

Memorandum

To: Forestland Taxation Advisory Subcommittee

From: Robin Rude, Deputy Administrator, Property Assessment Division

Re: Olympic Average of Forestland Values

Prior to the full committee meeting, I wanted to follow-up on what Deputy Director Scott Mendenhall was referring to at the latest subcommittee meeting regarding averaging the forestland stumpage values. We present the following information for your consideration.

In determining agricultural commodity prices, the base period is a ten-year Olympic average that is designed to smooth price volatility. The ten-year Olympic average is calculated by using data from ten consecutive years, dropping the highest and lowest figures, then averaging the remaining eight years. Jared Isom, TPR, took that extra step with his figures and came to the following conclusions, the results of which are a further decrease in stumpage value. As a result of a second look, he also made some minor, but important, adjustments to the model. A revised summary report is included. Jared will provide further detail on what changed in the model at the upcoming meeting.

Source	Zones			
	NW	SW	Central	East
Jackson's Original Numbers	\$ 290.64	\$ 315.41	\$ 251.05	\$ 32.90
DOR-TPR's Final Calculations	\$ 205.87	\$ 179.73	\$ 157.79	\$ 32.17
DOR-TPR's Olympic Average Calculations	\$ 204.40	\$ 173.75	\$ 150.72	\$ 28.28

It makes sense to us, that the same Olympic average methodology be used for both the agricultural commodities and the forestland prices.