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Testimony of the Maine Municipal Association

In Support of LD 1648, *An Act to Make Changes to the Farm and Open Space Tax Law*

May 17, 2023

Senator Grohoski, Representative Perry, and members of the Taxation Committee. My name is Kate Dufour, and I am offering testimony in support of LD 1648 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish MMA's position on bills of municipal interest.

Municipal leaders support the changes in LD 1648, which in a nutshell provide greater regulatory structure to the farm and open space current use program, which is necessary. In exchange for the generous property tax benefits enjoyed by enrollees, the program places limitations on the development of the property, which in turn supports the state's natural resources protection goals.

While the program benefits Maine residents generally, unfortunately, the communities where these properties are located bear the lion's share of related tax revenue losses.

LD 1648 is a step in the right direction for remedying these inequities. Although it is not without its issues, by using the current Tree Growth Property Tax program as a model, the bill provides a better process for ensuring the state's goals are met and that property taxpayer investments are protected.

For example, LD 1648 more clearly defines the restrictions on enrolled property; that is, the provisions that must be in place for a property owner to receive the reduced property tax assessment. Property owners who to take advantage of additional reductions in assessed values associated with the protection of wildlife habitats or for carbon sequestration efforts, are further required to submit related land management plans to ensure compliance with state goals. Finally, the bill includes a concrete formula for calculating the state reimbursement for a portion of the lost property tax revenues.

While municipal leaders applaud these amendments to the program, those most familiar with the day-to-day implementation of current use programs, primarily municipal assessors, may have suggestions for further improving the proposal. As a result, our policy committee members respectfully urge you to work with these subject matter experts to affect the needed refinements.

Thank you for taking into consideration the municipal perspective on this issue.