

LD 695, An Act to Exempt Nonprofit Land Trusts from Sales Tax

Senator Grohoski, Representative Perry, and honorable members of the Joint Standing Committee on Taxation:

My name is Mila Plavsic. I am the Executive Director of the Falmouth Land Trust, a nonprofit that was started in 1981 for the purposes of conserving land in Falmouth for the public benefit. I am here today to support **LD 695, An Act to Exempt Nonprofit Land Trusts from Sales Tax** and I thank Representative Kuhn for sponsoring this bill. While I believe that Maine should join its New England neighbors by granting a sales tax exemption to *all* registered 501c(3) nonprofit organizations in the state, I am honored to speak today about what such an exemption would mean to a small land trust in Maine.

Like most of the land trusts in Maine, the Falmouth Land Trust was founded by a dedicated group of residents who decided to volunteer their time to preserve some of their town's forests, wetlands, farms, and other lands for all to enjoy in perpetuity. As the acreage under our care grew and as land trusts around the country professionalized, our land trust added a handful of staff to help keep up with the demands of land management, trail maintenance, and the provision of educational programming and events for children and adults. We are an extremely lean organization, with no endowment, and we receive no operational support from either the federal or state government. Most land trusts in Maine are land-rich and cash-poor, as almost all of the funds that come in the door soon go out to acquire land from willing sellers. The Falmouth Land Trust now cares for 2,700 acres, which includes properties that we own, properties where we hold conservation easements, as well as some municipal properties.

Saving up to \$1,500 a year with a sales tax exemption would be meaningful to our organization with its small operations budget. With those funds, we could lead more class field trips for children in the greater Portland area, repair an eroded section of trail, or make a trail more accessible to visitors with mobility challenges. The benefits of extending the sales tax exemption to nonprofit land trusts would immediately be felt by communities across Maine.

When considering whether land trusts should be exempt from paying sales tax, I think it's important to consider that Maine's land trusts collectively protect twice as much land for the public benefit as our well-loved State Park system. For example, Falmouth's Blackstrap Hill Preserve and Community Forest is a 600-acre oasis that is only 10 minutes away from our state's largest city. In a past era, this area might have been designated a State Park. Instead, it was protected in the late 1990's with help from the Land for Maine's Future Program. The Falmouth Land Trust and the Town of Falmouth bear the full burden, in perpetuity, of maintaining an extensive trail system that attracts mountain bikers, trail runners, hunters, hikers, summer day camp participants, and others from all over the region. Exempting nonprofit land trusts from sales tax would signal that the State of Maine values the vital role that land trusts play in our state's recreation economy. For these reasons, I urge you to vote *Ought to Pass* on LD 695.