



FOREST AGRICULTURE CLASSIFICATION PROGRAM

Policy and Guidelines

July 2018

CSFS Policy I.5: The Colorado State Forest Service (CSFS) will make the Forest Agriculture Classification (Forest Ag) Program known to potentially qualified private landowners. The CSFS will review plans and practices and make recommendations to county assessors for those lands according to C.R.S. 39-1-102 (1.6) (a) (II), which defines forest agricultural land as "a parcel of land which consists of at least forty acres, which is forest land, which is used to produce tangible wood products that originate from the productivity of such land for the primary purpose of obtaining a monetary profit, which is subject to a forest management plan."

Non-commercial activities also may be employed on these lands if they are part of a clear forest management strategy to ultimately yield wood products to be sold for profit.

Landowners participating in the Forest Agricultural Classification Program should be advised that the CSFS, as a public agency, is subject to the Colorado Open Records Act and cannot guarantee confidentiality of their records (see Section F.1 of the CSFS policy manual).

I. DEFINITIONS – The following words and phrases are frequently used to discuss the Forest Ag program and to implement program policy. Definitions include C.R.S. Title 39 text, shown in *italics*, along with interpretation language provided by the CSFS.

"Agreement" refers to a signed document which specifies actions accepted by the landowner and CSFS as: a) meeting Forest Ag requirements; b) being appropriate forest management recommendations for the identified property; and c) which the landowner intends to implement.

"Annual work plan" is a scope of work plan developed annually, approved by the CSFS inspecting forester, which outlines specific forest management practices planned for the upcoming year. It includes applicable practice parameters and work specifications such as project locations, acreages, activity descriptions, timing, product type and quantity, etc. The annual work plan should be aligned with the management plan recommendations and implementation schedule.

"Assessor" refers to *the elected assessor of a county or appointed successor*.

"Forest Ag" is the abbreviated reference for the Forest Agricultural Classification Program and is also used to refer to those lands enrolled in the program (i.e., "Forest Ag land").

Forest "agricultural land" is private land that has been voluntarily enrolled in the Forest Ag Program by the landowner, and which meets the minimum eligibility requirements of the program. It *consists of at least 40 acres, which is forest land, which is used to produce tangible wood products that originate from the productivity of such land for the primary purpose of obtaining a monetary profit and is subject to a forest management plan, and which is not a farm or ranch as*

defined in subsections (3.5) and (13.5). Agricultural land includes land underlying any residential improvement located on such agricultural land.

"Forest land" means land of which at least 10 percent is stocked by forest trees of any size and includes land that formerly had such tree cover and that will be naturally or artificially regenerated. Forest land includes roadside, streamside and shelterbelt strips of timber which have a crown width of at least one hundred twenty feet. Forest land includes unimproved roads and trails, streams, and clearings which are less than 120 feet wide.

"Forest management plan" means an agreement which includes a plan to aid the owner of forest land in increasing the health, vigor, and beauty of the forest land through use of forest management practices. The agreement is spelled out in the plan, which is executed between the owner of forest land and the CSFS or executed between the owner of forest land and a professional forester. The plan must be reviewed by, and have received a favorable recommendation from, the CSFS.

"Forest management practices" means practices accepted by professional foresters which control forest establishment, composition, density and growth for the purpose of producing forest products and associated amenities following sound business methods and technical forestry principles.

"Forest trees" means woody plants which have a well-developed stem or stems, which are usually more than twelve feet in height at maturity, and which have a generally well-defined crown.

"Parcel of land" is a land unit that may include more than one adjoining legal description, is owned by the same landowner(s) as per the legal entity recorded on the property deed, and is managed as a single unit.

"Professional forester" means any person who has received a bachelor's or higher degree from an accredited school of forestry.

"Stocking" is the relative degree of occupancy of land by trees, measured by basal area or the number of trees in a stand by size or age and spacing, compared to the basal area or number of trees required to fully utilize the growth potential of the land; referred to as the "stocking standard" (FIA National Core Field Guide Version 7.1 definition).

