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**FINAL REPORT OF THE  
JOINT "FUTURE OF FORESTRY"  
STUDY COMMITTEE**

**COMMITTEE MEMBERS**

**Senator Ross Tolleson: Co-Chairman**  
District 20

**Representative Lynn Smith: Co-Chairman**  
District 70

**Senator John Bulloch**  
District 11

**Representative Jim Cole**  
District 125

**Senator Seth Harp**  
District 29

**Representative Johnny Floyd**  
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**Senator Ralph Hudgens**  
District 47

**Representative Tom McCall**  
District 30

**Senator Brian Kemp**  
District 46

**Representative Vance Smith**  
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**Mr. Wayne Christian**

**Ms. Connie Jane McMichen**

**Dr. Sharon Haines**

**Mr. Kenneth C. Stewart, Jr.**

**Mr. Joe Hopkins**

**Mr. James S. Stokes**

**Mr. Robert L. Izlar**

**Mr. Joseph S. Tyson**

**Mr. Chuck Leavell**

**Mr. Curt Williams**

**Mr. James Roy Malone, Jr.**

**Mr. Dave Sanford Wills, Jr.**

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**EXECUTIVE SUMMARY**

The Joint “Future of Forestry” Study Committee (Committee) was created by Senate Resolution 54 during the 2005 Legislative Session of the Georgia General Assembly. Recognizing that current stresses to Georgia’s forests and products’ markets mandate a re-examination of Georgia’s forest policy, the Committee was charged with preparing a comprehensive plan for Georgia to sustain and expand the benefits of Georgia’s forest lands and forest products industries. The Committee held five public meetings, during which it heard testimony on tax and urban sprawl issues, globalization, alternative markets, and the non-economic benefits of forestry.

Of the 24.3 million acres of commercial forestland, 72 percent is owned by individual, private, non-industrial landowners. Forestry has a \$12.7 billion direct economic impact in the state annually, with a total direct and indirect impact of \$20.2 billion.

The Committee heard testimony from the forest industry and forest landowners arguing for the modification of Georgia’s taxation system. Taxes on timberland should reflect current use, not “highest and best” use. Also, the 2,000 acre cap for participation in the Conservation Use Value Areas (CUVA) program should be removed. The Committee found that Georgia’s taxation methods of forest land lead to further development and deforestation because landowners often are more likely to sell their land than retain it and pay higher taxes on it. The Committee found that development and urban sprawl can also be deterred through the use of conservation easements and transferable development rights (TDR) programs.

Of additional concern to the Committee are globalization and the lack of alternative markets for forest products. The Committee found that technologies and processes that allow for the conversion of woody biomass into ethanol can serve as an emerging market for forest products and the forest industry itself in Georgia. Finally, the Committee heard testimony regarding the non-economic benefits of forestry and found that citizens of the state, especially the children, should learn more about these non-economic benefits from programs sponsored by the Georgia Forestry Commission, Georgia Forestry Association, and others.

After many hours of testimony and careful consideration of the information presented by all parties, the Committee agreed to the following recommendations:

1. Further study of the tax system’s impact on forest landowners and the forest industry by examining Georgia’s taxation system in its entirety.
2. The Georgia Department of Economic Development should increase its efforts to recruit and expand forest business in the state.
3. The State should investigate the benefits of developing a procedure to allow for “sustainable forest” labeling to be placed on Georgia forest products.
4. The General Assembly, by resolution, should urge the State and the United States Congress to promote the research and development of technologies and processes that convert woody biomass into ethanol through tax incentives and exemptions.
5. The General Assembly and the United States Congress should provide adequate funding for the research efforts at the University of Georgia, Daniel B. Warnell School of Forest Resources, and the Georgia Institute of Technology.
6. The General Assembly, through legislation, should amend Georgia’s “Right to Farm” statute to provide specific protection for the use of prescribed fire when conducted in accordance with guidelines and procedures established and administered by the Georgia Forestry Commission.
7. The General Assembly, through legislation, should amend state law relating to forestry practices such that local ordinances conflicting with state law are null and void.
8. The Georgia Forestry Commission should serve as a “clearinghouse” for the collection and subsequent dissemination of information pertaining to local ordinances affecting timber production and harvesting.
9. The General Assembly should provide adequate funding to the Georgia Forestry Commission in its efforts to educate the citizens of the state, particularly youth, about the benefits of forestry.

