

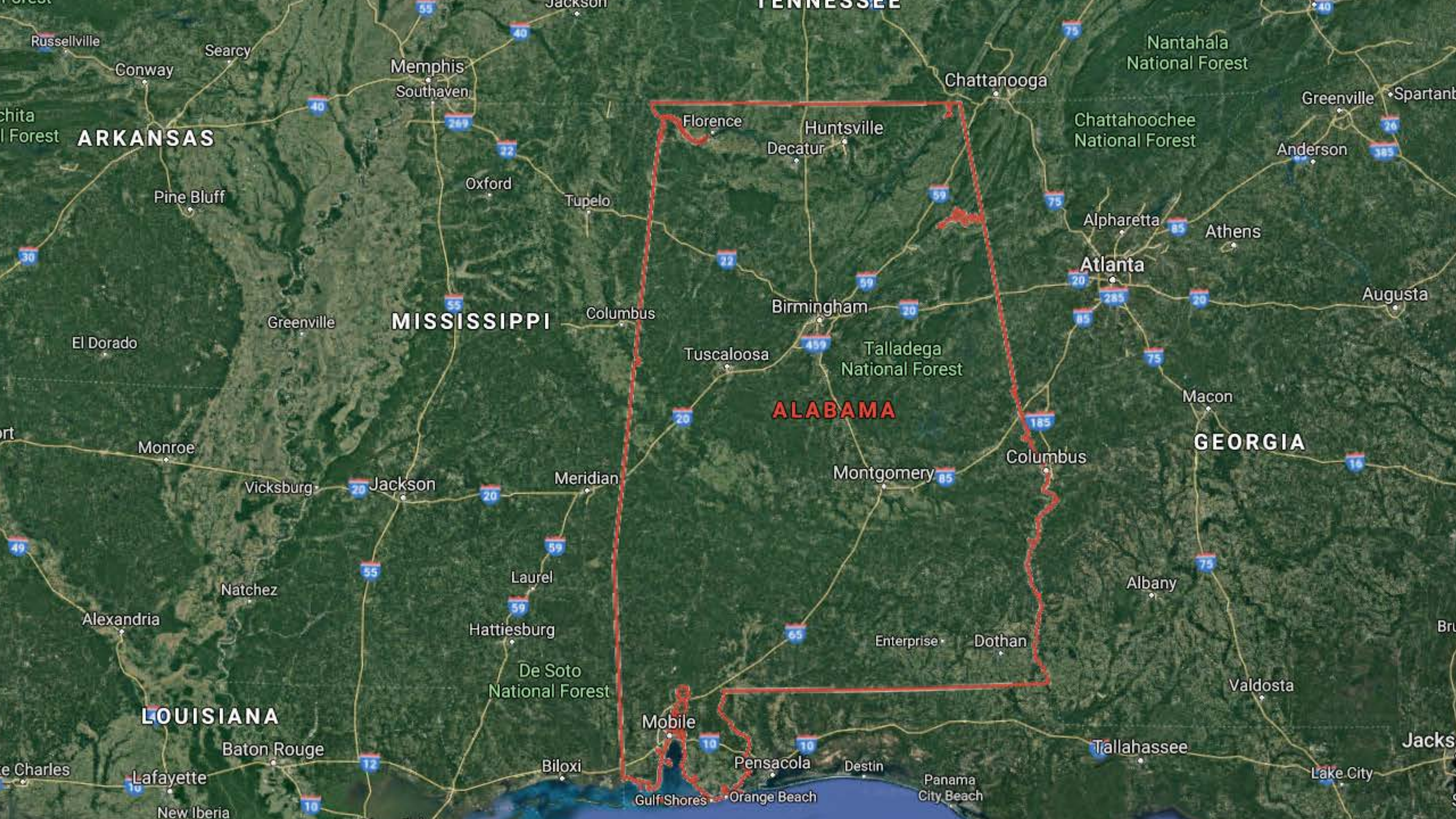
Reassessing the Value of Current Use

An aerial photograph of a forested landscape. A large, irregularly shaped section of the forest has been cleared, revealing a network of dirt roads and a large open field. The surrounding forest is dense and green. The cleared area is a mix of brown and green, indicating recent clearing and regrowth.

