

Woodland Owner Lunch and Learn

Forest Management Plans, Present Use Valuation and Voluntary Agriculture Districts: What a Landowner Needs to Know

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Agenda

- Present Use – voluntary tax program
- Voluntary Ag Districts – voluntary ordinance
 - Program details
 - Enrollment





Present-use value


- **Value of land in its current use as agricultural land, horticultural land, or forestland**
- **Tax is based solely on land's ability to produce income and assuming an average level of management.**
- **Voluntary - You Must Apply**



How it Works

- **Deferred taxes are the difference in taxes between the market value and the present-use value.**
- **Market Value Taxes are “put off“ until land use changes**


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How it Works

- Full Tax is reimposed when use changes from Ag, Forestry or Horticultural
- Deferred taxes for the current year + 3 previous years + interest **become immediately due and payable.**


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Qualification

- Owned for 4 years or reside on property
- Must be in active production
- Acreage / Ownership Requirements
- Income required for Ag. / Horticulture Use
- Management plan for Forest Use


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Why PUV Matters

- **Reduces Annual Tax Liability**
- **Keeps Ag, Hort and Forestry Economical**
- **Rewards Active Production**
- **Ensures Sound Management**
- **Not a Give Away- You Earn It!**

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PUV Enrollment

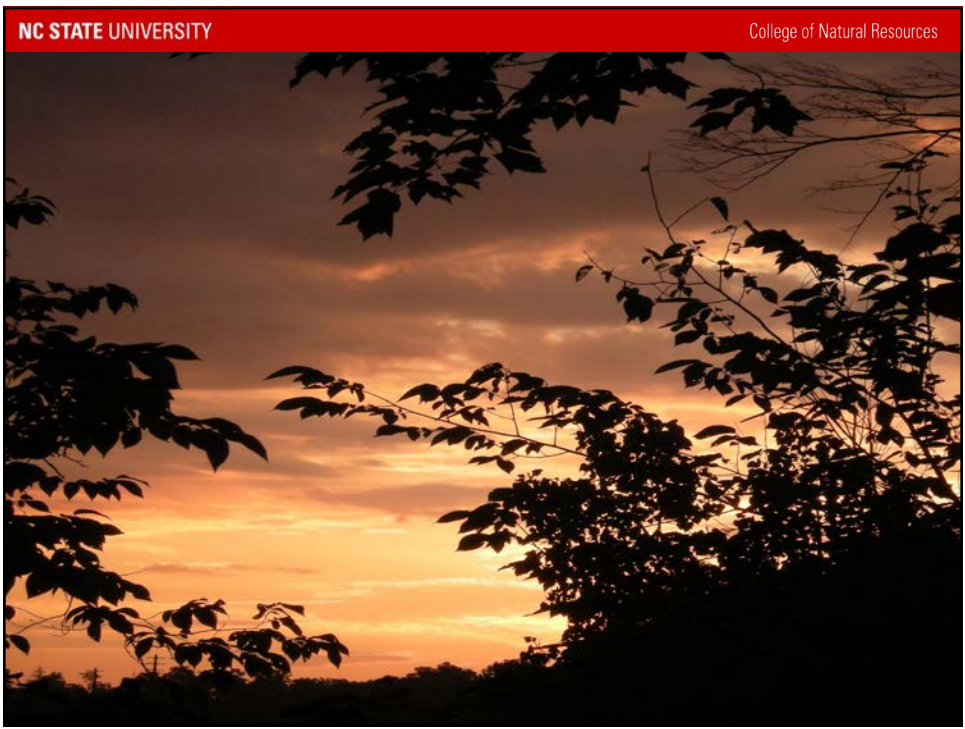
- **Contact County Tax office**
- **Get application**
- **Get plan if needed**
- **Apply during January listing**

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Make PUV Your First Step

REAP the REWARDS!



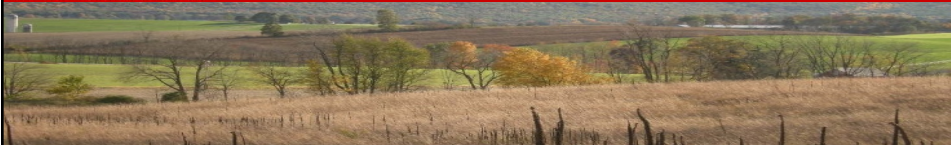


Voluntary Agricultural Districts

Farmland Preservation Enabling Act allows counties to adopt ordinances which provide for **voluntary ag districts (VAD)**.

Purpose:

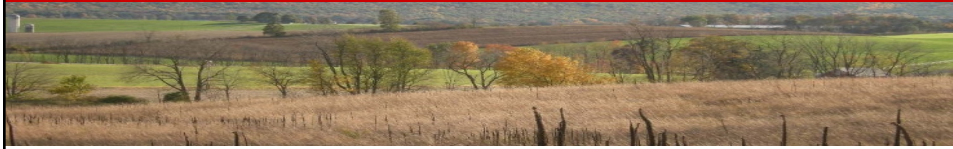
- **Increase identity and pride** in the agricultural community and way of life, and
- **Increase protection from nuisance** suits and other negative impacts on properly managed farms.



How VAD Works

A county-level ordinance

- Establishes an Agricultural Advisory Board
- Board reviews and accepts voluntary applications.
- Provides a voice for farm, forestry and horticultural interests in local government.



What VAD Board Does

- **Advise** Board of Commissioners on agricultural issues
- **Runs** VAD program (assistance from administrative entity like Soil and Water)
- **Conduct** public hearings on public projects affecting agriculture, especially condemnation of farmland
- **Ensures** district representation on Board
- **Engages** actively in farming

BENEFITS of Voluntary Ag District

- No State or local public agency may condemn any interest in qualifying farmland within a voluntary agricultural district
-**until** such agency has requested the local agricultural advisory board established to hold a public hearing on the proposed condemnation.”

(G.S. 106-739)

BENEFITS of Voluntary Ag District

Waive water and sewer assessments

- “A county or a city **that has adopted** an ordinance may provide by ordinance that its water and sewer assessments be held in abeyance, (with or without interest), for farms, whether inside or outside of a voluntary agricultural district, until improvements on such property are connected to the water or sewer system for which the assessment was made.”

(G.S. 106-742)

Agricultural Advisory Board Role

Record notice of proximity to farmlands

- **State statute record notice changed to “shall” in 2018**
- **County Geographic Information System (GIS) to notify the public of tracts or parcels “within one-half mile of a voluntary agricultural district.”**
 - Deed notation
 - Mapping
 - Signage



Advantages of Ag District Program

- Voluntary
- Flexible – counties may add other programs to be run by Ag Advisory Board for the Ag Districts

Limitations of Ag District Program

- Protection against nuisance suits is not absolute
- It's not uniform statewide

Conservation Agreement Provision

- Landowner agrees to use land only for farm purposes for next ten years
- Allows creation of up to three residential lots
- Freely revocable by landowner upon written notice to the County
- May be recorded

“Enhanced” Voluntary Ag District Programs

- Requires a 10 year irrevocable Conservation Agreement
- Must be recorded
- Automatically renews for 3 years after the initial period unless notice is given by the landowner

“Enhanced” Voluntary Ag District Programs

- Waiver of utility assessments
 - All assessments for utilities provided by that county or city are held in abeyance, with or without interest, for EVAD farms
 - Similar provisions as for VADs and the waiver of water and sewer assessments
- Offers additional benefits to the landowner:
 - May sell nonfarm products without losing zoning exemption.
 - **90% cost share on eligible programs**
 - EVAD may receive priority consideration for grants.



VAD Enrollment

- Contact County Soil and Water District office
 - 9/10 counties
- Get application
- Apply





SUMMARY

- PUV defers taxes
- VAD protects WORKING greenspace
- Production, sound management and income requirements exist
- Landowner must enroll in PUV and VAD



Management Plans: Why You Need One

Agenda

- Management Plans
 - Definition
 - Why Need One?
 - Types of Plans
 - Plan Components



Management Plan Defined

- A forest management plan describes the current state of your property and the steps needed to achieve your ideal forest.



Management Plan Defined

- Plans establish a logical sequence and timeline for forestry activities that will lead to desired objectives for timber, wildlife, water, beauty, and a family legacy.



Management Plan Defined

- A written forest management plan is required to document eligibility for financial assistance, preferential tax treatment, compliance with certification programs and even state and federal environmental law.



Types of Management Plans

1. Plans that qualify the property for program entry, tax reduction, and certification
2. Plans that accomplish specific goals of the landowner or carry out a specific management task

*Both types of plans outline the landowners goals

“Qualifying” Management Plans

- “Tax” plan or plan for present use tax program
- Stewardship plan – NC Forest Service
- Tree Farm Program – plan for certification



