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No. 39

H.P. 3

House of Representatives, January 8, 2025

An Act to Require Forest Landowners to Report the Registration or Sale of Their Forest Carbon Credits

Submitted by the Department of Agriculture, Conservation and Forestry pursuant to Joint Rule 204.

Received by the Clerk of the House on January 6, 2025. Referred to the Committee on Agriculture, Conservation and Forestry pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative PLUECKER of Warren.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 12 MRSA §8881, sub-§2-A** is enacted to read:

3 **2-A. Forest carbon credit.** "Forest carbon credit" means a unit that is equivalent to
4 one metric ton of carbon dioxide emissions that are avoided, removed or absorbed as a
5 result of forest management activities that are either undertaken or deferred to increase
6 forest carbon storage or sequestration.

7 **Sec. 2. 12 MRSA §8881, sub-§2-B** is enacted to read:

8 **2-B. Forest carbon project.** "Forest carbon project" means a planned set of forest
9 management activities for a defined area of forest land that is designed to provide forest
10 carbon credits and that is registered with a voluntary or regulatory forest carbon protocol
11 or registry.

12 **Sec. 3. 12 MRSA §8881, sub-§2-C** is enacted to read:

13 **2-C. Forest carbon project developer.** "Forest carbon project developer" means a
14 nonprofit or for-profit entity that acts on behalf of a forest landowner to establish forest
15 carbon credits to meet the requirements of a voluntary or regulatory forest carbon protocol
16 or registry. "Forest carbon project developer" also means a forest landowner that acts as
17 the forest landowner's own developer to register or sell forest carbon credits.

18 **Sec. 4. 12 MRSA §8885, sub-§2-B** is enacted to read:

19 **2-B. Report of forest carbon projects.** A forest landowner, or a forest carbon project
20 developer acting on behalf of the forest landowner, shall submit a report to the director for
21 a forest carbon project involving forest land in the State whenever forest carbon credits are
22 registered. The report must include the following information:

23 A. The name of the forest carbon project and the forest carbon project developer;

24 B. The name of the original forest landowner that registered or sold the forest carbon
25 credits;

26 C. The name of the current forest landowner or forest landowners as of the date of
27 filing, if applicable;

28 D. The date or dates when the forest carbon credits were registered;

29 E. The expected duration of the enrollment of the affected forest land in the forest
30 carbon project;

31 F. The total forest acreage enrolled in the forest carbon project by town, township or
32 plantation;

33 G. The total forest acreage enrolled in the forest carbon project that is subject to current
34 use tax treatment under the Maine Tree Growth Tax Law or the Farm and Open Space
35 Tax Law;

36 H. The total forest acreage enrolled in the forest carbon project that is subject to a
37 conservation easement and the name of the easement holder;

38 I. The book and page number at the registry of deeds for the ownership of forest land
39 in each county in which the forest carbon project occurs;

1 J. The date of the recording along with the book and page number at the registry of
2 deeds of any changes to terms or agreements of the forest carbon project;

3 K. The date of the most recent forest carbon project monitoring visit;

4 L. The number of forest carbon credits registered;

5 M. The method of accounting used to determine the number of forest carbon credits.
6 The method of accounting may be identified by reference to the method used by the
7 forest carbon protocol or registry that lists the forest carbon credits;

8 N. Whether the forest carbon project includes agreements or requirements to limit or
9 prohibit timber harvesting on some or all of the affected forest land and, if so, how;
10 and

11 O. If forest carbon credits are sold, whether the purchaser of the credits will apply the
12 credits to offset emissions from other activities occurring within or outside the State.

13 The report must be filed within 60 days of the registration of forest carbon credits.

14 **Sec. 5. 12 MRSA §8885, sub-§2-C** is enacted to read:

15 **2-C. Updated report on forest carbon projects.** A forest landowner, or a forest
16 carbon project developer acting on behalf of the forest landowner, shall update the report
17 required under subsection 2-B whenever forest carbon credits are sold or retired, cancelled,
18 lost or reversed. The report must include any changes to the information required under
19 subsection 2-B and the status of the credits previously registered or sold. The report must
20 be filed within 60 days of the sale or retirement, cancellation, loss or reversal of the forest
21 carbon credits.

22 **Sec. 6. 12 MRSA §8885, sub-§2-D** is enacted to read:

23 **2-D. Report deadline; other information; fees.** A forest landowner or a forest
24 carbon project developer that registered or sold a forest carbon credit prior to the effective
25 date of this subsection has until July 1, 2026 to file the report required pursuant to
26 subsection 2-B or 2-C.

27 The director may require other information the director determines necessary to fulfill the
28 purposes of this subchapter. The reports must be filed on forms established by the
29 Department of Agriculture, Conservation and Forestry. The initial report filed pursuant to
30 subsection 2-B must be accompanied by a fee of \$200 for forest carbon projects over 1,000
31 acres in size. Subsequent reports as required pursuant to subsection 2-C for sales or
32 retirements, cancellations, losses or reversals of forest carbon credits do not require a fee.

33 The director shall maintain a permanent record of the registration or sale of forest carbon
34 credits and report to the Attorney General any failure of an entity subject to the
35 requirements of subsection 2-B or 2-C, as disclosed by the report or otherwise known to
36 the director, to comply with the requirements of this subchapter. The fees established under
37 this subsection must be held by the Department of Agriculture, Conservation and Forestry
38 in a nonlapsing, special account to defray the costs of maintaining the record and carrying
39 out the department's duties under this section.

40 **Sec. 7. 12 MRSA §8885, sub-§3**, as amended by PL 2003, c. 452, Pt. F, §47 and
41 affected by Pt. X, §2 and amended by PL 2011, c. 657, Pt. W, §7 and PL 2013, c. 405, Pt.
42 A, §23, is further amended to read:

