

## **“HOW TO’S” FOR QUALIFYING LAND IN THE TIMBER CLASSIFICATION (QUESTIONS & ANSWERS)**

*This information is to provide assistance to private landowners in determining if they wish to have their property(s) classified as managed productive timberlands. It explains how and what is required of the landowner and the land to qualify for a timber classification by answering some of the most commonly asked questions. If you need further assistance, we would be happy to meet with you through a scheduled appointment. Ask for the Timber and Agriculture Department, Bonner County Assessor’s Office, 1500 HWY 2, Suite 205 Sandpoint Idaho 83864 (208)-265-1440.*

- 1) How do I **qualify** lands for the timber program, and when?
  - a) The minimum acreage is 5 contiguous acres, fully stocked with trees, excluding **any** land allocated to improvements. You need to apply whenever land status or ownership changes. **Don’t take anything for granted**, especially when dealing with timberland classifications.
  - b) Fully stocked means the land is stocked with the optimum number of trees that can successfully grow in an area based on size of stem or diameter. The larger the tree diameter, the fewer trees per acre the ground will adequately support. We use the following rule of thumb:
    - seedlings to saplings (0-3” in diameter), 400 to 300 trees per acre or a tree every 10 to 12 feet apart
    - post & poles to small saw logs (4-10” in diameter), 300 to 200 trees per acre or a tree every 12 to 15 feet apart
    - saw logs (11+” in diameter), 150 to 125 trees per acre or a tree every 16 to 40+ feet apart.Most lands will have a mixture of all these sizes within 5 years after a substantial harvest, so use an average spacing of 10 to 15 feet between trees.
  - c) Improvements are anything attributed to the land that changes the functional use of the land. Examples are clearing for a home site, public right of way, utilities easement, clearing for other uses (agriculture, recreational etc.), any buildings, etc. (The smaller the acres, the more critical these are in qualifying land.)
  - d) Applicants will be required to prepare a detailed, viable and workable, written **management plan**. It needs to address present and future needs recommended for the timber stand within the ownership. One plan can cover multiple parcels as long as they are contiguous and each parcel is individually identified within the context of the plan. Plans must be updated as harvesting occurs.
  
- 2) What does **contiguous** parcels or acres mean?
  - a) Contiguous acres are individual acres that join or touch each other’s boundaries and are under the same **exact** ownership. For instance, 5 one-acre parcels can qualify for timber as long as they are all touching each other, there are no improvements, they are fully stocked and managed for the production of timber as a crop, and the ownership is exactly the same.
  - b) You can have 100 acres of 1 to 4.99-acre lots within the county, but if they do not touch other parcels of the same ownership none will qualify for the timber classification.
  - c) Parcels divided by a road, easement, creek or rights-of-way, etc. are still considered contiguous as long as they are adjacent to one another and the ownership is the same.
  - d) They are not considered contiguous if the only thing connecting them is a public road or easement and they are not adjacent to each other. For instance, you own a 3-acre parcel on Why Not Road and you own another 3-acre parcel a half mile down Why Not Road. **Sorry neither will qualify!**
  - e) There are parcels with sufficient total acres that still won’t qualify for timber. Say you have a 120-acre parcel where 115 of acres are being farmed for hay and 1 acre is designated for the home site, which leaves 4 acres that are loaded with trees. It doesn’t matter that there are 120 contiguous acres total; only 4 have timber so they will not qualify for the classification. This

