

**Tree Growth Tax Law Issues**  
**Report to the**  
**Committee on Taxation**  
**of the**  
**124<sup>th</sup> Maine Legislature,**  
**First Regular Session**

Submitted as required by Resolve, To Direct a Review of Issues Concerning the Maine Tree Growth Tax Law (Chapter 197, 123<sup>rd</sup> Maine Legislature)



**28 January 2009**

**Submitted by**

**Maine Department of Conservation**

**Bureau of Forestry**

**Forest Policy & Management Division**

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## **Introduction**

Resolve 2007, Chapter 197, Sec. 3, directed the Bureau of Forestry (aka Maine Forest Service, or MFS) to report to the Committee on Taxation regarding the work of a task force convened to examine certain issues regarding the Tree Growth Tax Law. This report fulfills those requirements.

## **Legislative Charge**

The Legislature charged MFS and the task force with reviewing the following issues:

- 1 - The advisability of revising the timing of determining the forest growth rate portion and whether the current method of determining stumpage values should be broadened to provide for larger regions;
- 2 - Whether data supports the perception that some land is being classified under the Maine Tree Growth Tax Law that does not meet statutory requirements or the purpose of the law; and,
- 3 - The best methods for ensuring that municipalities and landowners are aware of the requirements of the Maine Tree Growth Tax Law and the availability of assistance from the Department of Conservation, Maine Forest Service in determining eligibility and meeting the ongoing requirements of the law.

## **Task Force**

MFS convened a task force comprised of the following members:

- Diano Circo, Natural Resources Council of Maine
- Thomas Doak, Small Woodland Owners Association of Maine
- Geoff Herman, Maine Municipal Association
- David Ledew, Maine Revenue Services
- Donald Mansius, Maine Forest Service
- Judy Mathiau, Rockport Assessor
- Jeffrey Romano, Maine Coast Heritage Trust
- Patrick Strauch, Maine Forest Products Council

Kenneth Laustsen, Maine Forest Service Biometrician, provided technical support and data. Tammy Brown, North Haven Assessor, also attended meetings and provided valuable insight.

The task force met twice to review the issues related to its charge. It also reviewed a preliminary draft of this report. The recommendations in this report are supported by seven members of the task force. The Maine Municipal Association indicated that it will submit a minority report.

## Basic requirements of the Tree Growth Tax Law

### Landowners

To enroll property in the Tree Growth Tax Law, landowners must own at least ten contiguous acres of forest land, have a forest management plan prepared or approved by a licensed forester<sup>1</sup>, submit a current forest type map showing the different forest types as well as the other land classifications in the parcel (minimum forest type breakdown is “softwood,” “hardwood,” and “mixed wood”), and submit an application on a prescribed form.

According to Maine Revenue Services (MRS) Property Tax Bulletin 19, “[landowners] must manage Tree Growth classified parcels according to accepted forestry practices designed to produce trees having commercial value. In considering this option owners may be guided by but are not limited to the following accepted forestry practices: timber harvesting, tree planting, direct seeding, site preparation, thinning, cleaning, weeding, pruning, inventory of standing timber, forest protection measures (insect, fire, wind, etc.), forest access road construction and maintenance, and boundary line work.” The landowner can amend the forest management plan at any time.

Forest management plans must be updated at least every 10 years. Further, every ten years, landowners must provide the assessor with a written statement from a licensed forester that the land is being managed in accordance with the plan.

If the landowner chooses to withdraw a parcel or a portion of a parcel, the Constitution of Maine and statute require a withdrawal penalty. The withdrawal penalty will be an amount equal to 30% of the difference between the 100% Tree Growth valuation (of the classified land on the assessment date immediately preceding withdrawal) and the fair market value of the property on the date of withdrawal. If the land has been classified for more than 10 years, the following percentages apply:

11 years 29%	16 years 24%
12 years 28%	17 years 23%
13 years 27%	18 years 22%
14 years 26%	19 years 21%
15 years 25%	≥ 20 years 20%

In no event may the penalty be less than the minimum required by the Constitution of Maine, Article IX, section 8: “. . . a minimum penalty equal to the tax which would have been imposed over the 5 years preceding that change of use had that real estate been assessed at its highest and best use, less all taxes paid on that real estate over the preceding 5 years,

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<sup>1</sup> "Forest Management and Harvest Plan" means a written document that outlines activities to regenerate, improve and harvest a standing crop of timber. The plan must include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife. A plan may include, but is not limited to, schedules, maps and recommendations for timber stand improvements, harvesting plans and recommendations for regeneration activities. (36 MRSA §573, sub-§3-A)"

and interest. . . " No penalty is assessed on withdrawal of land from Tree Growth Tax Law if the same land is accepted for classification as Farm Land or Open Space Land.

### **Administration**

Assessors administer the program in the organized towns; MRS administers the program in the unorganized territory. MFS provides technical assistance to all involved parties (towns, MRS, landowners, licensed foresters). MFS also collects stumpage price and forest inventory information necessary for the State Tax Assessor to compute valuations for enrolled properties.

## **Current situation**

### **Growth rates and stumpage values**

36 MRSA §576 requires the State Tax Assessor to determine the average annual net wood production rate for the various forest types (softwood, mixed wood, hardwood) in each county or region to be used in determining Tree Growth valuations, on the basis of the forest inventory conducted jointly by MFS and the USDA Forest Service.

MFS now conducts the statewide forest inventory on a five-year cycle (one-fifth of the inventory plots measured each year). This inventory system permits MFS to determine forest growth rates at regional, and in many cases, at county levels, with good precision, every five years.

36 MRSA §576 directs the State Tax Assessor to “determine the average stumpage value for each forest type ... taking into consideration the prices upon sales of sound standing timber of that forest type in that area during the previous calendar year, and any other appropriate considerations.”

MFS collects stumpage price information through confidential landowner reports of timber harvesting submitted at the end of each calendar year. Of the approximately 8,200 landowner reports submitted in 2007, 5,615 reported harvesting. 3,843 of the 5,615 landowners reported a stumpage sale and of those, 1,845 were “Long Forms” that reported stumpage information, while 1,998 were “Short Forms” that did not report stumpage information. Reports indicating stumpage sales largely are from family forest owners. Large landowners generally sell wood directly to wood processors and contract for logging services, so they do not receive stumpage payments per se. Average stumpage prices by species group are calculated at the county level; however, the data’s robustness could be improved through regional groupings as discussed in the recommendations.

36 MRSA §576 further requires the State Tax Assessor to determine the average stumpage value for each of the forest types mentioned above, by county, or in alternative forest economic regions, and taking into consideration the prices upon sales of sound standing timber of that forest type in that area during the previous calendar year, and any other appropriate considerations. The proportions of the various species making up the forest type are to be used in the computations of the average annual net wood production rates and average stumpage values for each forest type and the proportions of the various products are to be used in the computations of average stumpage values.

Historically, the State Tax Assessor has developed Tree Growth valuations at the county level. Particularly in recent years, valuations have varied widely from county to county. For example, the 2008 Tree Growth Tax Law Valuations supplied by MRS indicate that softwood land was valued at \$125.00/acre in Hancock County and \$82.00 in Washington County, even though the counties are adjacent and forest types, growth rates, and other conditions are similar. The statewide spread between the lowest and highest county valuations by forest type has increased over the years, such that the highest county valuations now range from two to four times higher than the lowest county valuations. This situation has created some consternation on the part of Assessors who administer the program, and landowners who own land in different – often adjacent – counties. One notable example concerns softwood valuations in Androscoggin (\$412.00 per acre) and Oxford (\$170.00 per acre) counties. While the difference can be explained by the fact that Oxford County has two distinct forest regions (pine in the south and spruce-fir in the north, the latter which pulls down the valuation), it is cold comfort to a landowner with property in both Turner and Buckfield.

