

1 A JOINT RESOLUTION directing the Department of Revenue and the University
2 of Kentucky's Department of Forestry and Natural Resources to recommend equitable
3 property tax assessment procedures for well-managed forests.

4 WHEREAS, well-managed, family-owned, non-industrial forests are central to
5 providing the raw material that fuels the \$13 billion in economic contributions from the
6 forest industry sector annually; and

7 WHEREAS, incentivizing family forest owners, who own the majority of the
8 forestlands in Kentucky, to conduct sound forest practices will help sustain the socio-
9 economic benefits that forest resources provide to Kentucky; and

10 WHEREAS, pursuant to House Concurrent Resolution 13 of the 2002 Regular
11 Session of the General Assembly, the Legislative Research Commission issued Research
12 Report No. 307, which identified tax and related policies that had the effect of
13 incentivizing or disincentivizing good forest management practices in the
14 Commonwealth; and

15 WHEREAS, the examination of property tax issues impacting forest management
16 practices in Research Report No. 307 produced conflicting views on how to equitably and
17 constitutionally assess property taxes on well-managed forestlands; and

18 WHEREAS, this lack of agreement and failure to act upon the report's most
19 important findings resulted in continued poor forest management of many forestlands in
20 the Commonwealth and the potential unconstitutional taxation of forestlands where sound
21 forest management practices were being implemented; and

22 WHEREAS, significant developments have occurred since the issuance of Research
23 Report No. 307 that would be helpful in finding the best policies for improving the
24 productivity of Kentucky's forests, including the availability of a nationally-recognized
25 standard that could be used by property valuation administrators to define well-managed
26 forests;

27 NOW, THEREFORE,

1 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

2 ➔Section 1. The Department of Revenue and the University of Kentucky's
3 Department of Forestry and Natural Resources shall coordinate together to submit a
4 report to the Legislative Research Commission no later than December 1, 2022, detailing
5 their recommendations for establishing property tax assessment procedures for well-
6 managed forests that ensure equitable taxation of these lands and encourage sound forest
7 management practices that will promote the sustainability of Kentucky's forests and
8 maximize the socioeconomic benefits derived from them.