## INTRODUCTION

The Joint “Future of Forestry” Study Committee, created by Senate Resolution 54 in the 2005 Legislative Session of the Georgia General Assembly. Recognizing that current stresses to Georgia’s forests and products’ markets mandate a reexamination of Georgia’s forest policy, the Committee was charged with preparing a comprehensive plan for Georgia to sustain and expand the benefits of Georgia’s forest lands and forest products industries; to make its recommendations; and to report its findings by December 1, 2005.

The Committee was composed of 22 members, consisting of four members of the Senate and four members of the House of Representatives. The Senators serving on the Committee were: Senator Ross Tolleson, serving as Co-Chairman, Senator John Bulloch; Senator Seth Harp; Senator Ralph Hudgens; and Senator Brian Kemp. The Representatives serving on the Committee were: Representative Lynn Smith serving as Co-Chairman; Representative Jim Cole; Representative Johnny Floyd; Representative Tom McCall; and Representative Vance Smith. Other esteemed members included: Mr. Wayne Christian, farmer; Dr. Sharon Haines, Director of Sustainable Forestry and Forest Policy for International Paper; Mr. Joe Hopkins, President of Toledo Manufacturing; Mr. Robert L. Izlar, Director of the Center for Forest Business at the University of Georgia; Mr. Chuck Leavell, owner of Charlane Plantation; Mr. James Roy Malone, Jr., owner of Malone Farms; Ms. Connie Jane McMichen, Co-Owner and Manager of Paulding Timber Products, Inc.; Mr. Kenneth C. Stewart, Director of the Georgia Forestry Commission; Mr. James S. Stokes, President of the Georgia Conservancy; Mr. Joseph S. Tyson, General Manager of Liberty Lumber Company; Mr. Curt Williams, State Oil Chemist; and Mr. Dave Sanford Wills, J., Chairman, Webster County Commission.

Additionally, the legislative staff members assigned to the Committee included: Mrs. Vicki Gibbs, Administrative Assistant to Senator Ross Tolleson; Mrs. Angie Fiese of the Senate Research Office; Mr. Gardner Sapp of the House Research Office; and Mr. Jack Holt of the Senate Information Office.

The Committee held five public meetings. Meetings were held in Valdosta from June 14<sup>th</sup> through the 16<sup>th</sup>, 2005. During these meetings, the Committee heard testimony from the following individuals: former Senator Loyce Turner; Mr. Andres Villegas, International Business and Government Affairs Manager for Langdale Industries; Mr. Steve McWilliams, Executive Director of the Georgia Forestry Association; Mr. Nathan McClure, Staff Forester with the Georgia Forestry Commission; Dr. Richard L. Porterfield, Dean of the Daniel B. Warnell School of Forest Resources at the University of Georgia; Mr. Robert Morris, Director of External Affairs for the Georgia Ports Authority; Mr. Charlie Tarver, President of Forest Investments Associates; Ms. Jane Hearn, private forestland owner; Mr. Rex Boner, Vice-President, Southeast Representative of the Conservation Fund; Mr. Tom Norris, Vice-President/General Manager of Interstate Paper Company; Dr. Lindsay Boring, Director of the Joseph W. Jones Ecological Center; Dr. William Bulpitt, Senior Research Engineer for the Georgia Tech Strategic Initiative; and Ms. Wendy C. Burnett, Communications and Publications Manager for Southeastern Lumber Manufacturers Association.

Meetings were also held in Athens from September 14th through the 16th, 2005. During these meetings, the Committee heard testimony from the following individuals: Mr. Mark Wilde, Deutsche Bank Securities; Mr. Tom Reed, General Manager, Plum Creek Timber Company; Mr. Dale Threadgill, Department Head of Biological & Agricultural Engineering at the University of Georgia; Mr. Tim Lowrimore, Staff Forester, Georgia Forestry Association; Mr. Chuck Williams, Private Landowner, Vice-President of Greene-Morgan Forest Landowners Association; Mr. Clint Mueller, Legislative Director, Association County Commissioners of Georgia; Mr. Blake Sullivan, Principal, Sullivan Forestry Consultants; Mr. Bob Samford, Temple-Inland; Mr. Jeff Lucas, Georgia Economic Development and Tourism; Dr. Michael Lee Clutter, Hargreaves Distinguished Professor of Forest Finance; Mr. John Godbee, F & W Forest Services; Mr. Chris Sawyer, Partner, Alston & Bird LLP; Ms. Donna Gallaher, Coordinator, Georgia Sustainable Forestry Initiative Program; Ms. Marcia Bansley, Executive Director, Trees Atlanta; Mr. Larry Biles, Southern Forest Research Partnership; and Mr. Wheeler Bryan, Attorney at Law, Ad Valorem Taxes and Property Taxes.

## BACKGROUND

Of Georgia's 37 million acres of total land area, 24.7 million acres is considered to be forestland, which is twice the national average. Of the 24.7 million acres, 24.3 million acres are available for commercial use, more than any other state. Of the 24.3 million acres of commercial forestland, 72 percent is owned by individual, private, non-industrial landowners. The forest industry owns about 18 percent and the government owns about 7 percent.<sup>1</sup>

Forestry has a \$12.7 billion direct economic impact in the state annually, with a total direct and indirect impact of \$20.2 billion. It directly creates 65,706 jobs statewide and supports a total of 136,022 jobs.<sup>2</sup> The 2003 "Economic Benefits of the Forestry Industry in Georgia" study conducted for the Georgia Forestry Commission by the Development Institute at the Georgia Institute of Technology reported the economic value to the state at just over \$20 billion.<sup>3</sup> Though this contribution is quite significant and ranks the forestry industry among the top three industries in the state, the study verifies an approximate \$10 billion drop in economic value since 2001, an alarming decline by any measure.

The forest industry has been experiencing increasing pressure from global competition in forest products markets; high ad valorem taxes; limitations on research on alternative markets; urban and suburban sprawl; the duplication of local government forestry ordinances which conflict with state forestry laws; and the lack of public awareness of the non-economic benefits of forests.

## COMMITTEE FINDINGS

### Common Issues Regarding Georgia's Ad Valorem Taxation System

#### Issue #1: Timber Taxation<sup>4</sup>

Timber is taxed once at its current market value when harvested or sold for harvest. The timber sale must be separate and apart from the land. There is no tax on the timber where the owner simultaneously sells the land and timber as a unit without timber harvest.<sup>5</sup>

In 1997, Plum Creek Timber Company, Inc. paid \$3.55 per acre in property taxes in Georgia. By 2003, this number had increased to \$6.29 per acre. In that same year, Plum Creek paid an average of \$2.46 per acre in property taxes in the four states surrounding Georgia.<sup>6</sup> Arguments have been made for altering this taxation method so that taxes on timberland reflect current use, not "highest and best" use. Georgia is the only state in the southeast that does not utilize current use taxation methods for all forestland owners.<sup>7</sup>

In its report to Governor Sonny Perdue, the Advisory Council for the Georgia Land Conservation Partnership encouraged the state to review and consider amending funding mechanisms for local governments and school boards that would permit consideration of the current use method of ad valorem taxation.<sup>8</sup>

However, an argument was presented to the Committee that Georgia is an "existing use" valuation state based on the laws of Georgia; not a "highest and best use" valuation state. Furthermore, information was also presented to the Committee that many counties do not in fact value timberland based on the "existing use" of the land.