- owner could plant another acre or two of the farm ground into trees to meet the 5-acre minimum and qualify by submitting a proper application and management plan.
- f) If in doubt whether your ownership is contiguous, contact the Assessor's office and schedule a time to review your ownership to verify what is and isn't contiguous.
- 3) What is entailed in **the application**? And **how often** do we need to apply?
- The application is needed to identify the acres you wish to have assessed as timber-producing land (there is **no cost** to file). The application and the management plan must be received by the Assessor's Office by December 31<sup>st</sup> of the year **prior** to when you wish to be assessed in the program. If you purchase a property on December 31st, you need to have your application and plan turned into us that same day or it will not be considered for the timber classification for the upcoming year. It would be considered for the following year. If you hire a forester to prepare your plan we will give them extensions for submitting the plan as long as they confirm hire. The deadline for management plans with an extension is March 1st.
  - Applications identify the landowner(s), addresses, parcel & bill or serial #, legal description of parcel, number of acres being applied for, and which option of timberland classification you wish to have your land assessed. The classifications are Land Productivity or Bare Land & Yield, which are explained below.
  - Applications are also considered proof of an agreement between landowner & county that any land classified for timber has a primary purpose of maintaining and managing the trees on said land as a crop for eventual harvest. This is further evidenced by the management plan and physical activities administered on the ground.
  - As long as there are no physical, ownership, or use changes to the parcel, you are only required to file once for as long as you own and manage the parcel for timber production. Management plans are good for up to 20 years and must be updated as harvesting occurs, as that changes the description and prescription on existing plans.
  - Every 10 years (based from 1982) land owners have the opportunity to change from one timber option to the other, (productivity to bare land or visa versa). All timberland under the same ownership within Idaho has to carry the same option, so if one is changed all need to be changed.
  - Any changes, (segregation, plat, name changes, land use on all or a portion, acres, swaps, lot line adjustments--ANY CHANGE!) Requires the new submission of application and plan update **or the land (s) will be removed from the classification.**
  - As long as land owners stay active in the management of their timber crop, with proper silvicultural prescriptions and treatment when need arises, their lands will remain qualified. A new application will not be needed barring changes mentioned above. All properties receiving the classification will be inspected for their compliance periodically to assure they are still being maintained for timber production. If they are determined to be inactive, the owner will be notified and the parcel will be removed from timber classification.
- 4) What is the difference between the **Land Productivity** and **Bare Land & Yield** timber options?
- The main difference is value per acre. Land in the **Land Productivity** (LP) option is assessed at a higher value per acre which also means slightly more property taxes per acre. This is because the value per acre includes the value of the land, the potential tree growth per acre per year, and a 5-year average stumpage value.
  - The **Bare Land & Yield** (BL&Y) option only values the bare land's potential to grow trees based on a 5-year average of stumpage values; it does not consider the yearly tree growth production and value until the trees are actually harvested. At the time of harvest, there is a 3% yield tax billed on the stumpage reported by the mills. This option is subject to a recapture of deferred taxes when the use of the land changes or when the ownership changes and the designation is removed. If the land has a change in use, the recapture tax is the difference in real estate taxes between the BL&Y value and full market value. When the land changes ownership, the recapture tax is calculated as the difference in taxes that was deferred between the two options. The Assessor's office can provide more detailed information that owners need to study before choosing an option.
  - The BL&Y option is taxed at \$1.50 to \$2.50 per acre on an average, and the Productivity option is taxed at \$5.00 to \$8.00 per acre on an average. The difference in taxes for the number of years that the land has been in the program up to 10 years is the deferred taxes collected.

5) What is needed in a **Management Plan** & **who** can prepare it?

- a) A Management plan is a written document that describes your forest's current condition and its needs assessment for future timber crops.
- b) The plan provides an organized decision framework that demonstrates active management, provides valuable records (for tax purposes and in case of timber theft or trespass), establishes current and future goals, gives a comprehensive look at all forest management variables, helps to systematically organize any decision making, helps consider the effects of one activity to other interests (such as how a harvest may effect water quality) and establishes effective communication of your interests and concerns to loggers, foresters or others you may work with in managing your timber. With a good plan, you will be less likely to make costly mistakes with your management decisions. My favorite phrase is **"Failing to plan is planning to fail."**
- c) Bottom line--look at a plan as being the same thing as a blue print for a house; plan what you want the forest land to look like before you ever take action on the ground. Traditionally, plans are prepared by a forester. State law says it should be reviewed by a qualified individual (consulting forester, staff forester, industrial forester, or agency foresters). Private landowners may prepare their own plan if they have any forestry knowledge and the agency forester can review it for compliance. Fees paid for professionally-prepared plans may be deducted on income taxes. There are also "cost share" programs that can assist in covering some financial aide for Stewardship Plans if landowners are interested. For more information, contact the Idaho Department of Lands or the Forestry Department at the Assessor's office.
- d) **The minimum requirements needed in a management plan are:**
  - **Property owner's name, date of plan preparation, name of plan preparer (if different then owner), legal description & parcel identification number(s) or bill number(s).**
  - **Legible map (signifying project areas, land characteristics and access).**
  - **General description of the existing forest stand(s) including species, age and size classes, stocking (dense – sparse), canopy coverage, water ways or riparian areas, topography and aspect(s) and estimated volume per acre or trees per acre.**
  - **Identification of any health problems (insects, disease, suppression, weather, past management or lack thereof, natural or mechanical damage, etc.). Potential fire hazards, wildlife or aquatic life must also be identified.**
  - **Condition of property lines (have they been located), is access adequate to stand**
  - **Any uses other than forestry within the property boundaries.**
  - **Type of equipment needed to harvest the stand(s).**

After this information, lay out your blue print for what you want your property to look like and what type of crop want to be producing in 10-20+ years. Next, plan out the management activities that are going to be initiated to accomplish your goals, both short-term (3-5 years) & long-term (10-20+ years).