Conner Bailey

cbailey@ag.auburn.edu

Alabama Association of County Commissioners



Hypothetical Case: Timberland 5 miles from Auburn

MARKET VALUE

- Appraised value: \$30,000/acre
- Assessed value (20%): \$6,000
- Mils: 41.0
- Tax: \$246 per acre
- Tax on 50 acres: \$12,300

CURRENT USE

- Appraised Value: \$762/acre
- Assessed value (10%): \$76.20
- Mils: 41.0
- Tax: \$3.12 per acre
- Tax on 50 acres; \$156.21

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CONNER BAILEY

ALABAMA TIMBERLAND

Contact

Conner Bailey
Professor Emeritus
313A Comer Hall
Auburn Univ, AL 36849
334-844-5632
bailelc@auburn.edu

A graphic featuring a sunlit forest scene. Overlaid text reads: "70% of ALA IS TIMBERLAND" and "Totaling 22.9 MILLION ACRES". The "ALA" is in a stylized banner.

Alabama Timberland

WHO OWNS ALABAMA'S TIMBERLAND, AND WHY SHOULD WE CARE?

For starters, roughly 70 percent of Alabama is timberland, totaling 22.9 million acres (Hartsell 2014). Almost all (94 percent) of this land is privately owned by a changing mixture of individuals, families, and corporations (Hartsell and Cooper 2013). We cannot understand Alabama, and particularly rural Alabama, without understanding the dominant role that forestry plays in this state's economy.

Since 1992, researchers in the Alabama Agricultural Experiment Station have worked to understand how the extensive nature of Alabama's timberlands and the dominant presence of the state's forest products industry have shaped rural Alabama. A substantial body of social forestry research has been developed on this topic.

Much of this research in Alabama has confirmed findings from other parts of the country and world that rural

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<http://aers.auburn.edu/conner-bailey/alabama-timberland/>

**19,647,337 ACRES
TOTAL PRIVATE TIMBERLAND**

**2,627,942 ACRES
OWNED BY TOP TEN PRIVATE OWNERS**

**20.4% ALABAMA TIMBERLAND
OWNED BY TOP 30 PRIVATE OWNERS**

59% TOTAL ABSENTEE OWNED

TOP 30 OWNERS

RESOURCE MANAGEMENT SERVICES	605,096
WEYERHAEUSER COMPANY	331,911
WESTERVELT COMPANY	316,737
HANCOCK JOHN LIFE INSURANCE CO	315,412
RAYONIER	289,797
CEDAR CREEK LAND & TIMBER INC	181,888
UNITED STATES STEEL CORPORATION	170,643
SOTERRA LLC	143,016
THE HARRIGAN TIMBERLANDS	144,564
DUDLEY LUMBER CO INC	128,878
ALAWEST-AL, LLC	126,244
GMO THRESHOLD TIMBER LAND COMPANY LLC	120,420
PDS COMPANIES	113,738
REGIONS TIMBERLAND GROUP	99,767
McDONALDS INVESTMENT	89,581
TENSAW LAND & TIMBER CO.	88,173
AMSOUTH TIMBER COMPANY & Amsouth related	85,385
PLUM CREEK TIMBERLANDS L P	82,894
FOREST INVESTMENT ASSOCIATES	82,849
WELLS FARGO	74,597
TIMBERVEST	65,662
ALABAMA POWER COMPANY	61,137

CONECH COUNTY, AL

Total acres in county: **544,600**
Total private timberland acres: **343,576**
Private timberland acres as percent total acres: **63.1%**
Total timberland absentee owned: **87.4%**

TOP TEN OWNERS

	ACRES	% OF TOTAL
CEDAR CREEK LAND & TIMBER INC	48,804	14.2%
RAYONIER TIMBERLANDS OPERATING CO.	37,381	10.9%
MCMILLAN D.W. TRUST	30,600	8.9%
JOHN HANCOCK LIFE INSURANCE COMPANY	28,029	8.2%
RED MOUNTAIN TIMBER CO I LLC	19,333	5.6%
McDONALDS INVESTMENTS S.A. TIMBERLANDS LLC	13,786	4.0%
LOWREY J F B	13,652	4.0%
SOTERRA LLC	8,703	2.5%
REGIONS BANK TRUST C FOR BENEFIT OF	7,249	2.1%
TISDALE GEORGE G.	6,746	2.0%
-		
Top 5	164,147	47.8%
Top 10	214,283	62.4%
Percent of Timberland in holdings of over 1,000 acres		72.8%

COOSA COUNTY, AL

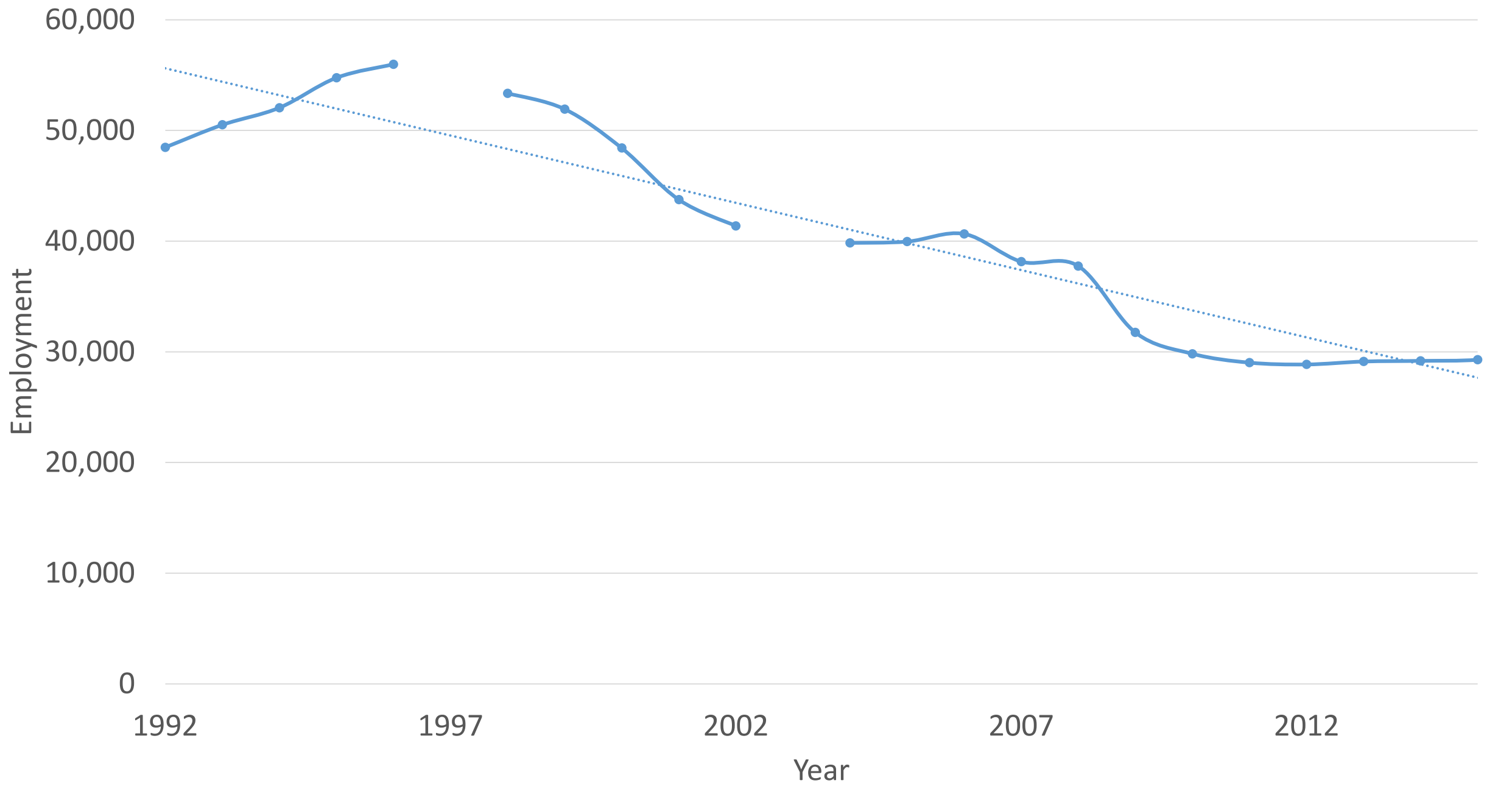
Total acres in county: **417,600**
Total private timberland acres: **367,022**
Private timberland acres as percent total acres: **87.9%**
Total timberland absentee owned: **84.1%**