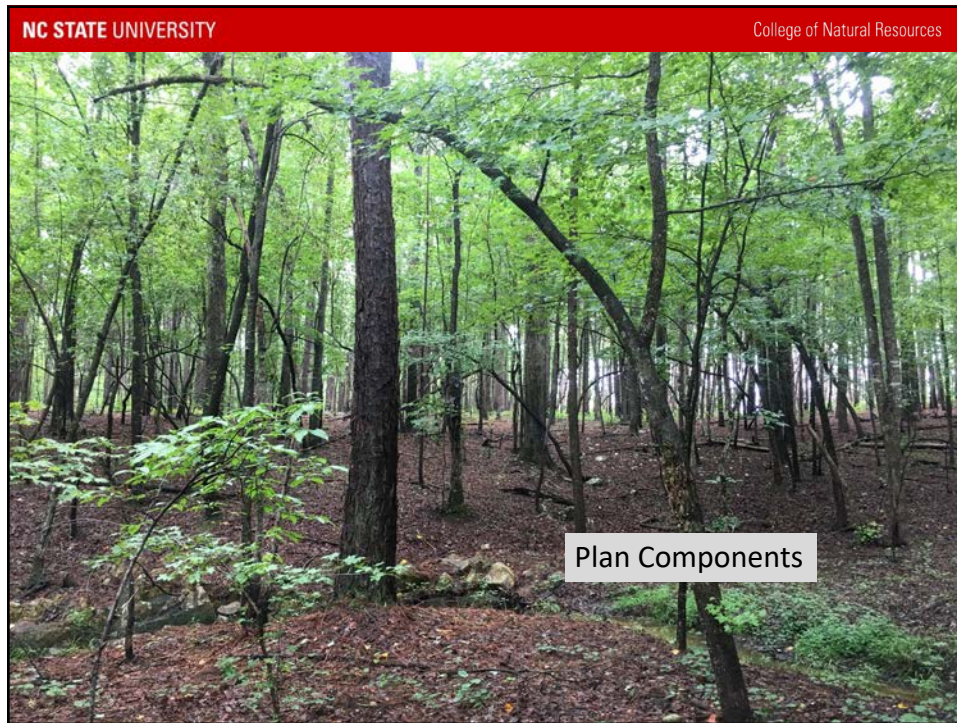
“Action” Management Plans

- Single practice plans or prescription plans
- Wildlife management plans
- Conservation plans



WHY A PLAN?

- **PUV (Present Use Value)**
 - REQUIRED!!!!!!
 - Shows SOUND MANAGEMENT when IMPLEMENTED
- Required for many government programs, certification efforts, IRS and other legal statuses
- Gives you a pathway to achieve your goals for the land.



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Forest Management Plan

- Landowner objectives
- Maps, plats, aerial photos
- Forest inventory/description
- Forest management prescriptions
- Harvest dates, methods and regeneration strategies

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REQUIRED PLAN ELEMENTS

1. Management and Landowner Objectives

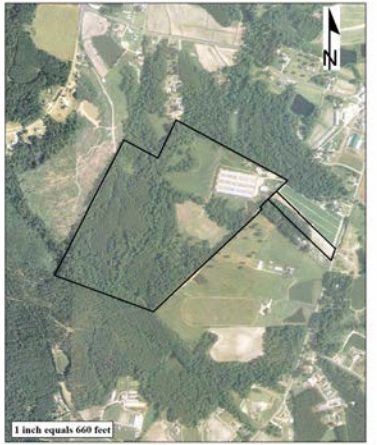
Must have????

Commercial Timber Production

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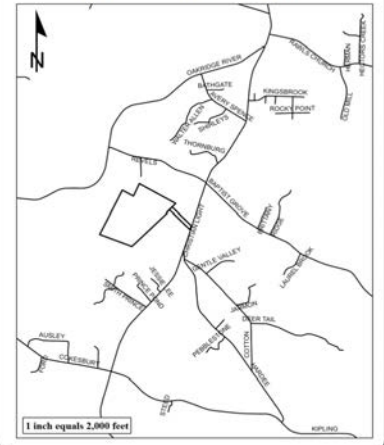
2. Location Map or Aerial Photograph

J&J FARMS AERIAL PHOTO



1 inch equals 660 feet

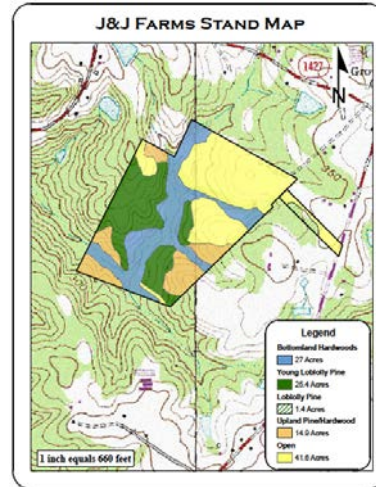
J&J FARMS LOCATION MAP



1 inch equals 2,000 feet

3. Inventory/Description

- Need to have a starting point for management
- May need an inventory to establish timber basis
- Crucial in order to formulate management prescriptions



4. Specific forest management practices

- **New Forest** – “Planting” “Seedling herbicide release” “Site Preparation” “Precommercial thinning”



4. Specific forest management practices

- **Young Forests** –
“Thinning” “Prescribed Burning”



4. Specific forest management practices

- **Middle-Aged Forests** –
“Pruning” or
“Herbicide” or
“fertilization” or
“Thinning”



