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TESTIMONY BEFORE THE COMMITTEE ON TAXATION
IN SUPPORT OF LD 1630

An Act to Amend the Open Space Law

April 24, 2025

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation, my name is Morten Moesswilde. I am the Division Director for the Forest Policy and Management Division of the Maine Forest Service (MFS). I am speaking on behalf of the Department of Agriculture, Conservation, and Forestry (DACF) in support of LD 1630, *An Act to Amend the Open Space Law*.

The Department supports approaches to incentivizing land management that increase carbon sequestration and storage as a means to help achieve the state's ambitious climate goals.

This bill is an effort to implement one of several recommendations of the Governor's Task Force on the Creation of a Forest Carbon Program. This Task Force was established by Executive Order in January 2021 and was charged with "develop[ing] incentives to encourage forestland management practices that increase carbon storage specifically on woodland of 10-10,000 acres while maintaining harvest levels overall." The Task Force issued its final report in October 2021, and among its recommendations was to "recommend updates to the Open Space Current Use Taxation program, including in a manner that incentivizes climate-friendly land management practices."

The Farmland and Open Space Tax Law (36 MRSA §1101-1121) establishes two of Maine's four "current use" programs that offer property owners a reduction in assessed value (the other two programs are the Tree Growth program and the Working Waterfront program). All four programs establish land valuation at its current use rather than at market value. The Farmland, Open Space, and Tree Growth programs are property tax programs that are administered by municipal assessors. The Department provides information and education about the Farmland and Tree Growth programs, and, to a lesser degree, about Open Space.

This legislation addresses only the Open Space portion of the Farmland and Open Space Tax Law. The bill has been significantly reworked from a similar proposal in the last legislative session. It retains the current, established process for assessing land enrolled in Open Space, but

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establishes new categories that would trigger percentage reductions of the ordinary assessed value. These new categories are based on the planning and implementation of land management practices to enhance either forest climate resilience and carbon conservation, or wildlife habitat. The bill outlines content requirements for management plans but also requires that identified practices are based on sound science, are implemented as prescribed, and are certified by licensed professionals as having been completed, providing a verification mechanism for town assessors. We believe these requirements are sound.

The bill also removes the provision limiting the amount of land that a landowner may enroll under the Farm and Open Space Tax Law to no more than 15,000 acres unless the landowner is a nonprofit organization exempt from taxation.

In summary, the Department appreciates the bill's intent to incentivize carbon storage and sequestration, and the ongoing collaboration with many stakeholders in the room today. Thank you for the opportunity to testify. I'd be happy to answer any questions you may have now or at the work session.