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Testimony of Tom Doak

Executive Director

Maine Woodland Owners

In Opposition to

LD 1685

“An Act to Increase Acreage Eligibility and Change Requirements for Filing Plans Under the Maine Tree Growth Tax Law”

Senator Grohoski, Representative Perry and distinguished members of the Joint Standing Committee on Taxation, my name is Tom Doak, I am the Executive Director of Maine Woodland Owners speaking today in opposition to LD 1685, “An Act to Increase Acreage Eligibility and Change Requirements for Filing Plans Under the Maine Tree Growth Tax Law.”

Maine Woodland Owners has long been an advocate for the Tree Growth Tax Law program. This bill seeks to change the rules for every landowner currently enrolled in the Tree Growth Tax Law program and we believe these changes would be harmful to the program.

In Section 1, this bill seeks to change the minimum acreage in the Tree Growth Tax Law program from 10 to 25 acres beginning on April 1, 2025. It is unclear why the change from 10 to 25 acres is necessary. In 2018, this Committee convened a study commission to conduct an analysis of the Tree Growth Tax Law program to determine whether any changes should be made. The commission was chaired by the head of the School of Forest Resources at the University of Maine and consisted of many stakeholders including Maine Woodland Owners, the Maine Forest Products Council, The Nature Conservancy, the Maine Farm Bureau, the Maine Association of Consulting Foresters, and the Maine Municipal Association. The commission’s report, titled “Review of the Maine Tree Growth Tax Law,” was presented to the 128<sup>th</sup> Legislature’s Committee on Taxation. In the report, the commission was specifically asked to advise the Committee on the question of whether the lot size of 10 acres for new enrollments should be modified. The commission determined that no changes were necessary. We agree with the commission’s conclusion and believe that no changes to the acreage are necessary.

Also in Section 1, the bill would require landowners to file a copy of their forest management and harvest plan with the municipal assessor or State Tax Assessor every 10 years. The assessor already has the ability to ask a landowner for a copy of their

forest management and harvest plan at any time and the landowner is required to provide it. The assessor may retain the plan as long as needed to ensure compliance, but must then return it to the landowner. There is an additional requirement on the landowner. Currently, under section 574-B of the Tree Growth Tax Law, the landowner must comply with the forest management and harvest plan and must submit every 10 years a statement from a Maine licensed professional forester that the plan meets the statutory requirements and the landowner is managing the parcel according to the plan.

It is unclear why municipalities would need to keep a management plan for an indeterminate amount of time. It is particularly concerning because these documents are designated as confidential and not a public record and extra care would be required by the municipality to ensure that no one other than the assessor has access to the documents. There was a period of time when plans were required to be filed and held by the assessor, but that requirement was repealed. I believe that was because it proved to be unnecessary, and the difficulty of keeping so many documents with potentially proprietary information confidential. We do not feel it is necessary or appropriate for landowners to have to file their forest management and harvest plan with the assessor.

Finally, Section 4 seeks to forgo a penalty against those parcels withdrawn from the Tree Growth Tax Law program after the change in acreage would take effect in 2025. Based on the 2018 report to this Committee that would involve just under 99,000 acres. However, the Maine Constitution requires a penalty for any land withdrawn from the Tree Growth Tax Law program. So landowners who are fully in compliance with the program who happen to have a parcel less than 25 acres (it is not uncommon for a landowner to own multiple parcels) would pay a penalty only because the rules were changed after they enrolled their land. This is simply not fair or right.

For these reasons, Maine Woodland Owners is in opposition to LD 1685 and urges this Committee to vote Ought Not to Pass.