**The perception that some land is being classified under the Maine Tree Growth Tax Law that does not meet statutory requirements or the purpose of the law**

The Tree Growth Tax Law has been the target of a number of criticisms over the years. The most commonly expressed criticisms germane to this Resolve are as follows:

- 1 - Some landowners enroll their property in Tree Growth with only the intention to lower their property taxes and not to manage their “primarily for growth of trees to be harvested for commercial use” (36 MRSA §574-B);
- 2 - Some landowners do not follow, nor do they intend to follow the recommendations to “regenerate, improve and harvest a standing crop of timber” in their forest management and harvest plan (36 MRSA §573, sub-§3-A);
- 3 - Some landowners enroll their land in Tree Growth simply as a mechanism to “park” their land while awaiting the opportunity to sell it for development; and,
- 4 - Some landowners do not manage their land in a manner consistent with the intent of the Tree Growth Tax Law “to retain and improve their holdings of forest lands ... and to promote better forest management” (36 MRSA §572).

**Methods for ensuring that municipalities and landowners are aware of the requirements of the Tree Growth Tax Law and the availability of assistance from MFS in determining eligibility and meeting the ongoing requirements of the law**

MFS and MRS have made a concerted effort over the last two years to improve the understanding of various parties regarding the requirements of the Tree Growth Tax Law. These efforts include articles, the development of information sheets and a Tree Growth Tax Law web site, and several workshops for foresters and assessors, depending on the venue. MFS and MRS staff also provide technical assistance to landowners; Tree Growth

also is a topic at many of the family forest owner workshops conducted by MFS District Foresters.

MFS continues to provide technical assistance to municipalities in administering the Tree Growth Tax Law. Since July 2007, MFS has assisted seven towns regarding 17 different parcels regarding either new applications for enrollment (5) or enrolled parcels (12). The results of these reviews are as follows:

- MFS staff reviewed the management plans and applications for each of the pending enrollments:
  - Three of the five plans reviewed conformed to the law’s requirements; that is, each plan was “a written document that outlines activities to regenerate, improve and harvest a standing crop of timber.” Each plan included “the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife,” and included “schedules and recommendations for timber stand improvement, harvesting plans and recommendations for regeneration activities.” Each plan was “prepared by a licensed professional forester ... and certified ... as consistent with this subsection and with sound silvicultural practices.”<sup>2</sup>
  - However, two of the three plans referenced above had purpose statements inconsistent with the law’s intent. The purpose statements for these two plans read as follows:

1 - “The primary objectives are forest aesthetics and property tax reduction through enrollment in the Tree Growth program. Secondary goals include recreation and wildlife habitat. Timber production, for either income or personal use, is not a priority. However, cutting will occur to achieve the above objectives. The woodlot is to be managed based on the Maine Tree Growth Tax Law requirements for commercial use. Any harvesting should improve growth, health, and density of the forest while maintaining a pleasing appearance.”

2 - “The highest priorities for the ... woodlot are forest health, aesthetics and soil & water conservation. Recreation and wildlife habitat are also important. The [landowners] hope to use some of the salvaged wood for their personal firewood. Timber production for income is of low interest. However, cutting will be allowed to achieve the above objectives, if necessary. The woodlot is to be managed based on the Maine Tree Growth Tax Law requirements for commercial use. Any cutting should strive to improve the growth, health, stocking, and species composition of the forest.”

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<sup>2</sup> 36 MRSA §573, sub- §3-A.

- The third plan was very high quality, equivalent in content to a Forest Stewardship Plan.<sup>3</sup>
- The remaining two plans did not conform to the law’s requirements. In both instances, the plans lacked clear objectives representing that the land is used primarily for the growth of trees to be harvested for commercial use; did not outline activities to regenerate, improve, and harvest a standing crop of timber; and, did not include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife, or a statement that there are none in existence on the property. MFS worked with the landowners’ forester to bring the plans into conformance.

The Assessors reportedly rejected four of the five applications reviewed by MFS.

- MFS reviewed the management plans of nine enrolled parcels and found that five of the nine plans conformed to the requirements of the law. The four plans that did not conform all had shortcomings similar to those described earlier in this report.
- MFS reviewed the management plan and the landowner’s management activities in one instance and found that the plan and the landowner’s activities conformed to the law’s requirements; that is, the plan contained the required elements, and the landowner had conducted some management activities in conformance with the recommendations in the plan.
- MFS was unable to make any conclusions regarding two parcels because either the Assessor or the landowner did not provide the information requested.

MFS held workshops for consulting foresters in Augusta on 31 January 2008, Ellsworth on 11 March 2008, Gray on 18 March 2008, and Houlton on 25 March 2008. An average of 20 foresters attended each session. The goal of these workshops was to communicate with consulting foresters about their role and responsibilities with respect to the Tree Growth Tax Law. The workshops included reviews of the legislative intent, legislative history, and municipal reimbursement, as well as presentations on current issues with the law, MFS handling of municipal requests for assistance, and a review of case studies.

MFS followed up the workshops with a letter advising consulting foresters to review forest management plans prepared with federal cost-share funding, and which were intended to serve as the required management plans for lands enrolled in the Tree Growth Tax program, for consistency with the Tree Growth Tax Law’s intent (Appendix 2). MFS issued this advice because federal cost-share programs allow for other woodland values to have higher priority than commercial timber production.

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<sup>3</sup> The Forest Stewardship Program provides cost-share assistance for the preparation of forest management plans that conform to a high program standard. Participation in the program is voluntary. The plan referenced was not cost-shared.

## **Additional Findings**

The Tree Growth Tax Law has existed in remarkably stable form since it took effect in 1972. Enrollment has remained stable as well: approximately 7.5 million acres in the unorganized territory and 3.6 million acres in the organized towns.

Of the 11.1 million acres enrolled in the program, MFS estimates that approximately 7 million acres are certified as well-managed by one or more of the major forest certification programs operating in the state: Forest Stewardship Council, Sustainable Forestry Initiative, and American Tree Farm System. Forest certification provides an appropriate check that a very large majority of the enrolled acres are managed in accordance with the purpose of the Tree Growth Tax Law.

The Legislature often considers several bills related to the Tree Growth Tax Law each session, ranging from minor administrative details, such as the establishment of a capitalization rate, to major and substantive changes in program eligibility, such as requirements for public access, prohibitions of wood exports, and prohibitions of certain types of harvesting (e.g. clearcutting). Many of these bills reappear every legislative session. Notwithstanding the flurry of legislation each session, the program has remained remarkably stable over the decades, although anecdotal evidence suggests that continued attempts to tinker with the program both frustrate currently enrolled landowners and discourage new landowners from enrolling.

Two key factors contribute to the perception of problems with the Tree Growth Tax Law:

- 1 - The forest management activities (or lack thereof) of a very small percentage of landowners, largely family forest owners with holdings not exceeding 100 acres; and,
- 2 - A belief on the part of some assessors and municipal officers that certain types of enrollments, while legal, have the primary purpose of residential use and avoiding waterfront property taxes. Appendix 3 details the complaints expressed by many assessors and the Maine Municipal Association. It does not, however, represent the opinion of the other task force members.

All of the problems MFS has dealt with to date concern properties in towns with large expanses of coastal frontage and/or frontage on lakes and rivers. The large disparity in valuations between properties enrolled in Tree Growth and other shorefront properties tends to engender a higher level of scrutiny of enrolled properties and a feeling that some landowners are simply trying to avoid paying their fair share of local property taxes.

Some of these perceptions have arisen because some assessors are not aware of and/or do not exercise the full range of their statutory roles and responsibilities in administering the Tree Growth Tax Law. For example, MFS has found that a number of assessors believe they do not have the authority to reject an application for enrollment of a parcel in the Tree Growth Tax program. Further, MFS has found that some assessors do not fully utilize their existing statutory authorities to address potential issues on enrolled properties by requiring the landowner to "answer such questions or interrogatories as the assessor may deem necessary to obtain material information about those land... (36 MRSA s. 579)". MFS has been working to correct these issues.