TOP TEN OWNERS

	ACRES	% OF TOTAL
PDS COMPANIES	39,151	10.7%
JOHN HANCOCK LIFE INSURANCE CO	38,976	10.6%

Top Ten Timberland Owners in Alabama	Ownership Type	Acres
RESOURCE MANAGEMENT SERVICES	TIMO	605,096
WEYERHAEUSER COMPANY	REIT	331,911
WESTERVELT COMPANY	TIMO	316,737
HANCOCK JOHN LIFE INSURANCE CO	TIMO	315,412
RAYONIER	REIT	289,797
CEDAR CREEK LAND & TIMBER INC	Wood Products	181,888
UNITED STATES STEEL CORPORATION	Diversified C Corp.	170,643
SOTERRA LLC	TIMO	143,016
THE HARRIGAN TIMBERLANDS	Wood Products	144,564
DUDLEY LUMBER CO INC	Wood Products	128,878
		2,627,942

Employment in Alabama's Forest Products Industry, 1992-2016





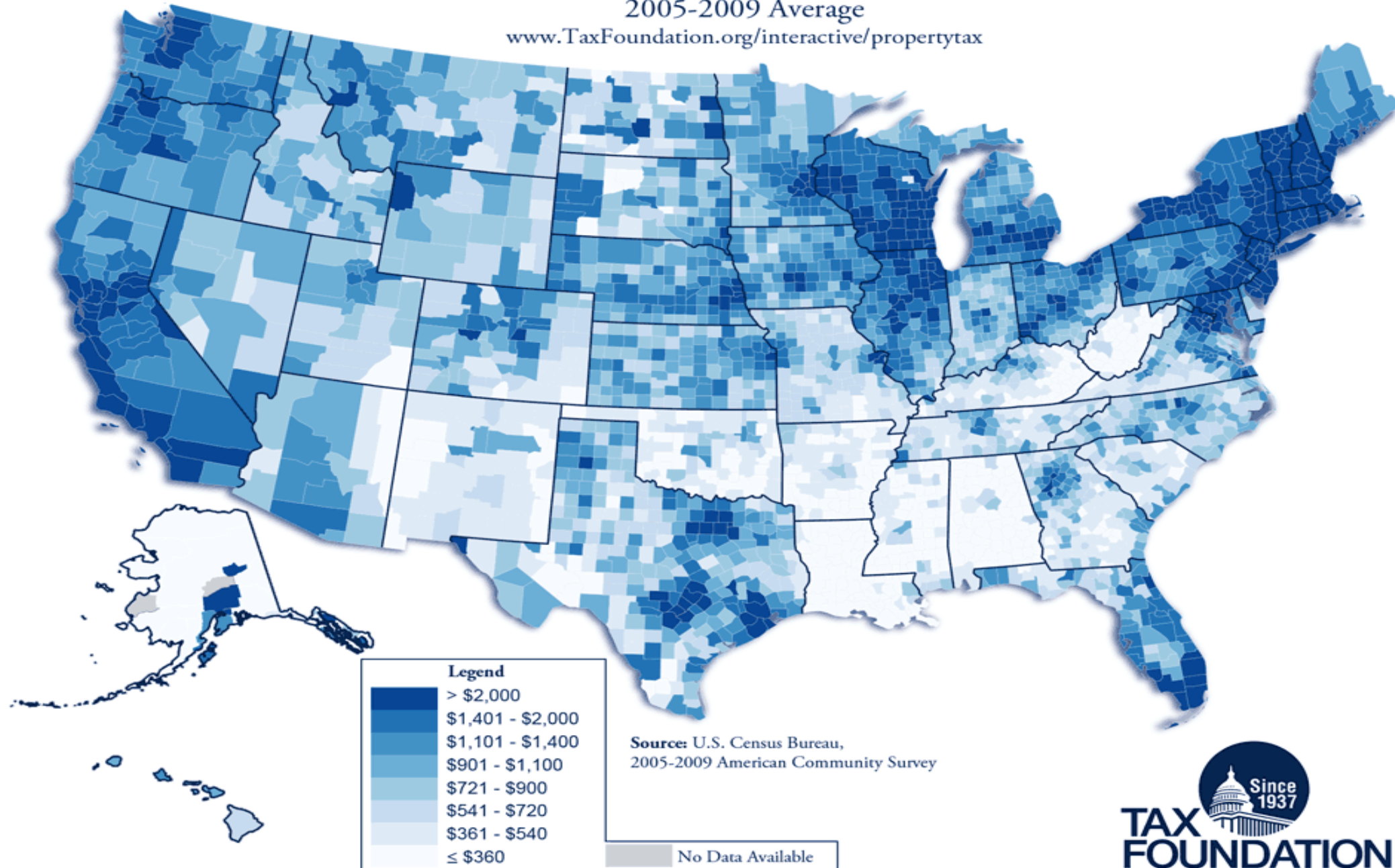




Median Property Taxes Paid By County

2005-2009 Average

www.TaxFoundation.org/interactive/propertytax



	Timberland Productivity			
	Good	Average	Poor	Non-Productive
Assessed value per acre	76.20	58.00	41.40	33.10
Ave. mils per acre (33.75)	2.57	1.96	1.40	1.12
Highest mils per acre (51.0)	3.89	2.96	2.11	1.69
Lowest mils per acre (23.5)	1.79	1.36	0.97	0.78

COMPARING TIMBERLAND PROPERTY TAX PAYMENTS IN CHAMBERS COUNTY (AL) AND HARRIS COUNTY (GA)

County	Current Use Value, Best Soil Type	Assessment Rate	Assessed Value	Millage Rate	Property Tax per Acre
Harris – FLPA/CUV	\$833	40%	\$333.20	27.19	\$9.60
Harris - QTP	\$954	40%	\$583.10	27.10	\$15.85
Chambers	\$762	10%	\$76.20	42.50	\$3.24

COMPARING TIMBERLAND PROPERTY TAX PAYMENTS IN CHOCTAW COUNTY (AL) AND CLARKE COUNTY (MS)

