

Private Forest Accord Rulemaking: Small Forestland Owner



Summary:

The Private Forest Accord (PFA) recognizes that small forestland owners (SFO) are inherently different from industrial landowners in their capabilities, property locations, and size. SFO's value and manage their properties for a variety of benefits, including but not limited to timber production.

The defining criteria of an SFO are provided in statute and in the proposed PFA rules as follows:

- Owns wholly or in part less than 5,000 acres of forested land in Oregon
- Has harvested no more than 2 million board feet per year on average of timber in the last three years
- Does not expect to harvest more than 2 million board feet per year over the next 10 years

When submitting a Notification of Operation, landowners may self-certify that they meet the above criteria.

Assistance for Small Forestland Owners:

Senate Bill 1501 directed ODF to establish a Small Forestland Owners Assistance Office to aid small forestland owners in understanding and following forest practices regulations. The SFO Assistance Office will provide technical assistance, supporting services, and administer incentive programs—including two new incentives: the Small Forestland Investment in Stream Habitat (SFISH) and the Forest Conservation Tax Credit.

Small Forestland Investment in Stream Habitat:

This program is managed by SFO Assistance Office in consultation with Oregon Department of Fish and Wildlife. The program prioritizes high value conservation sites, including areas of chronic sedimentation, fish passage blockages, stream diversions and perched fill.

The program provides the financial means via grants for road improvement projects for the greatest species and natural resource benefit. SFO would apply for state funds to complete voluntary projects through the SFISH program for road repairs to meet the new forest road standards in Forest Practices Act rules.

Forest Conservation Tax Credit:

This is a tax credit program to financially incentivize SFO to adopt the standard practice riparian area prescriptions over the SFO minimum option when conducting a timber harvest. The tax credit amount is for the stumpage value of the forest conservation area—the strip of riparian area between the standard practice and minimum option buffer zones.

The forest conservation area is filed as a deed restriction at the county office by the SFO. Once filed and a tax credit has been issued, the current SFO and any future owners are restricted from harvesting in the forest conservation area for a 50-year period. If the forest conservation area is removed, the original owner would need to repay the amount of credit utilized. If the property changes ownership, the new landowner would need to repay the original (full) amount of the credit.

The credit is applied to the SFO's tax liability, is transferable to their heirs, and can be applied year after year until it has been depleted. Forms for filing with the county office and the Department of Revenue will be available from the Small Forestland Owner Assistance Office.

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