"Tangible wood products" include all forest wood products such as transplants, Christmas trees and boughs, as well as sawlogs, posts, poles, firewood, biomass products and non-traditional wood products.

"Ten percent stocked" means that each acre has a minimum of ten percent of the optimum number of trees for the site, age, species, size and product being produced.

II. DETERMINING INITIAL ELIGIBILITY

The CSFS will first confirm that the land itself meets the Forest Ag requirements (refer to Eligibility checklist, CSFS form 336). Second, the CSFS will assess if the landowner's goals align with the Forest Ag Program. If so, a forest management plan is written, and submitted to the CSFS for approval.

1. Eligible Land

A. Eligible forest land consists of at least **40.0 acres of forest land** (C.R.S. 39-1-102). Affirm total property acres on the assessor's website or from a copy of the property deed. The 40 acres must be **actively** managed
Eligible land can include:

1. "Land underlying any residential improvement located on such land" (C.R.S. 39-1-102).
2. Multiple, contiguous parcels owned by the same legal entity that share a common boundary, or corner.
3. Non-forest land less than 120 feet in width. Examples include, but are not limited to, a meadow, bog, pond or road.
4. Land that previously **had** trees and will be naturally or artificially regenerated to a forested state.

B. Legal access is required to the property, and removal of wood products must be permissible and allowed. Situations that affect or limit access may include:

1. Covenants that restrict tree cutting
2. Lack of easement or type of easement
3. Road and bridge weight limits or classification
4. Road impact fees
5. National, state and local laws, etc.

2. Initial Landowner Eligibility – To be eligible, new landowners must:

- A. Have identified a forest product(s), traditional or non-traditional, to sell that is/are silviculturally sound and can be supported by a forest management plan.
- B. Have a forest management plan prepared by a professional forester and approved by the CSFS (C.R.S. 39-1-102) that incorporates the landowner's goals, objectives, desired future conditions of the land and a strategy to obtain a monetary profit from wood products.
- C. Have signed the management plan acceptance statement.

III. FOREST MANAGEMENT PLAN APPROVAL PROCESS

The importance of the management plan review cannot be over-emphasized. The CSFS reviewer also should visit and become familiar with the property. Steps and details of the plan approval process include:

1. The landowner submits a completed forest management plan for CSFS review and approval, and includes a completed Forest Agriculture Inspection Request form

(CSFS 840, Part A and D) and the appropriate inspection fee to the local CSFS district office by October 1, to be considered for the following tax year.

2. The CSFS Area Manager or their designated representative will review each complete forest management plan and annual work plan to determine compliance with both the CSFS management plan outline and C.R.S. 39-1-102 (1.6) (a) (II) intent.

The Area Manager will ensure that when a forest management plan has been prepared for a landowner, a CSFS forester will review that management plan, verify landowner compliance and document plan deficiencies.

3. Forest management plans may be submitted to CSFS district offices throughout the year within the following limits:

- A. Plans received by October 1 can be considered for inclusion in the Forest Ag program for the following tax year.
- B. Plans received after October 1 will not be considered for the following tax year.

4. The initial CSFS plan review is provided at no charge.

5. During the plan review process, determine whether the landowner has chosen to manage less than the total operable forest land acreage. If so, limited acreage enrollment will be reported to the county assessor according to Section IV. 3. D of this document.

6. The landowner must be notified of the District Forester's determination within 45 calendar days of the plan receipt date. If applicable, such notification will include specification of all plan deficiencies and needed improvements. The management plan preparer will be copied.

7. Plans initially not accepted may be revised more than once; however, the final revision must be received by January 15 to be considered for the current year's Forest Ag program.

- A. If the revised plan meets the guidelines, the property will be recommended and included in the assessor letter, due March 1.
- B. If the revised plan does not meet the guidelines, the property will not be recommended and must wait for consideration the following year.
- C. Plans that require subsequent reviews beyond the initial review will be charged the CSFS hourly rate service fee. The plan preparer receives the CSFS generated invoice for the additional review.