Additionally, the Committee heard testimony that the valuation of timberland in one are of the state, where timberland growing conditions are similar, ranged from a high of \$2,000 per acre to a low of \$288 per acre, in 2004.

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<sup>1</sup> Georgia's Seven FIA Panel Results-2003; [www.gatrees.org](http://www.gatrees.org); [www.gfagrow.org/facts.asp](http://www.gfagrow.org/facts.asp).

<sup>2</sup> Economic Development Institute, Georgia Institute of Technology; [www.gatrees.org](http://www.gatrees.org); [www.gfagrow.org/facts.asp](http://www.gfagrow.org/facts.asp).

<sup>3</sup> "Economic Benefits of the Forestry Industry in Georgia: 2003," Economic Development Institute, Georgia Institute of Technology (2003).

<sup>4</sup> Timber Taxation is located in O.C.G.A. § 48-5-7.5.

<sup>5</sup> "Property Tax Incentives for the Georgia Landowner," Center for Forest Business, Warnell School of Forest Resources, Research Note #3, Revised May 2005.

<sup>6</sup> Testimony of Mr. Thomas M. Reed, Plum Creek Timber Company, Inc.

<sup>7</sup> Testimony of Mr. Steve McWilliams, Executive Director of the Georgia Forestry Association.

<sup>8</sup> "Final Report of the Governor's Advisory Council for Georgia's Land Conservation Partnership," August, 2004.

Thus, it appears that there are wide variations in the valuation of timberland in Georgia.<sup>9</sup> Counties contend that if any effort is made to reduce the ability of local governments to raise revenue from this source, then those initiating the effort should insure that local governments have adequate, reliable, alternative sources of revenue so that their ability to operate is not unduly impaired. Local governments need to raise revenue to effectively meet the demands for services, including those imposed by state and federal mandates.<sup>10</sup>

#### Issue #2: Conservation Use Value Areas (CUVA) Program

Owners of agricultural land, timberland, and environmentally sensitive land may qualify for conservation use assessment under the Official Code of Georgia Annotated (O.C.G.A.) Section 48-5-7.4. In order to qualify, landowners must include: one or more natural citizens; an estate of which the devisees or heirs are one or more natural citizens; a trust of which the beneficiaries are one or more natural citizens; a family owned farm entity; a bona fide nonprofit conservation organization; or, a bona fide club organized for non-profitable purposes.<sup>11</sup> Landowners may enter up to 2,000 acres into a land use covenant, thereby dedicating the land to a specific qualifying use for a period of ten years. The types of property qualifying for conservation use are agricultural or timberland, and environmentally sensitive property.

At least one-half of the property must remain in qualifying use, with the remainder of the property minimally managed. The property owner may lease the property for certain types of recreation uses such as hunting.

Conservation use property is assessed at 40 percent of current use value which gives a reduced assessment to the owner of this type of property when compared to other property assessed at 40 percent of fair market value.

This favorable tax treatment is designed to protect these property owners from being pressured by the property tax burden to convert their land from agricultural use to residential or commercial use. According to the Center for Forest Business, Warnell School of Forest Resources at the University of Georgia, "Qualified landowners with these Conservation Use covenants earn almost \$38 million annually in ad valorem tax savings."<sup>12</sup> In return for the favorable tax treatment, the property owner must keep the land undeveloped in a qualifying use for a period of ten years or incur stiff penalties. Owners who breach their conservation use covenant must pay back to the taxing authorities twice the savings they have received over the life of the covenant up to the point it was breached. A reduced penalty may be imposed due to the death of any party to the covenant, bank foreclosure, condemnation of the property by eminent domain, "economic or financial hardship," or medical disability.<sup>13</sup>

Since the implementation of Conservation Use Valuation in 1992 and its continuation through 2002, the most recent years for which data are available, the number of parcels in this program has risen from approximately 16,000 in 1992 to 81,440 in 2002. The majority of Conservation Use covenants, program acreages, and assessed value are for parcels larger than 25 acres.<sup>14</sup>

Industrial, commercial, and large timberland owners advocate for removal of the 2000-acre cap in the CUVA program. However, even though such landowners would receive a benefit from reduced taxation, other property owners would have to make up the shortfall.