County	Current Use Value, Best Soil Type	Assessment Rate	Assessed Value	Millage Rate	Property Tax per Acre
Clarke	\$288	15%	\$43.20	107.02	\$4.62
Choctaw	\$762	10%	\$76.20	17.50	\$1.33

COMPARING TIMBERLAND PROPERTY TAX PAYMENTS IN LAUDERDALE COUNTY (AL) AND WAYNE COUNTY (TN)

County	Current Use Value, Best Soil Type	Assessment Rate	Assessed Value	Millage Rate	Property Tax per Acre
Wayne	\$916	25%	\$229	23.0	\$5.27
Lauderdale	\$762	10%	\$76.20	35.0	\$2.67

COMPARING TIMBERLAND PROPERTY TAX IN SELECT ALABAMA AND FLORIDA COUNTIES

County	Current Use Value, Best Soil Type	Assessment Rate	Assessed Value	Millage Rate	Property Tax per Acre
Holmes (FL)	-	-	\$333	15.5873	\$4.51
Geneva (AL)	\$762	10%	\$76.20	32.10	\$2.45
Escambia (FL)	-	-	\$333	13.7362	\$4.57
Escambia (AL)	\$762	10%	\$76.20	35.0	\$2.67

OTHER TAXES ON TIMBERLAND IN ALABAMA

1. Severance tax \$0.10/ton at harvest
2. Privilege tax \$0.05/ton
3. Assuming harvest of 90 tons/acre, total tax \$13.50/acre
4. Annual tax of \$0.10 per acre collected by state

Mississippi charges severance tax \$0.12/ton. Tennessee, Florida, and Georgia do not.

Number of owners with over 2,000 acres	730
Total acres owned by these 730	6,311,052
If limited current use exemption to 2000 acres, how many acres would be subject to higher tax?	4,851,052
If assessed this land at \$1,000 per acre, how much new revenue would be generated at county level?	\$12,631,187
How much additional property tax revenue would the State receive with such change?	\$3,034,560

How would this work out for selected counties?

