

MMA Testimony in Opposition to
LD 1630, *An Act to Amend the Open Space Tax Law*

April 24, 2025

Senator Grohoski, Representative Cloutier and members of the Taxation Committee, my name is Kate Dufour, and I am submitting written testimony in opposition to LD 1630 on behalf of the municipal officials who serve on MMA's Legislative Policy Committee.

Municipal officials are growing increasingly concerned with the perennial extension of exemptions and exceptions to the payment of property taxes. Considering it is rare that 100% reimbursement for lost revenue is provided, proposals are accompanied by a reduction in municipal workload, or result in a decrease in the cost of providing existing services, the outcome is that the unreimbursed costs of the exemptions are borne solely by the remaining property taxpayers.

Local leaders understand the intent of LD 1630 is to provide greater benefits to property owners willing to implement plans for forest climate resilience and carbon management, as well as for enhancing wildlife habitat. However, the bill also increases from 20% to 45% the reduction in assessed value provided to all property enrolled in the open space program, without mandating that further restrictions be placed on the use of the property. As an example, the owner of a \$100,000 property enrolled in a community with a mil rate of 15, would receive an additional \$375 property tax break without changing a single practice.

Simply increasing the benefit for the first step of the program does nothing to achieve carbon sequestration and wildlife management goals. It may be the case that a full review of the program is necessary to ensure that state and local goals and priorities are being met.

Municipal officials are also concerned with the proposed repeal, for certain property owners, of the 15,000-acre cap on property enrolled in the program, as proposed in Section 11 of the bill. If implemented this provision would also, over time, increase property taxpayer burdens.

Again, while municipal officials understand the sponsor's intent, local leaders urge the committee to implement preservation reforms that protect both the environment and the remaining property taxpayers.

Thank you for your time and consideration of the municipal perspective on this issue.