IV. CONTINUED PARTICIPATION IN FOREST AG PROGRAM

1. **Landowners currently in the Forest Ag program who wish to continue program participation must, on an annual basis:**
 - A. Submit a completed Forest Agriculture Inspection Request form (CSFS form 840, Parts A and D), the appropriate fee and any revisions to the forest management plan that need approval by October 1 to be considered for Forest Ag Classification the following tax year.
 - B. Submit a completed Accomplishment Record for the calendar year, using CSFS form 840, Part B, with supporting documentation/maps by the inspection date. (Note that the CSFS cannot require GIS shapefiles from a landowner.)
 - C. Complete and submit the next year's annual work plan (CSFS form 840, Part C) by the inspection date.
 - D. Continue to manage forest land according to an approved forest management plan consistent with the implementation schedule in the management plan.
 - E. Complete the Forest Agriculture Management Summary and Inspection Request, using CSFS form 840. The inspecting forester may obtain missing form information during the inspection if the landowner is present.
 - F. Maintain business records, such as contracts, sales records, and expense receipts that are available for CSFS review.

2. **CSFS Property Inspection and Follow-through**

The Forest Ag Inspection Report form may be used by the inspecting forester to document the property inspection. The Forest Ag Tax Classification Program Checklist (CSFS form 336) is also a tool for the inspector.

- A. Difference between an inspecting forester and assisting forester
 1. The inspecting forester must be a CSFS employee who determines on an annual basis if a landowner is following their annual work plan and forest management plan. Based on the findings, the property is either recommended or not recommended for the Forest Ag tax classification.
 2. The assisting forester can be a CSFS employee, consulting forester or industry forester that has an agreement with the landowner to assist in the management plan implementation. The landowner may or may not choose to have an assisting forester.
- B. The inspecting CSFS forester and landowner will arrange an inspection of the property and implemented practices. If the landowner is working with a consulting or industry forester, the inspection may be scheduled through that forester. The landowner and their forester are encouraged to

accompany the CSFS inspecting forester, but their presence is not required.

- C. In preparation for the inspection, the CSFS inspecting forester should review the results of the previous year's inspection to ensure any actions required by the CSFS have been addressed satisfactorily.
- D. The inspecting CSFS forester will review the paperwork submitted by the landowner to ensure that all the pertinent information is provided, and if not, that it can be obtained. The forester will compare the accomplishment report to the annual work plan submitted the previous year to assure there is consistency with the management plan and implementation schedule.
- E. The inspecting forester will verify that the activities on the accomplishment report have been accurately reported. This includes verifying silvicultural prescriptions, acreages and locations.
- F. The inspecting CSFS forester will review the upcoming year's annual work plan (CSFS Form 840, Part C) and sign the document if approved. New activities to be accomplished during the upcoming year may be previewed.
- G. The CSFS encourages landowners to be actively involved in forest management activities and wood marketing; however, certain technical tasks, such as a forest inventory, should involve a forester.
- H. The property inspection documentation should include, but is not limited to, the following elements:
 - 1. Date property was inspected, and who was present.
 - 2. Summary of what transpired during the inspection.
 - 3. Any corrections/updates to the accomplishment report.
 - 4. Any corrections/updates to the annual work plan based on management plan recommendations.
 - 5. Expectations for the next year, detailing how to maintain compliance with the plan.
 - 6. The decision on whether the property will be recommended or not recommended for Forest Ag tax classification, describing why.
 - 7. An enclosed/attached receipt for the Forest Ag fee, or payment information included in the document.
 - 8. A signed copy of the annual work plan enclosed or attached (with landowner and forester signatures).
 - 9. Upon the landowner's request, a copy of the CSFS inspection report can be provided to a consulting forester.

- I. When assessing a landowner's compliance:
 1. Determine and document why a particular activity did not occur.
 2. Determine how much effort is being made by the landowner.
 3. Is the project timeline reasonable?
 4. Do the prescriptions or recommendations in the plan or the implementation schedule need to be revised?
 5. Can you justify their forestry program as a legitimate agricultural land-use?