MFS finds that there is some validity to the criticisms levied at the program; however, based on the findings above, MFS believes that the problems identified with the program largely are limited to a very small percentage of enrolled landowners and acres. MFS further believes that problem enrollments can and will be weeded out over time, particularly when 10-year recertifications come due, and as consulting foresters become more aware of their responsibilities. Assessors are capable of addressing issues with new applications, either with or without MFS technical assistance.

## Recommendations

In consideration of the above, the Maine Forest Service makes the following recommendations to the Committee on Taxation of the 124<sup>th</sup> Legislature:

- 1 - 36 MRSA §576 empowers the State Tax Assessor to develop valuations for enrolled lands at the county level or at a regional level. **To reduce wide valuation differences among counties, MFS recommends that Tree Growth valuations be developed at regional levels, specifically three of the four Forest Inventory and Analysis (FIA) Megaregions and two FIA Regions: (1) Aroostook, Piscataquis, and Somerset; (2) Washington, Penobscot, and Hancock; (3) Franklin and Oxford; (4) Waldo, Knox, Kennebec, Lincoln; and (5) Androscoggin, Sagadahoc, Cumberland, and York. [FIA megaregions: Eastern, Northern, Western. FIA regions: Capital, Casco Bay]. Statutory authority exists; no legislative action is necessary.**
- 2 - 36 MRSA §576 directs the State Tax Assessor to recalculate forest growth rates every 10 years. Since the inception of a statewide annualized forest inventory that operates on a five-year cycle, MFS now can recalculate growth rates every five years. **To attenuate wide swings in forest growth rates that occurred when forest inventories were conducted on longer cycles, MFS recommends that the State Tax Assessor be empowered to recalculate growth rates according to the inventory cycle used by MFS.** Suggested statutory language follows:

36 MRSA §576, first paragraph, is amended to read:

The State Tax Assessor shall determine the average annual net wood production rate for each forest type described in section 573, subsections 5 to 7, in each county or region to be used in determining valuations applicable to forest land under this subchapter, on the basis of the surveys of average annual growth rates applicable in the State made from time to time by the United States Department of Agriculture Forest Service or by the Maine Forestry Bureau of Forestry within the Department of Conservation. The growth rate surveys must be reduced by the percentage discount factor prescribed by section 576-B to reflect the growth that can be extracted on a sustained basis. ~~The rates when determined remain in effect without change for each county through the property tax year ending March 31, 1975. In 1974 and in every 10th year thereafter, the State Tax Assessor shall review and set rates according to the inventory cycle currently in effect, not to exceed every 10 years. for the following 10 year period in the same manner.~~

- 3 - 36 MRSA §576 directs the State Tax Assessor to “determine the average stumpage value for each forest type ... taking into consideration the prices upon sales of sound standing timber of that forest type in that area during the previous calendar year, and any other appropriate considerations.” 12 MRSA §8885, sub-§1 directs MFS to collect information regarding stumpage prices from landowners reporting timber harvesting activities. Sub-§1-A authorizes MFS to “develop alternate forms for or methods of collecting harvest information from landowners who do not harvest timber on a regular basis.” **Consistent with its statutory authority and with legislative intent, MFS will require all landowners who own 1,000 acres or more to submit “long form” stumpage price reports but reduce the proportion of family forest owners who must complete the “long form.” No legislative action is necessary.**
- 4 - **MFS will continue to work with MRS, MMA, SWOAM, consulting foresters, and others to ensure that all parties are informed about the proper roles and responsibilities of assessors, landowners, and foresters with regard to the Tree Growth Tax Law.** MFS believes that the problems created by a small percentage of enrolled properties would best be addressed, and the public interest better served by:
- continued outreach efforts to assessors to improve their understanding of their roles and responsibilities in administering the law;
  - strong outreach efforts to enrolled landowners and consulting foresters to remind them of their responsibilities under the law;
  - encouraging landowners not interested in active forest management to enroll their properties in the Open Space program<sup>4</sup>; and,
  - removing properties from the program where it is clear that the properties are not managed consistent with the law’s requirements.

Considering the large valuation differences between land assessed at just value and land enrolled in Tree Growth on islands, coastal, and waterfront property, future efforts should focus on landowners who own land with these attributes. MFS will continue to monitor and assess the situation as its resources permit. **No legislative action is necessary.**

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<sup>4</sup> Valuations for properties enrolled in Open Space are based on a menu of public benefits (such as permanent conservation protection and public access), with each benefit resulting in a percentage reduction from the assessed value (up to 95%). Open Space valuations generally will be higher than Tree Growth valuations, but do not require active management of forest land.

## Appendix 1. Enabling legislation

Resolve  
123rd Legislature  
Second Regular Session  
Chapter 197  
H.P. 421 - L.D. 543

Resolve, To Direct a Review of Issues Concerning the Maine Tree Growth Tax Law

Sec. 1 Review of Maine Tree Growth Tax Law issues. Resolved: That the Director of the Maine Forest Service within the Department of Conservation shall convene a task force of interested parties to review the issues in this section related to the Maine Tree Growth Tax Law:

1. The advisability of revising the timing of determining the forest growth rate portion and whether the current method of determining stumpage values should be broadened to provide for larger regions;

2. Whether data supports the perception that some land is being classified under the Maine Tree Growth Tax Law that does not meet statutory requirements or the purpose of the law as described in the Maine Revised Statutes, Title 36, section 572. In order to complete this task, the task force shall analyze data collected by the Department of Conservation, Maine Forest Service; the Department of Administrative and Financial Services, Maine Revenue Services; municipalities; and any other reliable source; and

3. The best methods for ensuring that municipalities and landowners are aware of the requirements of the Maine Tree Growth Tax Law and the availability of assistance from the Department of Conservation, Maine Forest Service in determining eligibility and meeting the ongoing requirements of the law; and be it further

Sec. 2 Members of task force. Resolved: That the Director of the Maine Forest Service within the Department of Conservation shall invite to participate in the task force no more than 7 members who are representatives of interested landowner groups, municipal government and conservation groups. The State Tax Assessor shall appoint a person from the Department of Administrative and Financial Services, Maine Revenue Services to participate in the task force; and be it further

Sec. 3 Report. Resolved: That the Director of the Maine Forest Service within the Department of Conservation shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters by January 15, 2009 describing the work of the task force and any recommendations of the task force for statutory changes with regard to the issues reviewed. Following receipt and review of the report, the joint standing committee of the Legislature having jurisdiction over taxation matters may submit legislation to the First Regular Session of the 124th Legislature based on the report.

## **Appendix 2. Communication with consulting foresters**

10 July 2008

### WHEN WOODSWISE STEWARDSHIP PLANS ARE USED FOR TREE GROWTH TAX LAW PURPOSES

In order to be enrolled in the Tree Growth Tax Law (TGTL), land must be used "primarily for the growth of trees to be harvested for commercial use ... owners must manage Tree Growth classified parcels according to accepted forestry practices designed to produce trees having commercial value." The WoodsWISE Stewardship Program allows for other woodland values to be higher priority than timber; in fact, timber does not even have to be on the list. However, if a WoodsWISE Stewardship Plan is also being used for Tree Growth Tax purposes, commercial forest products must be the top priority. Upon review, an assessor could disqualify a parcel from TGTL if the primary objective does not meet legal requirements. Landowners and the licensed foresters with whom they work should keep this in mind when discussing options for forest management plans.

### **Appendix 3. Maine Municipal Association perspective**

**NOTE on Appendix 3. The following material is submitted at the request of the Maine Municipal Association. The opinions expressed herein do not represent the opinions of the other task force members. MFS includes commentary on each item where a response was indicated.**

Samples of Actual Tree Growth Enrollments That Support the Perception Among Municipal Officials That Some Land Is Being Classified Under the Maine Tree Growth Tax Law That Does not Meet Statutory Requirements Or The Purpose Of The Law

Prepared by the Maine Municipal Association for the 2008 Tree Growth Task Force  
Created Pursuant to Resolve 2007, Chapter 197.

