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The voice of Maine's forest economy

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Maine Forest Products Council Testimony in Both Support and Opposition to Specific Sections of

LD 1630 An Act to Amend the Open Space Tax Law

Patrick Strauch, Executive Director

April 24, 2025

Good afternoon, Chair Grohoski, Chair Cloutier, and members of the Taxation Committee. I am Patrick Strauch of Exeter, and I am here today on behalf of the Maine Forest Products Council to testify in support of sections of LD 1630 and raise some concerns about two provisions in the bill.

For 65 years, the Maine Forest Products Council has served as the voice of Maine's forest economy, representing more than 300 members from all facets of the forest products industry. Our members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers and truckers. We also represent commercial landowners sustainably managing more than 8 million acres of forestland.

Climate Council Initiative

This legislation originates from recommendations from the Governor's Climate Council of which I am a second term appointed member. I also participated in the In the Natural and Working Lands group that reached consensus to revise the Open Space Current Use Taxation Program. The recommendation was:

Update the Open Space Current Use Taxation Program in a manner that incentivizes climate-friendly land management practices, makes it more attractive to woodland owners, and enables landowners to move between Tree Growth and Open Space as land management objectives change

Section 9. Forest Carbon Incentive Program

LD 1630 includes a forest carbon management approach that is designed with a management plan structure. MFPC is concerned this will lead to limited landowner participation.

G. Open space land on which an approved forest climate resilience and carbon management plan has been completed is eligible for the reduction set in paragraph A or D and an additional 25%. A forest climate resilience and carbon management plan must be presented with the application for enrollment of eligible acres but remains confidential and is not a public record as defined in Title 1, section 402, subsection 3.

A forest climate resilience and carbon management plan presented with an application is subject to the following conditions:

(1) The plan must have been reviewed and certified by a licensed professional forester as consistent with sound silvicultural practices;

(2) The implementation of the silvicultural measures identified in the plan must be supervised and certified by a licensed professional forester; and

(3) The plan must be updated at least once every 10 years. The updated plan must include all information required in the original plan, including recommended practices for the next planning period. The plan update must also include a review and certification that practices recommended in the previous planning period have been completed.

This approach is similar to the Tree Growth (TG) Taxation program, but we view the Open Space program to be a steppingstone into the TG system. By establishing a detailed management plan without standards, we question the popularity of the program. The Working and Natural Lands group recommended using a **practices approach** that was included in a similar bill in the 131st Legislature. LD 1648 defined wildlife and forest management practices in the following ways:

C. Open space land on which an approved wildlife enhancement practice has been completed and certified is eligible for a 20% reduction in the open space land valuation as long as the parcel remains in the program under this subchapter.

D. Open space land on which an approved climate-friendly practice has been completed and certified is eligible for a 20% reduction in the open space land valuation as long as the parcel remains in the program under this subchapter.

LD 1648 included the following guidance:

Rules: The Bureau of Revenue Services, in consultation with the Department of Agriculture, Conservation and Forestry and the Department of Inland Fisheries and Wildlife, shall adopt rules to carry out the purposes of subsection 2, paragraphs C and D. The rules must define wildlife enhancement practices and climate-friendly practices, the standards for each practice, the method of certifying that a practice has been completed, including the qualifications of the certifier, and the process of reporting to the municipal assessor, or the State Tax Assessor in the unorganized territory, on the successful implementation of an approved practice. The bureau shall consider appropriate practices and standards identified by the United States Department of Agriculture, Natural Resources Conservation Service, but the bureau may adopt modifications to those practices and standards and adopt additional eligible practices and standards. Rules adopted pursuant to this subsection are routine technical rules under Title 5, chapter 375, subchapter 2-A.'

We think this approach was on the right track and encourage the committee to consider re-purposing this method.

Section 11. Elimination of the 15,000-acre cap on the open space law.

MFPC is not supportive of removing the 15,000-acre cap on the Open Space Taxation program. We think it should remain a program for smaller landowners. Lifting the cap to accommodate tax-exempt nonprofits is counter to the intended purpose of the program, and it could incentivize large carbon projects that significantly limit harvesting as an objective, much like we see in neighboring NH.

We appreciate the opportunity to present our support and concerns and would be glad to work with the committee to modify the bill.