COUNTY	Number of Owners with > 2,000 acres	Holdings > 2,000 acres	1st 2000 of Holdings	Balance of Holdings	Land Value	Appraised	Assessed (10%)*	Mils	New Revenue
Baldwin	26	273,879	52,000	221,879	1,000	221,879,000	22,187,900	23.5	\$521,416
Clarke	37	347,479	74,000	273,479	1,000	273,479,000	27,347,900	26.5	\$724,719
Escambia	14	301,846	28,000	273,846	1,000	273,846,000	27,384,600	28.5	\$780,461
Mobile	15	125,011	30,000	95,011	1,000	95,011,000	9,501,100	42.0	\$399,046
Monroe	34	235,735	68,000	167,735	1,000	167,735,000	16,773,500	24.5	\$410,951
Washington	11	164,197	22,000	142,197	1,000	142,197,000	14,219,700	23.5	\$334,163

COUNTY	OWNERS > 2000 acres	HOLDINGS >2000 acres	1st 2000	Remaining	land val	appraised	assessed	Mills (high)	new revenue
Autauga	5	94,144	10,000	84,144	1,000	84,144,000	8,414,400	0.0250	210,360
Baldwin	26	273,879	52,000	221,879	1,000	221,879,000	22,187,900	0.0235	521,416
Barbour	15	111,354	30,000	81,354	1,000	81,354,000	8,135,400	0.0230	187,114
Bibb	11	136,151	22,000	114,151	1,000	114,151,000	11,415,100	0.0195	222,594
Blount	6	21,483	12,000	9,483	1,000	9,483,000	948,300	0.0260	24,656
Bullock	11	95,985	22,000	73,985	1,000	73,985,000	7,398,500	0.0370	273,745
Butler	12	185,152	24,000	161,152	1,000	161,152,000	16,115,200	0.0235	378,707
Calhoun	4	17,722	8,000	9,722	1,000	9,722,000	972,200	0.0335	32,569
Chambers	6	74,345	12,000	62,345	1,000	62,345,000	6,234,500	0.0360	224,442
Cherokee	7	43,132	14,000	29,132	1,000	29,132,000	2,913,200	0.0355	103,419
Chilton	9	67,451	18,000	49,451	1,000	49,451,000	4,945,100	0.0325	160,716
Choctaw	36	214,985	72,000	142,985	1,000	142,985,000	14,298,500	0.0245	350,313
Clarke	37	347,479	74,000	273,479	1000	273,479,000	27,347,900	0.0265	724,719
Clay	9	66,674	18,000	48,674	1,000	48,674,000	4,867,400	0.0245	119,251
Cleburne	6	65,654	12,000	53,654	1,000	53,654,000	5,365,400	0.0205	109,991
Coffee	6	50,901	12,000	38,901	1,000	38,901,000	3,890,100	0.0275	106,978
Colbert	5	31,737	10,000	21,737	1,000	21,737,000	2,173,700	0.0235	51,082
Conecuh	20	240,886	40,000	200,886	1,000	200,886,000	20,088,600	0.0280	562,481
Coosa	11	149,091	22,000	127,091	1,000	127,091,000	12,709,100	0.0195	247,827
Covington	8	172,245	16,000	156,245	1,000	156,245,000	15,624,500	0.0205	320,302
Crenshaw	11	91,578	22,000	69,578	1,000	69,578,000	6,957,800	0.0315	219,171
Cullman	5	29,993	10,000	19,993	1,000	19,993,000	1,999,300	0.0195	38,986
Dale	4	15,147	8,000	7,147	1,000	7,147,000	714,700	0.0240	17,153
Dallas	19	103,448	38,000	65,448	1,000	65,448,000	6,544,800	0.0275	179,982
Dekalb	2	5,230	4,000	1,230	1,000	1,230,000	123,000	0.0290	3,567
Elmore	9	42,814	18,000	24,814	1,000	24,814,000	2,481,400	0.0185	45,906
Escambia	14	301,846	28,000	273,846	1,000	273,846,000	27,384,600	0.0285	780,461
Etowah	0	0	0	0	1,000	0	0	0.0295	0
Fayette	11	76,540	22,000	54,540	1,000	54,540,000	5,454,000	0.0215	117,261
Franklin	8	103,053	16,000	87,053	1,000	87,053,000	8,705,300	0.0265	230,690
Geneva	3	7,907	6,000	1,907	1,000	1,907,000	190,700	0.0256	4,882
Greene	13	75,596	26,000	49,596	1,000	49,596,000	4,959,600	0.0310	153,748

