



rbouvier.consulting@gmail.com

rbouvierconsulting.com

207-272-8692

Testimony of Rachel Bouvier, Principal of rbouvier consulting

December 1, 2017

Chairs Davis and Dunphy, Honored Members of the Committee and Guests,

My thanks to the Committee for allowing me the opportunity to testify regarding the economic importance of conserved lands to the State of Maine. My name is Rachel Bouvier. I am an environmental and natural resource economist and the Principal and Owner of rbouvier consulting, an economic and environmental consulting firm located in Portland. I am also adjunct Associate Professor of Economics at the University of Southern Maine, and Part-Time Visiting Professor at the University of New Hampshire, where I teach Community Economic Development. I am also treasurer and member of the Executive Board of GrowSmart Maine.

First, let me begin my comments by acknowledging the concerns that have been expressed regarding the tax-exempt status of some conservation lands. Many municipalities throughout Maine are experiencing fiscal difficulty, and I recognize the very real need to increase community economic development opportunities.

That said, removing the exemption for conserved lands is not the way to achieve this goal. The relationship between the amount of conserved land in a municipality or a state and its ultimate net revenue is not straightforward, for several reasons:

- First, conserved land has been shown to have a positive effect on surrounding property values in many cases. People want to live near open space, and are willing to pay a premium to do so. This effect may lead to an increase in tax revenues, as those property values appreciate more quickly than others.
- Second, conserved land does not add to a municipality's expenses. There are no added schools, infrastructure, roads, transportation or sewer lines associated with conserved land, leading to a very low cost of service. Removing the tax exemption for conserved land may lead to more development in out-lying areas, which may increase a municipality's responsibilities. I am not opposed to new development, but such development should occur where the infrastructure already exists.
- Third, conserved land, when tied with public access, can contribute to economic development by allowing opportunities for outdoor recreation, hunting, and fishing. These activities can bring in dollars to a local economy, as visitors spend money and buy related equipment.
- Fourth, conserved land can help a municipality to avert costly expenditures. The amount of undeveloped land in a watershed is associated with improved water quality, reducing water treatment costs. Undeveloped land also reduces impervious surfaces, leading to reduced stormwater runoff. Conserved land near a water body can help protect from storm surges or flooding. All of these services can help a municipality save money in the long run.
- Finally, there are several non-monetary benefits to conserved land. Open space provides habitat for wildlife and better water quality for fish and other aquatic organisms, on which our economy depends. Access to these areas for recreation can provide health benefits in the form of opportunity for exercise and improved mental health. And quality of life and a sense of place may not be able to be easily monetized, but they should not be ignored.

In closing, I thank the committee for their time considering these important issues.