3. CSFS Field Office Recommendation to Assessor

- A. The local CSFS Area Manager or their designated representative will, by March 1 of each year, provide the local county assessor a written list of eligible/**recommended** landowners/properties for that tax year. It will include both new and continuing enrollees that have successfully met all program requirements.
Landowner name, address, legal property description and parcel identification will be provided for all landowners on the list. Refer to section 3.D. below for directions about reporting forested acres.
Advise the assessor of any property recommended that has had an ownership name change because the property sold or was inherited.
- B. Also, by March 1 of each year, the CSFS Area Manager or designated representative will provide the local county assessor a written list of landowners/properties **not recommended**. These properties can be listed in the same letter as recommended properties, and will include the name, address, legal property description and parcel identification for landowners who:
 1. Were enrolled in the Forest Ag program the previous year and applied for continued participation but who were **not recommended** due to unsatisfactory annual work plan performance or eligibility issues.
 2. Were enrolled in the Forest Ag program the previous year but did not request re-inspection or failed to submit the inspection request and inspection fee by the October 1 application deadline.
- C. Some assessor's offices have requested that the participants' information be limited to the landowner's name and parcel identification information. According to the state property tax administrator, this abbreviated format is acceptable, if requested by the local assessor's office.
- D. The CSFS will report forested acreage to the county assessor only in those cases when the landowner has chosen to manage less than the total operable forest land acreage. In such cases the CSFS will attach notification to the **recommended** list that includes the statement "*Landowner name* has chosen to manage only _#_ acres of their total # forest land acres."

- E. When CSFS-held landowner documents are requested by the county assessor, or by any other individual, the documents may be requested under a Colorado Open Records Act (CORA) request. If the request is approved by CSU legal counsel, then the CSFS must make the records available within three business days. Each request is handled on a case by case basis. Historically, some requests have been fulfilled, while others have not.

4. **Internal CSFS Reporting/Records**

- A. The CSFS Area Manager or their designated representative will send a copy of the **recommended** and **not recommended** lists for each county to the State Forest Ag Program Manager by April 1.
- B. Additionally by April 1, the Area Manager or designated representative will send to the State Forest Ag Program Manager, for each recommended property and organized by county: the landowner's name, parcel ID #, forested acres and total acres. Note any changes to parcel ID #s.
- C. The CSFS Area Manager or designated representative will maintain a case file for each landowner who submits a forest management plan for Forest Agriculture Classification. Case files will be maintained indefinitely (Retention Record Guidance, Updated August 2013). Reasonable efforts will be made by the CSFS, to the extent authorized by law, to maintain the confidentiality of case files.

5. **Inspection Fee**

- A. The inspection fee is determined by the CSFS, and should compensate the district for the basic activities associated with a property inspection. The fee formula is stated on the inspection request form and in CSFS pricing policy.
- B. The inspection is defined as: All actions taken by CSFS field office personnel related to communication, preparation, documentation and administration of an individual landowner's participation in the Forest Agriculture Classification Program. This definition includes, but is not limited to, referencing the management plan, reviewing annual forms for completion, scheduling and conducting on-site field visits, confirming and documenting accomplishments, providing appropriate documentation to the county assessor, landowner, etc.
- C. In situations where a Forest Ag property spans more than one CSFS field office, the landowner will be informed to submit their annual inspection request, fee and forms to the mutually agreed upon CSFS field office. The inspecting forester will then coordinate the annual inspection with the adjacent field office, with each field office being responsible for recommendations and communications with the appropriate county assessor.

V. MANAGEMENT PLAN UPDATES/REVISIONS

At a minimum, the management plan implementation schedule will need to be updated after 10 years, but in reality, minor modifications and changes to the order of activities often become necessary well before the 10-year anniversary. The required 10-year review of a management plan approved in the fall of 2017 should be scheduled for re-approval in the fall of 2027. The revised implementation schedule begins with year 2028. The plan elements that may need to be revised are found in the Colorado Forest Agriculture Program Management Plan Guidelines.