Hale	11	66,398	22,000	44,398	1,000	44,398,000	4,439,800	0.0265	117,655
Henry	6	25,620	12,000	13,620	1,000	13,620,000	1,362,000	0.0305	41,541
Houston	3	6,972	6,000	972	1,000	972,000	97,200	0.0230	2,236
Jackson	6	51,477	12,000	39,477	1,000	39,477,000	3,947,700	0.0235	92,771
Jefferson	7	140,100	14,000	126,100	1,000	126,100,000	12,610,000	0.0435	548,535
Lamar	10	87,915	20,000	67,915	1,000	67,915,000	6,791,500	0.0250	169,788
Lauderdale	3	7,833	6,000	1,833	1,000	0	0	0.0285	0
Lawrence	2	12,395	4,000	8,395	1,000	8,395,000	839,500	0.0235	19,728
Lee	7	56,883	14,000	42,883	1,000	42,883,000	4,288,300	0.0345	147,946
Limestone	0	0	0	0	1,000	0	0	0.0235	0
Lowndes	11	83,249	22,000	61,249	1,000	61,249,000	6,124,900	0.0385	235,809
Macon	9	41,070	18,000	23,070	1,000	23,070,000	2,307,000	0.0445	102,662
Madison	2	8,093	4,000	4,093	1,000	4,093,000	409,300	0.0270	11,051
Marengo	27	167,799	54,000	113,799	1,000	113,799,000	11,379,900	0.0240	273,118
Marion	13	116,333	26,000	90,333	1,000	90,333,000	9,033,300	0.0175	158,083
Marshall	3	6,258	6,000	258	1,000	258,000	25,800	0.0310	800
Mobile	15	125,011	30,000	95,011	1,000	95,011,000	9,501,100	0.0420	399,046
Monroe	34	235,735	68,000	167,735	1,000	167,735,000	16,773,500	0.0245	410,951
Montgome	5	20,560	10,000	10,560	1,000	10,560,000	1,056,000	0.0225	23,760
Morgan	4	9,419	8,000	1,419	1,000	1,419,000	141,900	0.0309	4,385
Perry	17	115,210	34,000	81,210	1,000	81,210,000	8,121,000	0.0405	328,901
Pickens	20	185,504	40,000	145,504	1,000	145,504,000	14,550,400	0.0276	401,591
Pike	10	45,647	20,000	25,647	1,000	25,647,000	2,564,700	0.0275	70,529
Randolph	5	29,853	10,000	19,853	1,000	19,853,000	1,985,300	0.0255	50,625
Russell	17	115,265	34,000	81,265	1,000	81,265,000	8,126,500	0.0185	150,340
Shelby	8	124,217	16,000	108,217	1,000	108,217,000	10,821,700	0.0375	405,814
St Clair	9	66,592	18,000	48,592	1,000	48,592,000	4,859,200	0.0245	119,050
Sumter	20	153,482	40,000	113,482	1,000	113,482,000	11,348,200	0.0308	349,525
Talladega	6	47,480	12,000	35,480	1,000	35,480,000	3,548,000	0.0225	79,830
Tallapoosa	15	133,018	30,000	103,018	1,000	103,018,000	10,301,800	0.0235	242,092
Tuscaloosa	17	228,744	34,000	194,744	1,000	194,744,000	19,474,400	0.0205	399,225
Walker	14	96,498	28,000	68,498	1,000	68,498,000	6,849,800	0.0190	130,146
Washington	11	164,197	22,000	142,197	1,000	142,197,000	14,219,700	0.0235	334,163
Wilcox	29	157,654	58,000	99,654	1,000	99,654,000	9,965,400	0.0295	293,979

Winston	5	64,969	10,000	54,969	1,000	54,969,440	5,496,944	0.0195	107,190
TOTALS	730	6,311,052	1,460,000	4,851,052			484,921,944		12,947,352