September 2008

## Introduction

The purpose of this submission is to bring to the attention of the Tree Growth Task Force the type of Tree Growth enrollments that contribute to the municipal perception that some of the land classified under the Maine Tree Growth tax law does not meet the statutory requirements or the purpose of the law.

In large part the municipal concerns are not that the enrollments do not meet the statutory requirements of the Tree Growth tax law because the statutory requirements lack specific standards and defer to the existence of a forestry plan. The forestry plans, in turn, tend to be written in manner that will ensure compliance with the soft standards of statute.

The municipal concerns, instead, are focused on the enrollments that are perceived not to meet the purpose of the law.

On the basis of 36 MRSA §572 (the statute the working group was asked to review with respect to the purpose of the Tree Growth law), municipal officials believe the Tree Growth tax law:

- Assumes the actual use of enrolled land as timber land
- Holds actual wood production and timber harvesting productivity as an essential purpose of the law
- Assumes the enrolled land is used primarily for growth of trees to be harvested for commercial use
- Suggests harvesting on a “sustained-yield” basis as a purpose of the law
- Suggests the improvement of forested land as a purpose of the law
- Calls for the efficient administration of the tax program as a purpose of the law

From the municipal perspective, the type of enrollments that present data leading to the perception that these purposes are not being met fall into four categories.

1. Tree Growth enrollments that are not being harvested. These are typically heavily wooded, over-mature residential Tree Growth lots, often within the shoreland zone, where there is either a documented lack of any harvesting activity or the practice of timber harvesting is actually prohibited or limited as a matter of law or easement.
2. Tree Growth enrollments where some or all of the Tree Growth acreage is being used for some purpose other than commercial timber harvesting. Examples include the so-called “common area” within a waterfront subdivision or a private campground facility.
3. Tree Growth lots which one can deduce have a “primary use” other than timber harvesting based on actual sales prices that are 500 times or even 1,000 times the purported “current use” value of the property under the Tree Growth tax law.
4. Heavily top-graded or over-harvested lots where the goal of sustainable harvesting is put out of reach for generations.

What follows are actual examples of each type of problematic enrollment from the municipal perspective. Again, all of the following enrollments probably subscribe to the statutory

standards of the Tree Growth tax law, such as they are. The municipal focus is whether they truly subscribe to the ultimate purpose of the law.

At the conclusion of the documented enrollments, there is a statement from a municipal assessor that addresses the goal in the Tree Growth tax law related to “ease of administration.”

### Example #1

#### Greenville

This is an example of a Tree Growth enrollment where the primary use of the property is legitimately in question.

The enrollment includes several separate parcels totaling 95 acres, with 4.1 acres fronting Wilson Pond in Greenville.

As the photographs show, the waterfront lot is also regularly used as an unlicensed, unregulated campground facility.

Just as property in the “shoreland zone” land can be enrolled in the Tree Growth program even though timber harvesting is prohibited (as is the case with this campground lot), land can also be enrolled in the program that is otherwise being used for “recreational” purposes.

The law contradicts its own standard that the primary use of Tree Growth land must be commercial timber harvesting purposes, and this lot is an example where that is clearly not the case.

MFS comment: MFS staff met with Greenville officials in October regarding this matter. The parcel been taxed under Tree Growth for many years. Photographs provided by the Code Enforcement Officer clearly showed campers and recreational uses along the waterfront. The forest management plan is approximately eight years old and is due to be revised sometime in the next couple of years. The property is eligible for enrollment in the Tree Growth Tax program, as it contains approximately 25 acres of forest land. The acres in question are the waterfront acres; MFS staff estimate that two to three acres are being used as a camping area. Town officials indicated that they are not sure which route they are going to take regarding this matter.

The town is aware of the process for formally requesting MFS assistance. To date, MFS has not received a formal request for assistance.







## Example #2

### Manchester

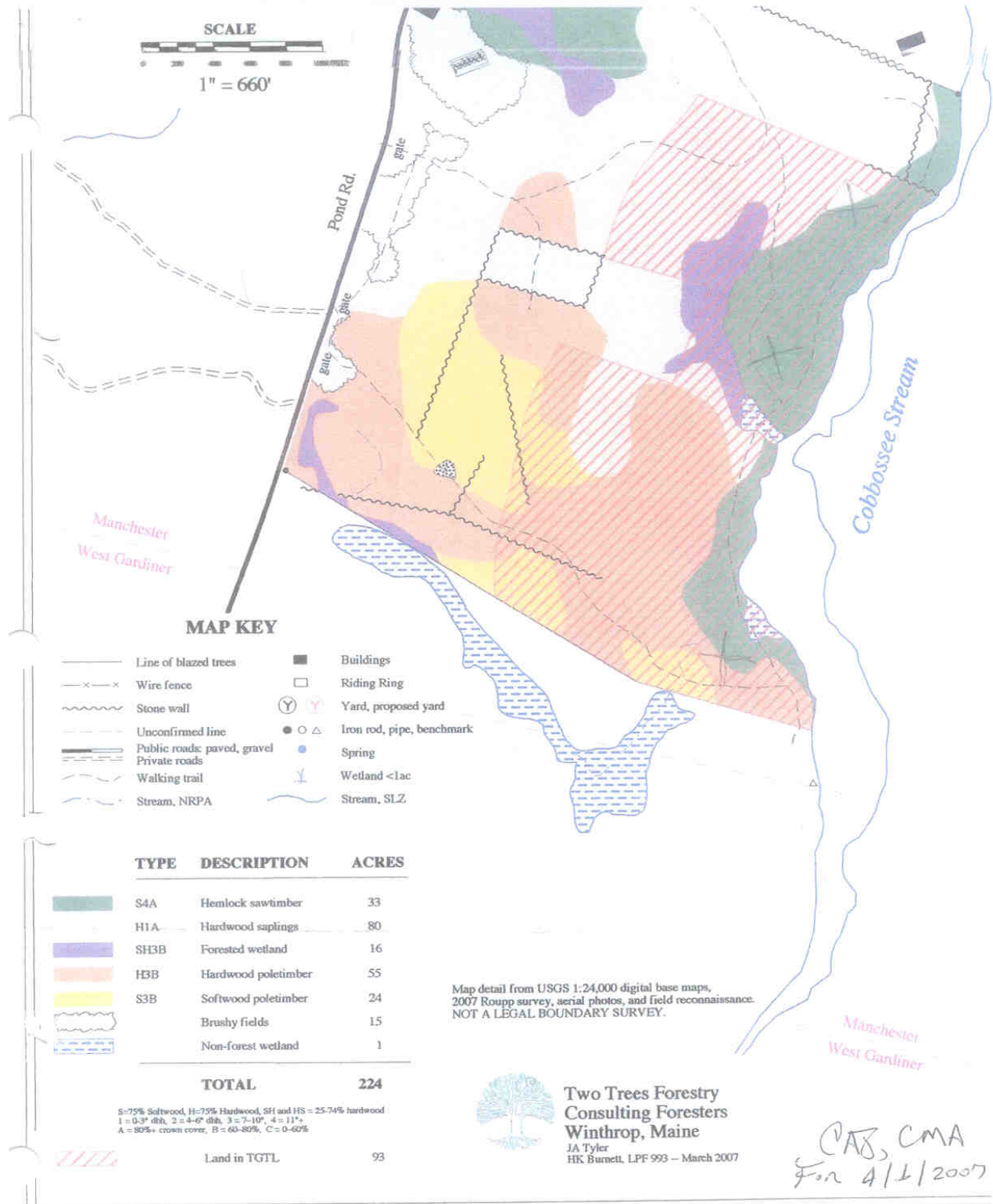
This is an example of how Tree Growth enrollments can be strategically mapped out so as to maximize the tax-break benefits and minimize the financial consequences of future development.