VI. ADDRESSING SUBSTANDARD PERFORMANCE

1. With landowner input, determine the reason(s) for non-compliance and how the landowner can meet the challenge(s). Request that the landowner and their assisting forester incorporate action items into the annual work plan for the following year.
2. Oral communication should be followed by written communication to ensure that the landowner, assisting forester and inspecting forester all are on the same page. The importance of good communication skills and detailed documentation during each inspection cannot be stressed enough when it is time to not recommend a property.
3. If any work is completed as requested, praise can go a long way, so make a point of letting the landowner know their effort is appreciated.
4. If the action items developed with the landowner do not produce the desired results, determine the answers to the following questions: Is the landowner putting sufficient time/effort into rectifying the shortfalls? Are there other ways to resolve the inconsistency between accomplishments and the forest management plan?
5. For a landowner engaged with limited results: A landowner that is trying different approaches in terms of products and marketing should be allowed to remain in the program particularly if there is some form of management being accomplished while developing a new market or researching a different product. “Engaged” means the landowner is treating their forest endeavors as a business, and not as a last-minute effort two weeks prior to the next inspection.
6. If a CSFS field office determines that the Forest Ag status is in jeopardy, all actions required to remain in the program need to be stated in writing, along with the consequence for not completing the actions being a “no” recommendation to the county assessor. Do not state any consequences that will not be enforced. When possible, the presence of the Area Manager at the inspection adds a witness to the conversation that can be helpful when determining what actions need to be taken to remain in the program.
7. For a landowner that requests an inspection even though the terms stated in Section VI.6. (above) were not met, the inspection report will state the date of the inspection, who was present, the activities that were not accomplished satisfactorily as outlined in the prior year inspection report, and that, therefore, the property will not be recommended. The property can be reconsidered for the program when the management plan is followed. A courtesy copy of the letter should be provided to

the State Forest Ag Program Manager.

8. For a “not recommended” property, or for a landowner that did not request re-inspection but wishes to resume participation in the program, the landowner needs to assure compliance with their management plan and submit an Inspection Request form with the appropriate fee by the next October 1 deadline.

VII. FOREST AG PROGRAM MANAGEMENT

The role of the State Forest Ag Program Manager is to provide a basic and consistent framework for the program implementers and participants in CSFS field offices. The role of the field offices is to uphold the integrity of the program and provide technical support as management plan preparers, management plan reviewers, assisting foresters and inspecting foresters, which leads to successful participants.

1. Policy Establishment Process

The CSFS Forest Ag Program policy and guidelines were established through C.R.S. 39-1-102 evaluation and interpretation. The CSFS administers the program according to the Colorado statute and its policy interpretation. If and when new interpretation is established in the court system, the CSFS will adjust its policy and program administration accordingly.

2. Annual Program Cycle

- A. The State Program Manager should make field offices aware of pending program changes for the given year by March 1.
- B. Changes that can impact Forest Ag participants and consultants should be in place no later than June 1 and be shared with all impacted.
- C. The courtesy landowner reminder letter and CSFS Form 840, provided by the State Program Manager to districts, should be available no later than August 1.
- D. The State Program Manager will assist the field as requested in unusual or unique circumstances.

3. Training

With input from the CSFS field offices and consultants, the State Program Manager will provide or arrange for Forest Ag-related learning opportunities.

4. Program Review

A program analysis will be conducted every three years. The CSFS Forest Planning and Implementation Division will initiate the analysis and input will be gathered from program implementers. If a program review is recommended, the review will begin no later than the year following the analysis. The review leader should know the Forest Ag Program well, but not have a direct link to the management of the program.

5. **Future fee adjustments**

- A. Should be based on individual inspection costs (hours spent) tracked by several districts, and
- B. Should follow the C.R.S.: The CSFS shall charge a fee for the inspection of each parcel of land in such amount for the reasonable costs incurred by the CSFS in conducting such inspections. Such fee shall be paid by the owner of such land prior to such inspection.