvement practices completed on private forest land as of result of the use of RT financial incentives. The number of acres counted as planted and improved from each county using RT funding incentives are entered into DOF information management system.

Objective 50102.01 Has the Following Strategies:

- Develop consistent regionally -based planting contracts.
- Analyze harvesting data to identify potential regeneration sites.
- Provide seed and seedlings to meet reforestation needs
- Accurately report natural and artificial pine regeneration accomplishments
- Develop promotional campaign on artificial regeneration on abandoned lands.