It is a 224 acre parcel located between the Pond Road and Cobbossee Stream in Manchester. 93 acres along the Cobbossee Stream are enrolled in the Tree Growth program, largely including the property's waterfront and shoreland zoning acreage.

Three building lots just outside the shoreland zone are embedded within but nonetheless excluded from the 93 acre Tree Growth enrollment.

The tax implications are that the three potential shoreland properties, when developed, will be taxed without reference to their proximity to waterfront.

MFS comment: The town of Manchester has not formally requested assistance from MFS regarding this matter.



Example #3  
Georgetown

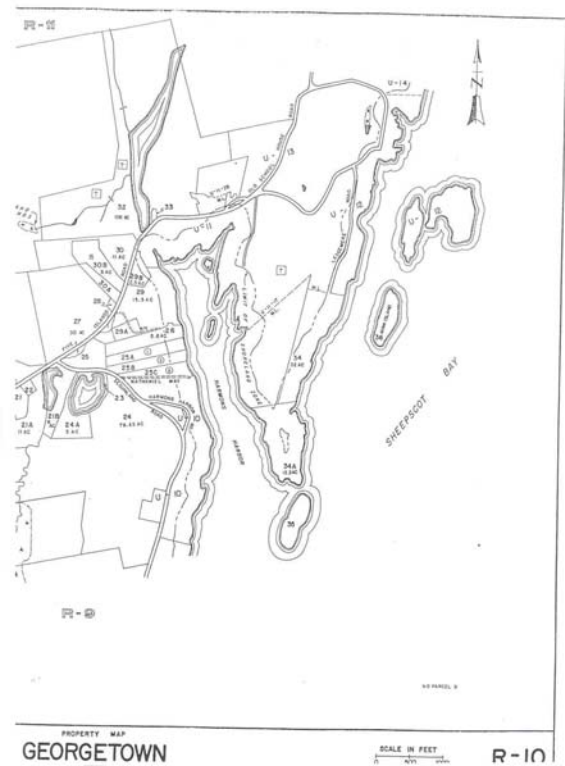
The end of the peninsula on the east side of Georgetown island is a 12.3 acre parcel. It is an example of one of the most valuable residential lots in the State of Maine.

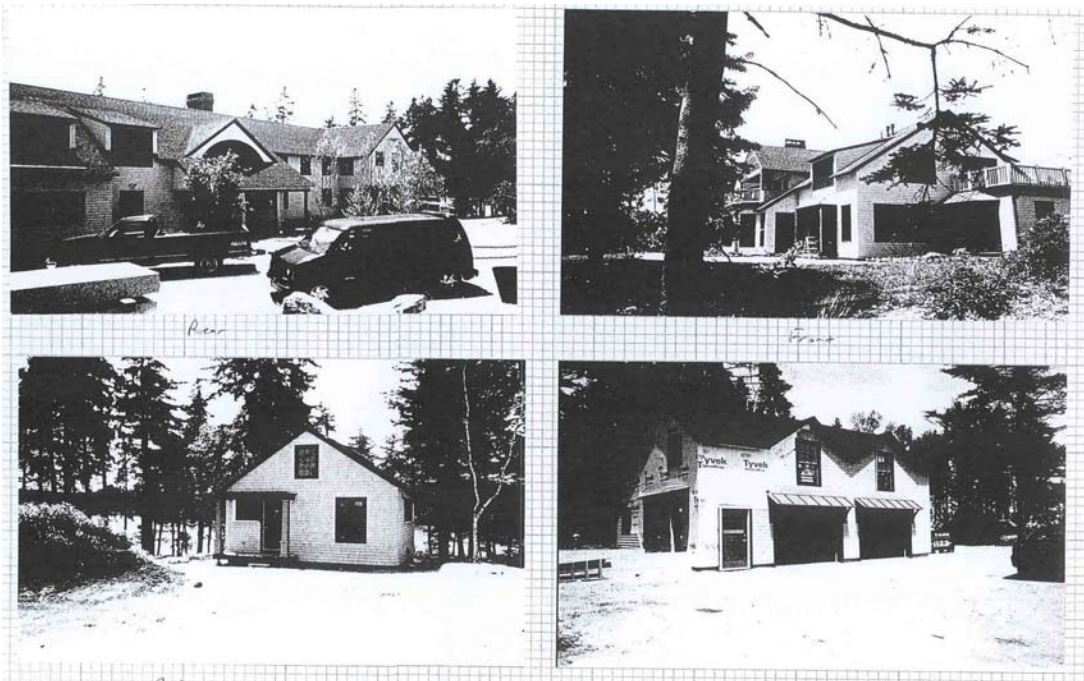
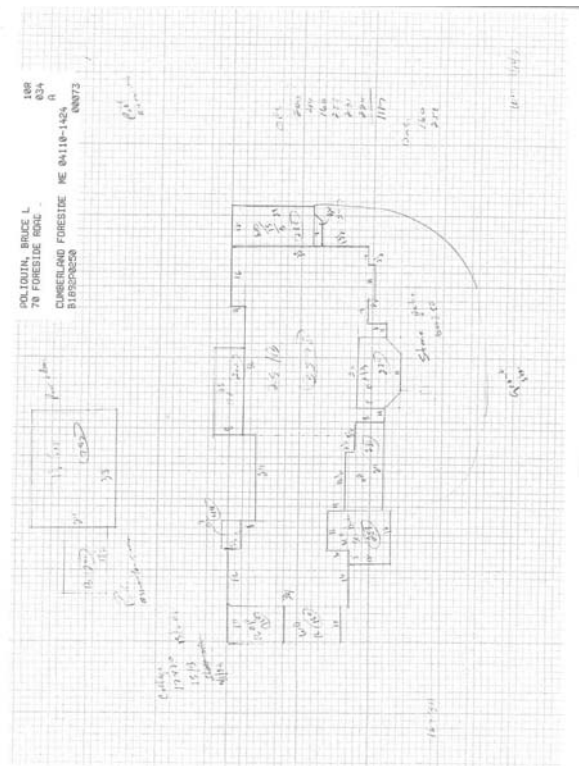
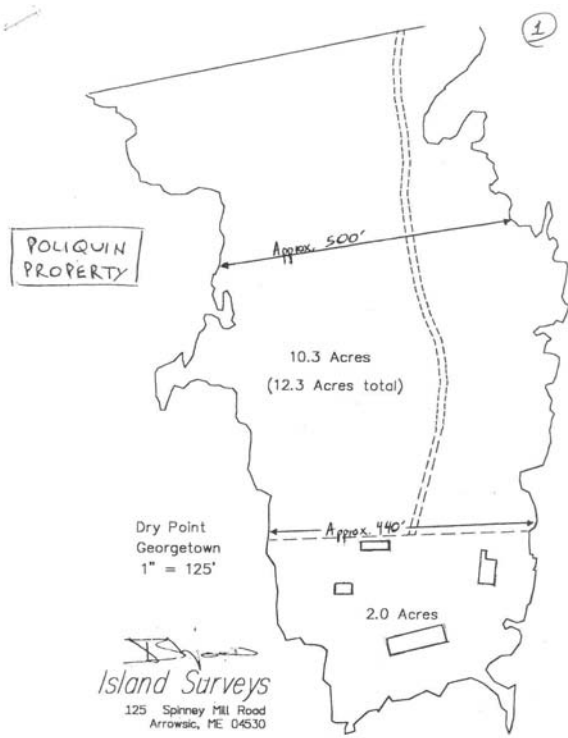
A substantial residential dwelling with a footprint (excluding outbuildings) of approximately 4,800 square feet is located on the 2 acres located at the very tip of that peninsula.

The remaining 10.3 acres in the parcel are enrolled in the Tree Growth program. The alleged “current use” value of those 10 acres under the Tree Growth program is \$3,650.

For several reasons, including difficulty of road access and the restrictions on timber harvesting according to the state’s shoreland zoning regulations, the ability to harvest any timber on this property – even if that was the interest of the landowner -- is extremely limited.

