



## NEWS RELEASE

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### **ONE MILLION DOLLARS IN FOREST SUSTAINABILITY FUNDING AWARDED TO 68 LOCALITIES ACROSS VIRGINIA**

*Funds help localities offset forgone revenue from keeping forests as forests*

CHARLOTTESVILLE, VA – The Virginia Department of Forestry (VDOF) has announced the awardees for the 2022 Forest Sustainability Fund. One million dollars will be distributed proportionately to 68 Virginia localities to partially offset the reduced real estate tax revenue that results from forestland use taxation. The localities will be able to use these funds for public education, outdoor recreation, or forest conservation.

Passed by the 2022 General Assembly, the fund is intended to assist localities that offer land use taxation to forest landowners. Land use taxation enables landowners to pay real estate taxes based on the productivity of their land for crop or timber production rather than on its real estate market value. This results in lower taxes each year and enables many landowners to keep their land as farms or forests.

Most of the forestland in Virginia is privately owned, but these millions of acres of forests provide environmental and health benefits for the public at large, such as cleaner air, healthier streams, drinking water, and aesthetic beauty. Forestland use taxation helps forest landowners retain their forests and ensures that we continue to enjoy their natural resource and economic benefits. However, forestland use taxation does result in less tax revenue for localities.

“The first year of the Forest Sustainability Fund program has been a huge success,” said Virginia Secretary of Agriculture and Forestry Matthew Lohr. “I know how important land use taxation is for our farmers and forest landowners to help keep their land in production. The recent [University of Virginia’s Weldon Cooper Center for Public Service study](#) demonstrates just how important these working lands are to Virginia’s economy. We look forward to the program’s ongoing accomplishments and benefits to Virginians in the years to come.”

“By offsetting a portion of lost, or forgone, revenue, the Forest Sustainability Fund provides a win-win-win for localities, owners and citizens to preserve forestland and retain the wide-ranging benefits that we all enjoy,” said VDOF State Forester Rob Farrell. “Thanks to bill patrons Delegate Robert Bloxom Jr., and Senator Frank Ruff, Jr., and the General Assembly, the Forest Sustainability Fund will make it easier for local governments to provide this critical forestland conservation tool.”

In Virginia, 75 localities offer forestland use taxation, totaling approximately 70,000 individual parcels on more than 3,000,000 acres. This year’s applicants reported forgone revenue of over \$72.5 million, with the average forgone revenue per locality equaling more than one million dollars. The proportional distribution from the amount available in the fund averaged approximately \$15,000 per locality.

The fund is administered by VDOF staff, who began by forming a steering committee made up of commissioners of revenue, local officials and interested association representatives (i.e.; Virginia Forestry Association, Virginia Farm Bureau, Virginia Association of Counties, Virginia Municipal League). Virginia Department of Taxation, Virginia Tech Agricultural Economics Department and VDOF staff rounded out the committee that was responsible for developing guidelines and a framework process.

For more information, please visit <https://dof.virginia.gov/forest-management-health/forest-sustainability-fund-for-local-government/>

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### ***About the Virginia Department of Forestry***

*The Virginia Department of Forestry (VDOF) protects and develops healthy, sustainable forest resources for Virginians. With nearly 16 million acres of forestland and more than 108,000 Virginians employed in forestry, forest products and related industries, Virginia forests provide an overall economic output of more than \$21 billion annually.*

*Headquartered in Charlottesville, the agency has forestry staff members assigned to every county to provide citizen service and public safety protection across the Commonwealth, which it's been doing now for more than 100 years. VDOF is an equal opportunity provider.*