4. Specific forest management practices

- **Older Forests** – “Clear cut”, “Selective Harvest”, “Shelterwood Harvest”

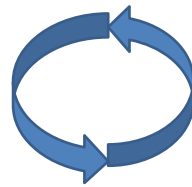


5. Harvest Methods and Dates

- Establish a **TARGET** harvest timetable for each stand
- Specify type or regeneration-harvest
 - (clearcut, seed-tree, shelterwood or selection regeneration systems as applicable)

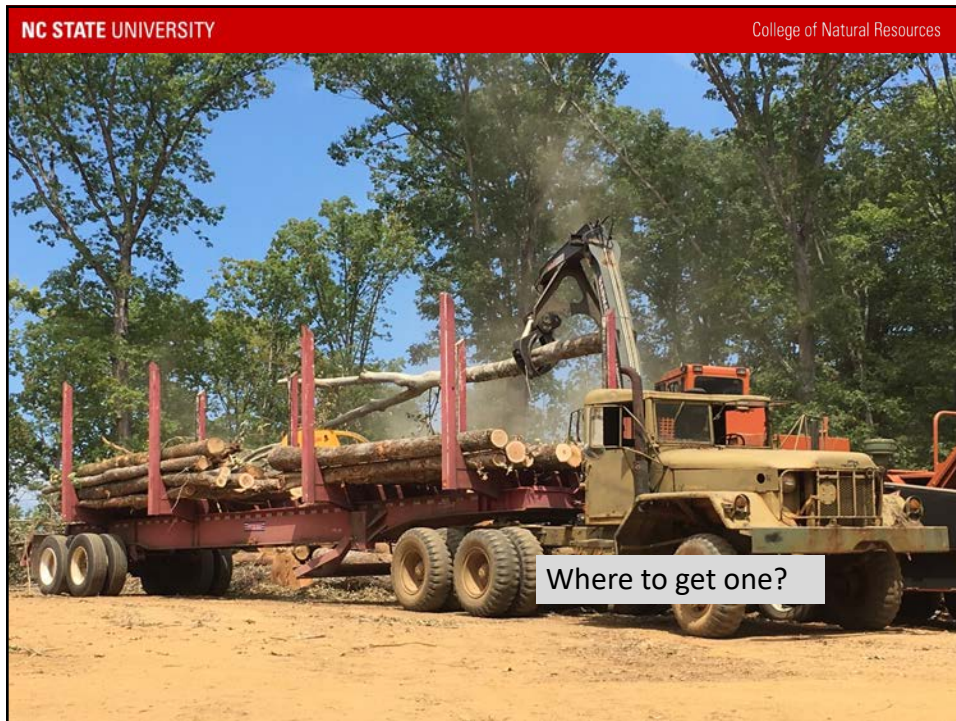
5. Regeneration Techniques

- **Completes the cycle- regeneration description when the final harvest is complete.**
- **Specifics should include natural regeneration or the planting of trees.**



Additional Components

- **Tree Farm and Stewardship Plans**
 - Forest Health
 - Soil Conservation
 - Water Quality
 - Threatened and Endangered Species
 - Invasive Species Management
 - Special Sites
 - Forests of Recognized Importance (FORI)
 - Recreation and Aesthetics
 - Wildlife Management



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Who Can Write the Plan?

- Forest management plans can be prepared by an independent consulting forester, by a forester with the North Carolina Forest Service, and by the property owner. However, if the owner prepares the plan, the owner must have the appropriate forestry management and analysis skills to properly prepare a plan comparable to a plan prepared by a qualified forester.

Present Use Value Program Guide, NC Dept. of Revenue, Page 78

NC FOREST SERVICE PLAN FEES

Plan type	Fee per acre
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- | | |
|--------------------------|--------|
| •Forest Management Plan | \$5.00 |
| •Forest Stewardship Plan | |

NOTE: There are no fees associated with most of the other management plans that the NCFS provides to landowners. This includes Forest Practice plans that provide guidance on practices such as: Site Preparation, Tree Planting, Prescribed Burning, Thinning and Final Harvest. For more information, please contact your local [County Forest Ranger](#).

Consulting Foresters

- You can find a consulting forester for your area here:
- http://www.ncforests-service.gov/Managing_your_forest/consulting_foresters.htm
- https://www.acf-foresters.org/ACFWeb/Directory/ACFWeb/Find_a_Forester/Directory.aspx
- Fees are based on time, acreage, and/or other factors involved with the plan.

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Questions?

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**CONSERVING
WORKING LANDS**

A land legacy handbook with tools and resources to guide your conservation planning journey

Conservation Plan = Estate Plan
<https://ncadfp.org/documents/ConservingWorkingLandsHandbook.pdf>

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