MFS comment: The town of Georgetown has not formally requested assistance from MFS regarding this matter. However, if the parcel contains 10 acres, it is eligible for enrollment in the Tree Growth Tax program. The fact that some or all of the parcel is regulated by the town’s shoreland zoning ordinance has no bearing on its eligibility. The property appears to have a road bisecting it, so it is accessible for management. Finally, MFS cannot divine the landowner’s intent or interests from this report.





#### Example #4

##### Westport Island

This is an example of an enrollment where some or all of the property is obviously being used for a purpose other than growing trees for commercial timber harvesting.

At the request of the town, Maine Forest Service has found that this enrollment not only meets the standards of the Tree Growth tax law, but “that the [landowner’s] plan exceeds the requirements of the Tree Growth Tax Law in terms of its level of detail”.

As will be noted, the enrolled property is the “common area” of a high-end, 27-lot subdivision on Westport Island. The obvious and stated purpose of the common area is to provide walking trails, green space, property buffers, and similar amenities to the residents who purchase a building lot in the subdivision. A visually significant component of the common area is a strip approximately 100 feet in width between the residential building lot and a salt water cove, buffering the house lots from the waterfront. The land in that buffer is entirely unavailable to timber harvesting because of the harvesting restrictions of Maine’s shoreland zoning law, but it is nonetheless enrolled in the Tree Growth program because land is allowed in the Tree Growth program, ironically, even though timber harvesting is severely limited or prohibited.

It should be noted that this enrollment is not being offered as an example of a Tree Growth tax dodge in a highly valuable waterfront location. From an assessing standpoint, this Tree Growth lot is commonly owned by all the owners of the individual lots, and so the value the Tree Growth/common lot adds to the individual lots can be ascribed to the assessments of the individual lots.

Rather, this is an example of a heavily gerrymandered Tree Growth enrollment that quite obviously does not include commercial timber harvesting among its primary purposes.

MFS comment: MFS provided technical assistance to the town of Westport Island regarding this matter. On review of the landowner’s application for enrollment and the forest management plan, MFS found that the subject parcel:

- met the eligibility requirements for enrollment in the Tree Growth Tax program;
- had a forest management plan that exceeded the program’s requirements (it was equivalent in quality to a Forest Stewardship Plan cost-shared by MFS, although it was not cost-shared); and,
- had a properly completed schedule and forest type map.

The town has the authority to accept or deny an application; according to sources, the town accepted the application following MFS review. The town also has the authority to review the management activities of the landowner at any time and request MFS assistance to determine if the landowner is following the recommendations contained in the forest management plan. Should the town find that the landowner is not following the recommendations, the town may remove the property from Tree Growth and assess the appropriate penalties.







*Magnificent deep water lots on the Sheepscot River*

Welcome to Rum Cove, the exclusive conservation preserve with 27 private home sites, miles of private hiking trails, a pristine tidal cove and featuring a private deep-water dock and moorings on the Sheepscot River, located on beautiful Westport Island, ME.

Rum Cove was conceived as an enclave characterized by exclusivity and privacy. Rum Cove features a conservation preserve of 98 acres of pristine woodlands, wildlife, streams, waterfalls, and native plants. Old stone walls traverse the conservation preserve.

Rum Cove's 3000 feet of deepwater shoreline on the Sheepscot River, 4500 feet of tidal shoreline along the picturesque and private Rum Cove, exemplify the spectacular beauty of this area. Protective covenants, carefully crafted with the intent of maintaining and preserving the conservation values of this beautiful land, assure Rum Cove property owners that they can enjoy their common area, as well as their own homes and properties.

As a result of Rum Cove's innovative master planning, home sites enjoy expansive views of the Sheepscot River, Rum Cove, the woodlands, or long views over the adjoining hills toward Boothbay Harbor or, to the west, to Mt. Washington on a clear day. All home sites enjoy easy access to the dock and to the trails, including the trail adjoining the south side of Rum Cove.

Weichert, Realtors - Waterglen Group is proud to offer for sale 17 of these prime two to five-acre wooded building lots, starting at \$150,000. Please give us a call -- we'd love to give you more information and show you Rum Cove.

*"Come see what's waiting for you at Rum Cove."*



Jim Walsh, Broker - (207) 712-1586 - [jwalsh@waterglenrealty.com](mailto:jwalsh@waterglenrealty.com)  
Mary Desjardin, Broker - (207) 831-9939 - [mdesjardin@waterglenrealty.com](mailto:mdesjardin@waterglenrealty.com)  
[www.waterglenrealty.com](http://www.waterglenrealty.com)



### Example #5

#### Brownville

The only documentation with respect to this example is the attestation of the municipal manager as to the facts of this case.

The enrolled property is another example of land that is owned by people who do not intend to engage in commercial wood harvest. The 3,481 acre parcel, already enrolled in the Tree Growth program, was purchased by a development company in 2005 for \$576,186. At the time it was assessed by the town under the Tree Growth standards at \$468,300. Due to several factors, including a reduction in the town's assessing ratio and a 15% reduction in the Tree Growth acreage value for softwood in Piscataquis County between 2006 and 2008, the current assessed value of the property has dropped by \$241,586 (nearly 30%) to \$334,600.

Since the parcel was purchased, no wood has been harvested on the property. In addition, the developers of the property, in their representations to the town's Planning Board and in community forums, are asserting that the portions of the parcel that are not ultimately developed will remain forever wild and untouched.

MFS comment: The town of Brownville has not formally requested assistance from MFS regarding this matter. Land enrolled in the Tree Growth Tax program is valued according to its ability to produce forest products – strictly speaking, the annual value of the forest growth on the average acre with appropriate reductions for risk and capitalization. There is no provision to value enrolled land as if it had an alternative use, nor should there be. Should the town find that the parcel is not being managed in accordance with the requirements of the Tree Growth Tax Law, the town has the authority to remove the parcel from the program. The resultant withdrawal penalty which the town would receive would be significant.

Example #6  
Big Moose Township

This 25 acre parcel has been long-enrolled in the Tree Growth program.

The assessed value of the parcel under Tree Growth is \$2,147.

The annual tax obligation, accordingly, was \$15.37.

The 25 acre parcel sold in March 2008 for \$2,450,000, or over 1,000 times the purported Tree Growth value of the property.

For the purpose of growing wood products, an investment of \$100,000 per acre suggests a highly improbable business model.

MFS comment: Big Moose Township has not formally requested assistance from MFS regarding this matter. See earlier comments regarding valuations and withdrawal penalties.

MAINE TREE GROWTH TAX LAW APPLICATION  
(Title 36, M.R.S.A., Sections 571 through 584-A)  
SCHEDULE FOR CLASSIFICATION OF LAND AS FOREST LAND

This schedule is to be filed on or before April 1 of the year in which classification is requested. This schedule is also to be utilized by the landowner in reporting changes in forest types and periodic refills. Detailed instructions on completing this application are found in Property Tax Bulletin Number 19 effective 9/13/03.

