

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Department of Forestry
Virginia Administrative Code (VAC) Chapter citation(s)	4 VAC 10-20
VAC Chapter title(s)	Standards for Classification of Real Estate as Devoted to Forest Use Under the Virginia Land Use Assessment Law
Action title	Periodic Review
Date this document prepared	6/30/23
Regulatory Stage (including Issuance of Guidance Documents)	Final Stage

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Land use value assessment taxes real estate based on its usage, instead of its fair market value. As a result, land devoted to ag/forest, horticulture, and open-space use that eliminate or reduce development potential, can be subject to lower taxes, providing an opportunity for Virginia localities to preserve long-term public benefits. Property owners in an Agricultural & Forestal District agree not to convert their farm or forest land to a more intense land use. The property owner benefits through eligibility for land use-taxation, which assesses taxes on the current, not the potential use value of the property. Localities can focus these programs to preserve ecologically valuable land with benefits for flood & stormwater mitigation. This preserves essential open space without the costs of property acquisition and benefits property owners without the need to permanently restrict development rights.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	

(3) Other Costs & Benefits (Non-Monetized)	
(4) Assistance	
(5) Information Sources	Department of Forestry website

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Method to incentivize and indirectly compensate forest landowners has emerged by offering reduced property taxes to forestlands that enroll in a preferential forest property tax program. This provides the promotion of various ecosystem services such as provision of timber, maintenance of scenic values, habitat for fish and wildlife, and recreation.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources	Department of Forestry website	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Investing in forests provides a significant opportunity for companies seeking to address climate change, protect nature and create jobs. Responsible forest conservation and restoration can be a cost-effective solution to help remove atmospheric carbon and build climate resilience. Forests are an essential landscape in our efforts to preserve habitats and protect natural heritage. In addition, the sustainable management of
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	forests could create business opportunities and jobs for companies from across industries. They are investing in forests, given their multifaceted potential for risk mitigation alongside the ability to create short-, medium- and long-term value..	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources	Department of Forestry website	