Every local government has to have a certain amount of revenue to operate, and when one source of revenue is reduced, another source has to be found to make up the difference.<sup>15</sup> The final result would be that non-industrial landowners and property owners would pay higher taxes, while industrial landowners would pay less than they formerly did.

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<sup>9</sup> Testimony of Mr. Wheeler Bryan, Attorney at Law.

<sup>10</sup> Testimony of Mr. Dave Wills, Chairman, Webster County Commission.

<sup>11</sup> O.C.G.A. § 48-5-7.4.

<sup>12</sup> "Property Tax Incentives for the Georgia Landowner," Center for Forest Business, Warnell School of Forest Resources, Research Note #3, Revised May, 2005.

<sup>13</sup> Id.

<sup>14</sup> Id; [www2.state.ga.us/departments/dor/ptd/index.html](http://www2.state.ga.us/departments/dor/ptd/index.html).

<sup>15</sup> Comments submitted by Mr. Dave Wills, Chairman, Webster County Commission.

The Committee finds that Georgia's current taxation methods of forest land promotes the conversion of such forest land into development and that further study is needed to address this issue in a context that examines the state's tax system in its entirety.

### **Development and Urban Sprawl**

In 1974, tree canopies covered over 50 percent of the land surface of the Atlanta metro area but were reduced to less than 25 percent by 1996.<sup>16</sup> The loss of tree cover is primarily due to development, which has dramatically altered the land cover over the last 20 years. If current development patterns continue, an additional 200,000 acres of tree cover, or virtually all of the intact forest remaining, will be lost by 2020.<sup>17</sup>

The Committee heard testimony stressing the importance of conservation easements and transferable development rights in the quest to contain urban sprawl. Conservation easements are a legal tool for protecting private lands from future development by voluntarily imposing limitations on land uses and development rights.<sup>18</sup> Under this type of easement, parties can agree to never allow open space land to be converted to other uses and to regulate existing practices to improve environmental conditions. By keeping land in private hands and preserving open space for the public, conservation easements are thought to be a flexible way to achieve both private and public objectives.<sup>19</sup>

In a transferable development rights (TDR) program, development rights are transferred from "sending zones," which are designated for protection, to "receiving zones," which are designated for future growth.<sup>20</sup> Both of these legal tools have been used successively in other jurisdictions to preserve important ecologically sensitive lands, to stimulate growth, and to manage urban development.

As stated above, the Committee heard testimony advocating for the removal of the 2,000 acre cap for CUVA participation. Landowners testified that if more land could be used in the CUVA program, the less likely land would be sold for development, thus reducing the urban sprawl and deforestation.

The Committee finds that development and urban sprawl are direct threats to Georgia's forests and encourages the use of conservation easements and TDR programs. The Committee also re-emphasizes the need for further study of Georgia's taxation system and the possibility of removal of the 2,000 acre cap for CUVA participation.

### **Globalization and Possible Alternative Markets for Forestry Products**

#### **Globalization**

Increased globalization is both a supply and demand issue. Demand is mature in North America and Western Europe at .6 percent yearly. However, the per capita demand is growing in Asia, Eastern Europe, and Latin America at 4 percent per year. On the supply side, growth is occurring in three places: 1) Europe: Europe is increasing its supply due to government funded projects through subsidies; 2) Latin America: Supply is driven by low-cost, fast growing fiber such as eucalyptus and pine; and 3) Asia: Supply is increasing because of its proximity to end markets and the availability of capital. For pulp and paper products, Latin America is the dominant player. Brazil can grow hardwood pulpwood in seven years. Other Latin American countries are expanding in pine forestry. There has also been an increase in the number of commodities traded globally. This impacts paper markets and could affect wood products.<sup>21</sup> These facts above represent a common trend in the forestry market.