- **Identify whether it is a pre-commercial or commercial activity (out of pocket or for profit).**
- **When it is projected to start and be completed, how and who will accomplish the work, what type of equipment will be used (hand, ground equip, cable, horse, etc.).**
- **Will there be any slash created and if so how will it be treated?**
- **What time of the year will work be done & why (i.e. if you have a thick stand of immature pine species you want to thin, because of potential insect problems, you will want to thin in late summer or fall and dispose of the slash in early winter or prior to the next spring melt).**
- **Identify what will be done for erosion control & stream protection (if one exists). Are new roads needed?**
- **What species of trees & product are you managing for (why & how)?**
- **What types of commercial harvests are projected in the future. Why, when & how will they be accomplished? How much volume (%) is projected to be removed in the harvest practice and will the harvest cover all or a portion of the ownership?**

Remember one plan can cover multiple contiguous parcels or acres of the same ownership as long as their individual differences (if any) are identified within the plan and on the map

- 6) What if I just want to let my land grow “**natural**”?
- a) That is the free choice of each individual landowner, and may be the right one if they either do not wish to cut any trees, hire a forester, have no timber management experience or do not want to spend the time, money and energy it takes to maintain and manage timber as a crop. The honesty of the decision is admirable, but the bottom line is that the parcel **will not** qualify or be classified as timberland if it is left “natural”. It will be assessed at full market value.
  - b) It is the county’s responsibility to ensure that the intent of the law is being accomplished by land owners **actively managing their land for the primary purpose of raising trees as a crop**. The timber classification requires administering proper silvicultural treatments to encourage growth, health, and sustainable yields for the purpose of generating income at some point and time through eventual harvest(s).
- 7) What if I’m **not able** to do any work and **cannot afford** to hire assistance to prepare a management plan?
- a. We do understand and will be willing to try to assist individuals who have **severe** health and financial challenges if the property has been owned for a while. For individuals purchasing timber property, it is difficult to understand how you cannot afford to hire the proper help if needed. If you set your lands up correctly, most everything you do to the land is a write off. Also, the amount of savings most receive on their property taxes would offset the cost of hiring assistance.
  - b. Timber management (depending on your stand) usually only requires major physical work every 5-10 years. Once the initial work is completed, your time will be used for monitoring and improving the growth, health and value of the stand and researching and planning for the next harvest or treatment. Timber management is an excellent family venture. **Make it enjoyable as it is a lifetime project.**
- 8) Can I **build a house** on my timberland without losing the timber classification?
- a. Absolutely, as long as there are still 5+ treed acres remaining after 1 acre is removed for the home site, and they are or can still be managed as a timber crop. The 1 acre will be valued as an improved home site and the remaining 5+ acres will continue to be classified as timber.
- 9) If I do not have much knowledge about timber management, how can I **learn about it**?
- a. There are numerous agencies and programs that are available and funded for educating private landowners on timber issues. We recommend you investigate what they have to offer.
  - b. Probably the best source for getting information is the **University of Idaho Kootenai County Extension** office. They actually present most of the educational programs for nominal fees. In particular, they instruct an excellent course for old and new timberland owners called “**FORESTRY SHORTCOURSE**” which introduces individuals to forest management practices, terminology, species identification, proven silvicultural treatments, logging practices, pre and commercial treatments and assists the landowner with a needs assessment for preparing and justifying a plan of action with goals and objectives to reach future results (**management plan**). It is six three-hour sessions one night a week over six weeks for \$30+. **Cheap!**
  - c. Other organizations to check out will be the **Idaho Forest Owners Association**. They are a non-profit group that is a voice for the private timberland owners in Legislature. They also sponsor timberland management educational programs. The **Tree Farm Association** is a non-profit group that supplies support and reviews management needs on private forests. They will identify what work is needed and the timeframe to complete both commercial and non commercial activities to certify the property into the program. The Tree Farm Association requires a minimum ownership of 10 acres. Both of these have minor annual fees.
  - d. There are also cost share programs to assist landowners in their management endeavors. Some have been previously mentioned. The best place to find information on these is the **Idaho State Department of Lands**. These are government funded programs that help private owners with defraying some of the cost involved in timber management, mainly non-commercial activities.