**PART A.**

1. Name of Owner(s): William A. Harrison *4203-622-4104*  
2. Mailing Address: 74 Vineyard Lane 210-270-4019  
Greenwich CT 06831  
3. Location of Parcel: Township or Municipality Big Moose Twp Piscataquis  
4. Identification of Parcel: P1009 1 2.1  
5. Structures or Improvements on Parcel:  Yes  No 1 1<sup>st</sup> Year of Classification:  
A. FOREST TYPE LANDS (Express figures to nearest acre)  
Softwood Type 0.0 Ac  
Mixed Wood Type 23.0 Ac  
Hardwood Type 0.0 Ac  
TOTAL: 23.0 Ac  
B. LAND UNSUITABLE FOR COMMERCIAL FOREST PRODUCTION  
Natural Water Areas (lakes, ponds, rivers, etc.)  
Man-Made Water Areas (reservoirs, etc.)  
Wetlands and Barrens (swamp, marsh, ledge, etc.)  
TOTAL:  
C. LAND NOT USED PRIMARILY FOR COMMERCIAL FOREST PRODUCTION  
Vacant Unforested Land  
Blueberry Land  
Other Agricultural Land  
Borrow Pits (gravel, quarry or mining area)  
Transmission Line or Pipeline RW Area  
Roads, Class 1 (Two-lane all season road)  
Roads, Class 2 (Single-lane seasonal road)  
Building Areas  
Forest Land (Not classified)  
Other Areas  
TOTAL: 2.0 Ac  
D. TOTAL AREA OF PARCEL 25.0 Ac

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**PART B.** OWNER MUST CHECK OFF AND COMPLETE ONE OF THE FOLLOWING CATEGORIES UNDER WHICH ELIGIBILITY IS BEING SOUGHT:

Category 1 Owner certifies that a Forest Management and Harvest Plan has been prepared for the parcel;  
Category 2 Continuing in compliance; Parcel has been inspected and deemed to be managed in accordance with applicable Forest Management and Harvest Plan (review for compliance required every 10 years); OR  
Category 3 Transfer of Classified Land: Within one-year after the transfer date of classified land, new owner must either: comply with category 1 or, if owner intends to continue under previous owner's plan, provide transfer date of land, date that previous owner's plan was prepared and the number and signature of a licensed professional forester to stipulate land is being managed in accordance with previous owner's plan.

1. FOREST MANAGEMENT AND HARVEST PLAN: I hereby swear that I am following the provisions of the Forest Management and Harvest Plan prepared for the parcel.  
Date plan prepared: \_\_\_\_\_ Forester license number: \_\_\_\_\_  
Name of Licensed Forester that approved/prepared the plan: \_\_\_\_\_

2. EVIDENCE OF COMPLIANCE, RECERTIFICATION: I hereby swear that I have inspected the parcel and that the owner is following recommendations under the applicable Forest Management and Harvest Plan.  
Parcel Inspection Date: \_\_\_\_\_ Forester license number: \_\_\_\_\_  
Name of Licensed Forester (please print) \_\_\_\_\_ Signature of Licensed Forester \_\_\_\_\_

3. TRANSFER OF LAND CLASSIFIED BY FORMER OWNER: Transfer date: March 2008  
Date previous owner's plan was prepared: December 2007 Forester license number: 96  
Robert J. Johnson Robert J. Johnson  
Name of Licensed Forester (please print) \_\_\_\_\_ Signature of Licensed Forester \_\_\_\_\_

NOTE: Signature of licensed professional forester may be accepted as foresters' statement that: Land managed in accordance with the plan prepared for the previous owner. New owner adopting previous owner's plan was prepared. Failure to certify under category 2 within ten years from the date that owner's plan was prepared. Failure to certify under category 2 by the applicable date for ten-year inspection. Owner will disqualify land from classification under Tree Growth and the landowner will pay a substantial penalty for withdrawal (36 MRSA §551).

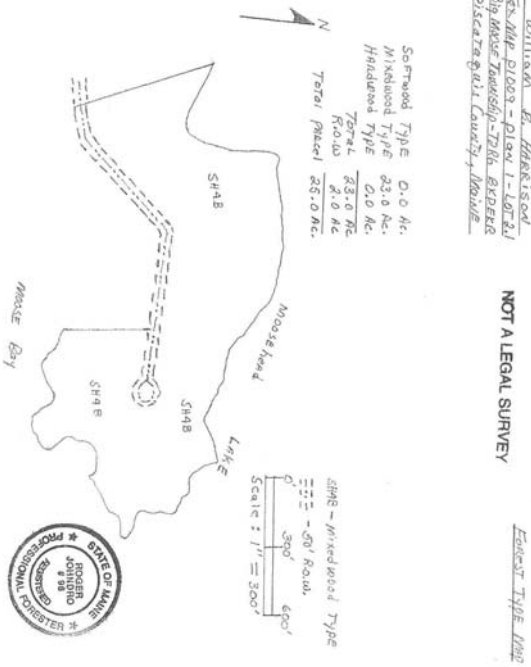
I, the undersigned, declare that I have examined this application and to the best of my knowledge and belief, it is true, correct and complete.  
August 30, 2008 WR Harrison  
Date \_\_\_\_\_ Signature of Owner/Owners \_\_\_\_\_

NOTE: Landowners should pay particular attention to the provisions of 36 MRSA §551 and 12 MRSA § 8883 which provide for substantial penalty upon the landowner for a change in use of forest land classified under the Tree Growth Tax Law. Please review Bulletin #19 for additional information.

Approved  Denied \_\_\_\_\_  
Assessor's Signature \_\_\_\_\_ Date \_\_\_\_\_

Page 2

BY..... DATE..... SUBJECT..... SHEET NO. .... OF.....  
CHKD BY..... DATE..... JOB NO. ....



So Forest Type 0.0 Ac.  
Mixedwood Type 23.0 Ac.  
Hardwood Type 0.0 Ac.  
Total 23.0 Ac.  
Total Parcel 25.0 Ac.

William B. Harrison  
Tax Map P1009 - Plan 1 - Lot 21  
Big Moose Township - T21N - R20E  
Piscataquis County, Maine

2008 Tree Growth Accounts by County

BIG MOOSE TOWNSHIP, PISCATAQUIS  
Tax Account: 218012008  
Debits  
100.00% HARRISON WILLIAM B, 74 VINEYARD LANE, GREENWICH, CT 06031  
Map P1009 Plan 01 Lot 21

FMP  
3/08  
Roger  
Johns

Account Class	Area	Rate	Valuation
Softwood		121.00	0.00
Mixed Growth	23.00	113.00	2,147.00
Hardwood		118.00	0.00
<b>Total Classified Land</b>	<b>19.00</b>		<b>2,147.00</b>
Dun		0.00	0.00
Natural Water		0.00	0.00
Flowage Man.Made		350.00	0.00
Wetland-Shrub		90.00	0.00
Class II Private Road		3,500.00	0.00
Class II Private Road		1,500.00	0.00
Field, Gravel Pit		350.00	0.00
Transmission Lines		175.00	0.00
Other		0.00	0.00
Farmland		0.00	0.00
Open Space		0.00	0.00
Farm Softwood		121.00	0.00
Farm Mixed Wood		113.00	0.00
Farm Hardwood		118.00	0.00
Blueberry Fair		0.00	0.00
Blueberry Good		0.00	0.00
Blueberry Irregular		0.00	0.00
Blueberry		0.00	0.00
<b>Total Unclassified Land</b>			<b>0.00</b>
<b>Summary:</b>			
Land Value	19.00		2,147.00
Building Value			0.00
Exemptions			0.00
<b>218012008 Total</b>	<b>19.00</b>		<b>2,147.00</b>
<b>Total Tax</b>			<b>15.37</b>
# of Accounts: 1	# of Parcels: 1		

7/31/2008

1,412

Example #7  
 Vinalhaven

This mixed use property in Vinalhaven just sold for \$3,758,000. It is a 38 acre parcel with three acres set aside for the building and the building lot. The building and the developed three acres are assessed at \$1.56 million.

The 35 acres of Tree Growth land have a “current use” value of \$3,248 and an apparent market value of approximately \$2.2 million; that is, the market value of the “Tree Growth” land is nearly 700 times its purported “current use” value under the Tree Growth law.

MFS comment: The town of Vinalhaven has not formally requested assistance from MFS regarding this matter. See earlier comments regarding valuation and withdrawal penalties.