The Committee finds that the Georgia Department of Economic Development can serve as a vital link to the growth and protection of the forest industry and recommends that the Department increase its efforts to recruit and expand forest business in the state.

<sup>16</sup> "The Value of Conservation Easements," Discussion Paper; World Resources Institute (2002); Trees Atlanta, 2002.

<sup>17</sup> Id.; The Georgia Conservancy, "Livable Region Update 4." April 1999.

<sup>18</sup> "The Value of Conservation of Easements," Discussion Paper; World Resources Institute (2002).

<sup>19</sup> Id.

<sup>20</sup> "Tools for Quality Growth," The University of Georgia, Institute of Ecology, [www.outreach.ecology.uga.edu/tools.tdr/tdr.pdf](http://www.outreach.ecology.uga.edu/tools.tdr/tdr.pdf).

<sup>21</sup> Testimony of Mr. Mark Wilde, Deutsche Bank Securities.

The Committee finds that marketing Georgia's forests as "sustainable" would provide Georgia's forest manufacturers assurance of global market access and recommends that the State develop a procedure to allow for such labeling.

#### Alternative Markets

As stated above, the existing industrial sector of forestry is shrinking and in danger of losing market share to global competition. The consensus among all of the presenters heard by the Committee was that new markets and uses for timber are needed. Strong markets for wood and fiber provide a critical incentive to private landowners to continue to grow trees on their land. One significant opportunity that Georgia could be positioned to take advantage of is the development of biomass technology.

Biomass is plant matter such as trees, grasses, agricultural crops, or other biological material. It can be used as a solid fuel, or converted into liquid or gaseous forms, for the production of electric power, heat, chemicals, and fuels. Biofuel is a gas or liquid produced from biomass. One of the most common biofuels in the United States is ethanol. Ethanol can be used as an alternative fuel or as an octane-boosting, pollution-reducing additive to gasoline. Corn and other starches and sugars are only a small fraction of biomass that can be used to make ethanol. Advanced Bioethanol Technology allows fuel ethanol to be made from cellulosic (plant fiber) biomass, such as agricultural forestry residues, industrial waste, material in municipal solid waste, trees, and grasses.<sup>22</sup>

In 2003, roughly 7 percent of the United States' corn crop was used for ethanol production. Even if 100 percent of the current crop was used, only 25 percent of current gasoline use would be displaced on an energy-equivalent basis. Cellulose is less likely to be limited by competing land uses for food and forest products. There is more diversity of biomass and waste feedstocks and there is more potential than corn for substantial production without constraining the food supply.

The technology used to convert corn feedstock into ethanol is mature, but still costs more than twice as much to produce as gasoline. Additionally, the current market for corn ethanol is supported by large public subsidies. Production costs below \$.80/gallon of ethanol made from cellulose are attainable. Total possible production in Georgia could amount to 400 million dry tons per year, equaling 105.3 gallons per dry ton and 42 billion gallons per year. A 100 million gallon per year ethanol plant, selling product for wholesale at \$1.00 per gallon, would yield sales of \$100 million.<sup>23</sup>

Biofuels reduce dependence on fossil fuels, and contribute to the reduction of greenhouse gas emissions. By burning biomass such as bark, wood residuals, and wood extractives from pulping, industries can divert waste from landfills while producing energy from their operations.<sup>24</sup> Georgia has an abundance of forest biomass available to use; however, today much of this material is wasted due to current harvesting methods and utilization standards.

Forest industry estimates show that softwood biomass in the state has increased more than 1.8 billion cubic feet since 1997 to a recent total estimate of 17 billion cubic feet. Meanwhile, crude oil production is estimated to peak by 2015 and has recently exceeded \$67 per barrel.<sup>25</sup>

Both the University of Georgia (UGA) and the Georgia Institute of Technology (Georgia Tech) research ethanol production. The Georgia Tech Engineering Experiment Station centers on production of ethanol from wood using an acid hydrolysis process developed by Georgia Tech.<sup>26</sup> This resulted in promising ethanol yields from hardwood feedstock and preliminary design for a full scale (1000 dry tons per day) production plant. One company has recently donated a small commercial scale system for producing ethanol.

