

Memo

To: Certified Foresters Qualified to Evaluate Land Proposed for Classification as Forest Land (PA 490)

From: Christopher R. Martin, Director

Date: November 13, 2020

RE: 2020 Revised PA 490 Forest Land Values from the Office of Policy and Management

The new recommended PA 490 Forest Land value to be used for town-wide property tax revaluations occurring after October 1, 2020 is \$390/acre. This is an increase from the 2015 recommended value of \$240/acre and the 2010 value of \$130/acre.

Approximately every five years recommended land-use values for real property classified as farm and forest under Public Act 490 are updated to reflect current-use values for property tax assessment purposes. The Forest Land value calculation is based upon three main components:

- 1) Most recent USDA Forest Service [Forest Inventory and Analysis National Program](#) data for Connecticut.
 - a. Land area of forest
 - b. number and volume of live trees
 - c. average annual net growth (new growth-minus removals...aka harvest)
- 2) Data from the most recent five years [Southern New England Stumpage Price Reports](#).
- 3) A capitalization rate which includes the Farm Credit East average borrower interest rate for the last five years with additional adjustments from loan to value ratios and risk assessment.

The recommended Forest Land Value assessment increase from \$240/acre to \$390/acre may be attributed to two of these three components; 1) USDA Forest Service Forest Inventory and Analysis – net annual growth per acre and 2) approximate 20% increase for all average stumpage values from 2015 to 2020.

For the past five years and several years preceding, annual tree growth has exceeded annual removals by more than five times. This has resulted in net average annual growth from 127 board feet per acre to 221 board feet per acre per USDA Forest Service FIA data.

Although a complete accounting of statewide tree mortality due to recent gypsy moth outbreaks and continued emerald ash borer impacts may not be fully accounted for yet, we can expect continued increases in net statewide tree growth barring a major natural catastrophe such as a hurricane.

Please feel free to call 860-424-3630 or email deep.forestry@ct.gov with any questions.

Thank you.

A handwritten signature in cursive script that reads "Christopher R. Martin".

Christopher R. Martin
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