

INFORMATION SHEET

ILLINOIS FORESTRY DEVELOPMENT ACT

Illinois Forestry Development Act - Illinois has some of the finest forest lands in the Midwest. Today the total acreage of these lands is over 4.5 million acres. These lands provide a variety of forest resources that make a significant environmental, economic and outdoor recreation contribution. Sixty one percent of the native flora and 75% of the wildlife habitat are found in Illinois' forests. Most of the forest land in Illinois (more than 90%) is owned by private landowners.

Since Illinois is a growing state and has a strong farm economy, forest landowners feel the pressures of development and the need for additional agricultural lands. The typical forest landowner also lacks the technical forestry knowledge to properly manage their forested property. The other factor in creating the IFDA was to offer tax relief to forest landowners who make a long term investment in their forestland through forest management. Also to offer financial incentives to implement forest management practices that would protect and enhance those forest resources.

To help solve these problems, in 1983 and amended later, the Illinois General Assembly passed into law the Illinois Forestry Development Act (FDA) (525 ILCS 15). This Act created the Illinois Forestry Development Council, the Forestry Development Cost Share Program (Cost Share Program), and the Forestry Development Fund (Fund). The Act also amended the Timber Buyers License Act regarding the collection of a 4% harvest fee, and the property tax code to provide for a tax incentive for those landowners with approved forest management plans.

The future of Illinois' forest lies in the hands of its private landowners.

Forestry Development Council - The Council consists of 24 members representing all aspects of forestry in Illinois. Represented on the Council is the Illinois General Assembly, the Governor's Office, the Directors of state agencies and associations that have an interest in our forests, the Chairs of the Forestry related Departments at the University of Illinois and Southern Illinois University, the forest products industry, urban interest, private landowners who are timber producers, farmers, and environmental interest. Representatives of the Shawnee National Forest and the Natural Resources Conservation Service serve as ex-officio members.

The Council, through its charge to study and evaluate the forest resources and forest industry of Illinois, determines: the magnitude, nature, extent and ownership of Illinois's forest resources, the uses, benefits, and services this resource provides, the economic development, increasing employment, and management opportunities relating to the forest industry, the staffing and funding needs for forestry programs and support, forest education programs, and the soil, water, and wildlife habitat benefits of forestry practices.

Cost Share Program - The Cost Share Program is administered by the Division of Resource Protection & Stewardship (Division) in the Department of Natural Resources (Department). To be eligible to receive cost share assistance a landowner must own or operate at least 5 acres of land on which timber is produced (6 acres if a house or buildings are on the property), have timber production as the primary goal of their forest land, and have a forest management and/or tree planting plan for the property that has been approved by a District Forester.

Cost Share Program (continued)

The cost share program will reimburse an eligible landowner for a portion of their costs (up to set maximums) for the preparation of forest management and tree planting plans, reforestation, forest improvement practices, fencing to exclude livestock, firebreaks, and other management practices. Contact your District Forester for more information.

Tax Incentive - With the passage of the FDA, the Property Tax Code (35 ILCS 200/10-150) was amended to provide a tax incentive for the Illinois timber grower. The amendment to the Property Tax Code states in counties with less than 3,000,000 inhabitants, any land being managed under a forestry management plan approved by the Department under the guidelines of the FDA shall be considered as "other farmland". The land shall be valued at 1/6 of its equalized assessed value based on cropland. If the forest landowner requests such consideration, the Department works with the Department of Revenue to inform each county tax assessor of each parcel of land which is covered by an approved FDA forest management plan, and subject to the reduced tax assessment.

4% Timber Harvest Fee - The FDA also amended the Timber Buyers Licensing Act (225 ILCS 732/2) requiring that when timber or logs are sold the timber buyer shall determine the amount to be paid for such timber, or the value of items to be bartered for such timber, and shall deduct from the payment to the timber grower an amount which equals 4% of the purchase price. The timber buyer shall forward such amount to the Department of Natural Resources, along with a report of the purchase on forms provided by the Department.

4% Timber Harvest Fee (continued)

The 4% monies are deposited in the Forestry Development Fund. The Timber Buyers Licensing Act further requires that anyone buying timber must be licensed and bonded. Timber owners should assure themselves that any prospective buyer is licensed.

The Fund - The Forestry Development Act of 1983 established the Illinois Forestry Development Fund.

The Fund is divided into two parts. On one side the 4% monies (harvest fees) are deposited and used to pay for the Cost Share Program and the expenses of the Council. The Department **does not** take any operating funds from the 4% monies.

The 1990 amendment created the other side of the Fund by amending the wording of the Act to allow the Department to deposit into the Fund all fees and fines collected pursuant to the Timber Buyers Licensing Act and the Forest Products Transportation Act, all gifts, contributions, bequests, grants, donations, transfers, appropriations, all revenues and receipts resulting from forestry programs, forest product sales, and operations of facilities not otherwise directed by State law. The Department uses these additional monies for ordinary operating expenses associated with the administration and implementation of the States' forestry programs.

Healthy, well managed, and productive forests are essential for all the activities and demands society places on these lands. The Illinois Forestry Development Act is unique in such legislation to evaluate, assist, and encourage the management and protection of this most valuable, renewable natural resource.

**For more information, contact your local IDNR District Forester or the, IL DNR, Division of Forest Resources , One Natural Resources Way, Springfield, IL 62702-1271
Phone: 217-785-8774.**

June 2006