The University of Georgia will begin producing ethanol and plans to produce sufficient ethanol to provide all UGA vehicles that obtain fuel from the UGA motor pool, with E10 fuel (10 percent ethanol/90 percent gasoline).

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<sup>22</sup> Id.

<sup>23</sup> Testimony of Mr. William S. Bulpitt, Senior Research Engineer on the Georgia Tech Strategic Energy Initiative.

<sup>24</sup> Testimony of Mr. Thomas M. Reed, Plum Creek Timber Company, Inc.

<sup>25</sup> Id.

<sup>26</sup> Testimony of Mr. William S. Bulpitt, Senior Research Engineer on the Georgia Tech Strategic Energy Initiative.



Of additional note, in the 2004 Legislative Session, the Georgia General Assembly passed Senate Bill 356, the Georgia Carbon Sequestration Registry Act (Registry). This legislation requires an inventory of the amount of carbon dioxide stored in the trees and other plants of landowners involved in agriculture and forestry. The legislation was intended to set the stage for the development of a market for carbon credits, including voided carbon emissions of forest biomass utilized for energy.

The Committee finds that the forestry industry can benefit from emerging new technologies that create alternative fuels from cellulosic or “woody” biomass and recommends that the General Assembly urge the State and the United States Congress, by resolution, to promote the research and development of such technologies and processes through tax exemptions and incentives.

The Committee also finds that University of Georgia, Daniel B. Warnell School of Forest Resources, and the Georgia Institute of Technology are valuable research units for the development of alternative markets for forest products and recommends that the General Assembly and the United States Congress provide adequate funding for their research efforts.

### **State Law and Local Timber Ordinances**

Another area of dispute in the testimony heard by the Committee was the lack of uniform interpretation between counties implementing state laws relating to timber harvesting. This lack of uniformity presents an administrative burden for companies to track and comply with local regulations.

For example, O.C.G.A. § 12-6-24 allows a county governing authority, by ordinance or regulation, to require prior written notice of any person or firm harvesting timber for each tract of land to be harvested. The governing authority may require persons or firms subject to this notice requirement to deliver a bond (not to exceed \$5,000) or a letter of credit to the governing authority. Some testimony reflected a common concern that many local governments enact ordinances that require a permitting process, rather than a notification process, as intended by state law.<sup>27</sup> Conversely, local governing authorities address these concerns with the idea that timber harvesters may be referencing a permit, but in reality, it is nothing more than the form of notification allowed by state law.<sup>28</sup>

Examples of varying interpretations of the existing law dealing with timber harvesting include:

- The notification requirement placed on persons before engaging in timber harvesting;
- The requirement of posting a yearly bond plus additional bonds for each entrance onto county roads associated with timber harvesting;
- The requirement for access fees for crossing county rights-of-way for driveways associated with timber harvesting; and
- The requirement of application and land disturbance fees similar to what is required of development for timber harvesting on property not zoned for agricultural purposes.

Additionally, the Committee heard testimony arguing for the modification of Georgia’s “Right to Farm” statute to provide specific protection for the use of prescribed fire as a land management tool. Prescribed fire is described as fire applied in a knowledgeable manner to forest fuels on a specified land area under selected weather conditions to accomplish pre-determined, well-defined management objectives.<sup>29</sup> A person who undertakes the practice of prescribed fire, after receiving the requisite permit, is still liable for damages caused by his or her smoke. Prescribed fire improves wildlife habitat, controls insects and disease, improves forage for grazing, enhances appearance, and provides access for people and wildlife. The Committee finds that prescribed fire is a necessary part of forest management and recommends that the General Assembly amend O.C.G.A. § 41-1-7 to provide specific protection for prescribed fire.