Vinalhaven  
1:19 PM

08/28/2008  
Page 1

Account	Name	Acreage				Value			
		Soft	Mixed	Hard	Other	Soft	Mixed	Hard	Other
<i>\$3,758,000</i> <i>12/10/07</i>	64 WINKLER, DANIELA	0.00	17.00	012-003 18.00	3.00	0	2,006	1,242	1,561,560
169	BRANDT, VINCENT S. & HI KYUNG	7.50	6.50	011-001A 0.00	1.50	1,793	767	0	482,680
172	BRAY, KATHY	10.30	0.00	016-008A 0.00	1.00	2,462	0	0	360,360
235	BURNHAM, JOAN TRUSTEE	12.00	36.00	012-026 0.00	7.00	2,868	4,248	0	504,680
243	CALDERWOOD, KENNETH B.	0.00	12.00	012-023 0.00	1.00	0	1,416	0	600,600
254	CAMPBELL, NANCY E.	59.00	24.00	009-043D 4.00	6.00	14,101	2,832	276	422,400
348	COOMBS NECK TRUST	7.00	6.00	010-014A 0.00	6.00	1,673	708	0	501,380
349	COOMBS NECK TRUST	0.00	17.00	010-012A 10.00	4.12	0	2,006	690	364,844
354	COOMBS NECK TRUST	0.00	1.00	010-013 0.00	0.65	0	118	0	378,778
401	DEAN, EDWARD F III & DIANE H ET AL	3.00	0.00	011-031 15.50	3.50	717	0	1,070	36,300
438	DRURY, MARY C, TRUSTEE UNDER MARY	11.00	0.00	02A-008-3 2.50	0.00	2,629	0	173	0
496	ELISOFON, ELIN & ELISOFON, JILL	0.00	47.00	011-023 12.00	19.00	0	5,546	828	370,920
497	ELISOFON, ELIN & ELISOFON, JILL	0.00	4.00	011-024 13.00	4.00	0	472	897	74,800
502	BLANKERTZ, LAURA	18.00	26.00	012-030 2.00	8.00	4,302	3,068	138	623,700
520	FARAGO, ALAN D.	72.00	0.00	008-039 0.00	16.00	17,208	0	0	324,280
522	FARAGO, ALAN D.	0.00	29.00	008-043 0.00	0.00	0	3,422	0	0
555	FOUR ROOM COVE CORPORATION	59.00	21.00	02A-002 0.00	20.00	14,101	2,478	0	1,023,000
624	GREEN, MARSHA	2.00	17.00	006-063 0.00	0.00	478	2,006	0	0
<i>4,200,000</i> <i>10/5/07</i>	625 LAZARO, ALLAN & PENNY L.	10.00	5.00	006-064 0.00	10.00	2,390	590	0	45,650
704	HELLER, GEORGE B. & LAURA W.	16.00	3.00	011-001,006-007 0.00	10.40	3,824	354	0	503,360

### Example #8

#### Sustainable Harvesting

Because of the law regarding the confidentiality of landowner's forestry plans, MMA is unable to provide copies of actual forestry plans for the working group's review.

It is very unfortunate that local and state policy makers are unable to more publicly review the language of forestry plans and engage in a public discussion regarding how loosely these plans can be written and how ambiguously these plans can describe what actions may or may never be taken by the landowner. Forestry plans can be written so as to make them entirely unenforceable.

MMA is nonetheless aware of forestry plans that fully admit to the fact that the enrolled land was clearcut, inappropriately top-graded or otherwise severely over-harvested while it was enrolled in the Tree Growth program, sometime between the development of the first forestry plan and the time of the 10-year forestry plan update. The language in these forestry plan updates assert that:

- the land was clearcut while enrolled in the Tree Growth program but previous to current ownership;
- the property has not been actively managed since the clearcut operation;
- the owner purchased the land for a purpose other than timber harvesting or woodlot management;
- the lot has zero standing timber of measurable size;
- the lot was stripped of all commercial timber while in the Tree Growth program;
- no timber inventory was conducted because the lot was entirely stripped of all timber;
- no harvest is warranted at this time and that the next time to even consider developing a management plan would be at the time of the next 10-year update, or even later.

If policy makers are unable to review forestry plans, which is currently the case, the unenforceability of these plans will never be addressed.

MFS comment: Towns have the ability to review forest management plans and to request MFS assistance in plan review. As noted in this report, MFS has reviewed several plans for towns. MFS has advised towns of their options regarding forest management plans that do not meet the requirements of the Tree Growth Tax Law and, in many cases, has quoted excerpts from forest management plans as evidence that a forest management plan does not comply with the law's requirements.

Further, the situations identified above do not render a property ineligible for enrollment in Tree Growth; the land must simply be capable of growing trees for commercial use. A harvest need not take place during every 10 year planning period if the land is not capable of sustaining a harvest. If a property enrolled in Tree Growth is harvested abusively, the time for the town to assert its responsibilities is at the time of harvest, not after the land has changed hands. It

makes no sense to penalize a subsequent landowner whose actions did not contribute to the situation.

MFS does not believe that any change to the laws ensuring the confidentiality of forest management plans is necessary.

Example #9

Comments of a Certified Maine Assessor Regarding the Ease of Administration of the Tree  
Growth Tax Law

I think one of the problems with the Maine tree growth tax law from an administrative point of view is the inordinate amount of time that it takes to comply with all the administrative burdens of the law, a law that takes away from the tax base of a town.

Towns have to report every year the acreage classified in tree growth on the municipal valuation return.

Towns have to report every year the acreage withdrawn from tree growth every year on the municipal valuation return and the amount of penalty assessed.

Towns have to explain to taxpayers why they are being penalized for giving two acres to their son to build a house on because it is a withdrawal from the Maine tree growth tax law.

Towns have to notify the new owner of a parcel of land that all or part of it is under tree growth valuation and that they have to file a new application in their own name within a year of their purchase.

Towns have to ignore the requirement to check whether a plan is sufficient for tree growth classification (something I do because I sure enough do not have enough time to do that) or they need to take the time to do it or enroll the help of the state in doing so.

Towns have to report changes in tree growth classification and ownership (with changes shown in red ink or pencil since nothing else will do to satisfy the wishes of the Department of Forestry officials) on a form provided by the Department of Forestry.

Towns have to do all the explaining about the law. You need to file a new application. You will need to pay a penalty if you do this or that. You will save money in your taxes if you classify your land, but in the future you may have to pay a penalty if you do this or that.

Then when someone does object to a penalty and appeals it to the State Board we need to make a trip to Augusta for a day or two of administrative hearings with a board with no staff, that finds holding a hearing on whether this penalty is correct or not a scheduling burden, and does not even have the staff or time to realize that the appeal is being filed with the Board prematurely because the taxpayer has not yet requested an abatement of the penalty from the local Board of Assessors.

All of this to lose money in the assessment of taxes at tree growth values that are artificially low because they do not even include a consideration of a residual land value.

MFS comment: This section is not germane to the tasks assigned by the Legislature; however, one point merits a response. The last sentence perpetuates a myth that having properties enrolled in the Tree Growth Tax program causes towns to “lose money.” Towns raise the amount of money they need to operate; having properties enrolled in Tree Growth results in a shift of tax burden among property tax payers in the town, but not a loss of revenue to the town. In fact, towns receive reimbursements from the state for various purposes, and such



reimbursements often are pegged to the total town valuation. When a town's valuation decreases due to the enrollment of property in various current use programs, the state's payments to the town often increases. Further, numerous studies conducted in Maine and elsewhere across the nation repeatedly have demonstrated that land enrolled in current use taxation programs such as Tree Growth demand far less in community services than the property tax revenue those properties generate. In fact, those studies show that taxes assessed on farm and forest land are subsidizing the owners of developed properties.

## **ABOUT THE MAINE FOREST SERVICE**

Established in 1891, the Maine Forest Service's mission is to protect and enhance our state's forest resources through forest fire prevention, technical assistance, education and outreach to a wide variety of audiences, and enforcement of the state's forest protection laws. Maine Forest Service offices are found throughout the state and provide Maine's citizens with a wide range of forest-related services.

For more information about the Maine Forest Service and its programs, visit our website at [www.maineforestservice.gov](http://www.maineforestservice.gov).