The Committee finds that a major challenge to commercial forestry is the frequent inconsistency among local governments in their interpretations and enforcement of state laws. The Committee recommends that the Georgia Forestry Commission serve as a “clearinghouse” for the collection and subsequent dissemination of information pertaining to local ordinances affecting timber production and harvesting.

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<sup>27</sup> Testimony of Mr. Tim Lowrimore, Staff Forester, Georgia Forestry Association.

<sup>28</sup> Comments submitted by Mr. Dave Wills, Chairman, Webster County Commission.

<sup>29</sup> <http://www.gfc.state.ga.us/ForestFire/PrescribedBurning.cfm>.

The Committee also recommends that the General Assembly, through legislation, amend state law relating to forestry practices such that local ordinances conflicting with state law are null and void.

### **Non-Economic Benefits of Forestry**

Many of the most recognized and valuable uses and benefits of forests are non-economic. These non-economic values include: clean water, clean air, aesthetic value, wildlife habitat, and recreational values.

- **Water Quality:** Forests actually help to clean water for us to drink. The trees, soil, and bacteria are all part of this process. Forest cover protects and nurtures the soils that are the key to water retention, filtering and quality. Forests in urban areas also reduce stormwater runoffs.
- **Clean Air:** One mature tree absorbs approximately 13 pounds of carbon dioxide a year. For every ton of wood a forest grows, it removes 1.47 tons of carbon dioxide and replaces it with 1.07 tons of oxygen.
- **Wildlife Habitat:** Thinning and harvesting trees create conditions that stimulate the growth of food sources for wildlife. Harvesting provides habitat for deer and a variety of songbirds. Thinning can be used to accelerate growth and development of older trees that are favored by owls and other species.
- **Recreation:** Forests are important areas for such recreationists as birdwatchers, hikers, nature photographers, horseback riders, skiers, snowmobilers, and campers.

The Committee finds that the ecological benefits of forestry provide additional economic benefits to the state and recommends that the General Assembly provide adequate funding to the Georgia Forestry Commission in its efforts to educate the citizens of the state, particularly the youth, about the benefits of forestry.

## **CONCLUSIONS AND RECOMMENDATIONS**

The Committee recognizes the fundamental importance of the forest industry to the economy of the State and the increasing pressures placed on it due to high property taxes, urban sprawl, globalization, limitations in research of alternative markets, inconsistent local ordinances relating to forestry practices, and the lack of public awareness of the non-economic benefits of forestry.

The Committee recommends the following:

1. Further study of the tax system's impact on forest landowners and the forest industry by examining Georgia's taxation system in its entirety.
2. The Georgia Department of Economic Development should increase its efforts to recruit and expand forest business in the state.
3. The State should investigate the benefits of developing a procedure to allow for "sustainable forest" labeling to be placed on Georgia forest products.
4. The General Assembly, by resolution, should urge the State and the United States Congress to promote the research and development of technologies and processes that convert woody biomass into ethanol through tax incentives and exemptions.
5. The General Assembly and the United States Congress should provide adequate funding for the research efforts at the University of Georgia, Daniel B. Warnell School of Forest Resources, and the Georgia Institute of Technology.
6. The General Assembly, through legislation, should amend Georgia's "Right to Farm" statute to provide specific protection for the use of prescribed fire when conducted in accordance with guidelines and procedures established and administered by the Georgia Forestry Commission.
7. The General Assembly, through legislation, should amend state law relating to forestry practices such that local ordinances conflicting with state law are null and void.
8. The Georgia Forestry Commission should serve as a "clearinghouse" for the collection and subsequent dissemination of information pertaining to local ordinances affecting timber production and harvesting.
9. The General Assembly should provide adequate funding to the Georgia Forestry Commission in its efforts to educate the citizens of the state, particularly the youth, about the benefits of forestry.

Respectfully Submitted,

**THE JOINT “FUTURE OF FORESTRY” STUDY COMMITTEE**

**The remaining Committee members’ signatures are on file in Senate Research Office.**

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Senator Ross Tolleson-Chair  
District 20

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Representative Lynn Smith-Chair  
District 70