



# Current-Use Property Taxation Tree Growth & Farmland

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# Current-Use Property Tax Programs

Are based on laws that support forest products, agricultural, aquacultural & preservation/recreation/tourism industries

Are voluntary and have consequences

Have eligibility requirements for land base & current-use activities

Are statewide programs that are administered by local assessors

Are not necessarily for everybody

Help to hold land use patterns in place

# Landowners

1. Determine what their land use goals are
2. Know what is on their property
3. Develop a long-term plan
4. Implement the plan
5. Keep records
6. Review and update plan as required by law and as circumstances dictate
7. Work with professionals

## Landowners can then...

- Review program requirements
- Gather data (forest management plan, income/crop yield records, deed restriction, etc) that describes the current uses & activities on property
- Meet with Assessor & review questions as needed
- Submit application & map of the property to the town by April 1<sup>st</sup> for new valuation in the tax bill year

# Recordkeeping & Reporting

Request assistance

- Maine Dept of Agriculture, Conservation and Forestry
- Maine Revenue Services

Keep records

Report land use changes & update land-use or cover-type map  
when those changes occur

Report regularly to Town

- TGTL every 10 years
- FTL every 2 years

Provide new application at any time the assessor requests

# Current-Use Transfer and/or Withdrawal

Land stays enrolled at land transfer... unless

Landowner voluntarily transfers from current-use program to another = no penalty

Landowner can voluntarily withdraw some or all acres and pay penalty

Town can withdraw land if Landowner fails to meet requirements by:

- Creating parcels that are less than minimum acreage requirements
- Failing to file required documents with Town

## Things to keep in mind...

- Property Tax is “Home Rule”
- The Department of Agriculture, Conservation and Forestry does NOT administer or enforce Tree Growth Tax Law (TGTL) or Farmland Tax Law (FTL)
- TGTL is not the same as “Tree Farm”
- Properties enrolled in TGTL and FTL are not automatically open for public use & recreation. These properties can be posted at the landowner’s discretion.

# **Farmland Tax Law (FTL)**

## **Statutory Purpose and Present Status**

- **Since 1975**

***“ to encourage the preservation of farmland”***

***“ to maintain a readily available source of food and farm products”***

***“ to conserve the State's natural resources and to provide for the welfare and happiness of the inhabitants of the State”***

***“ to prevent the forced conversion of farmland to more intensive uses as the result of economic pressures caused by the assessment thereof”***

*Title 36, Chapter 105, Subchapter 10, Farm and Open Space Tax Law*



**MAINE has**

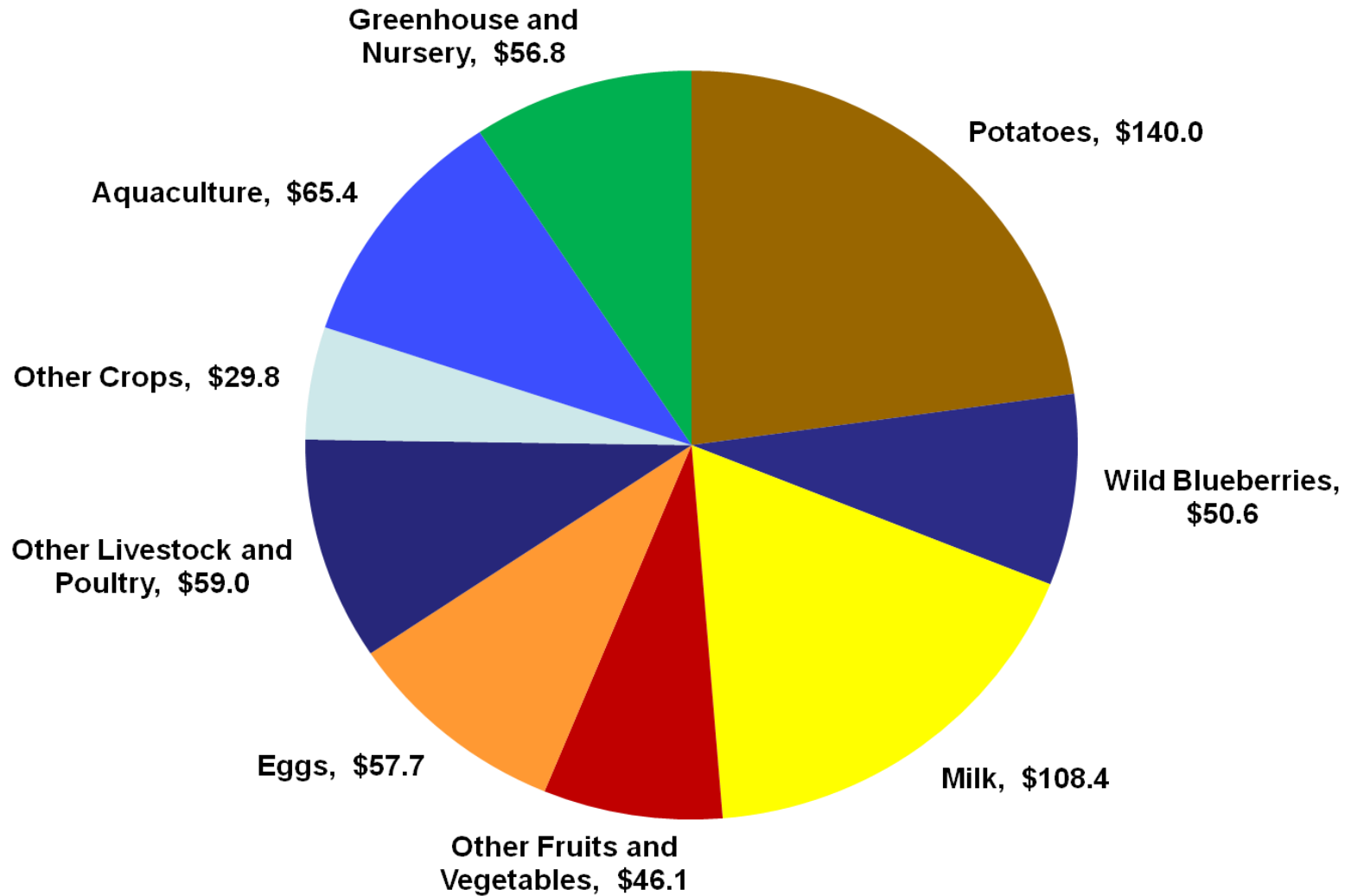
**More than 8,000 farms totaling 1.35 million acres**

**Average farm size is 166 acres**

**188,268 cropland acres + 142,904 woodland acres  
(4,705 parcels) enrolled in FTL in 2011**



## 2010 Maine Cash Receipts by Commodity in Million Dollars







## **Non-compatible land uses that create environmental, social, political &/or operational constraints on the farm**

- Residential and Industrial,
- Nuisance complaints
- Loss of agricultural infrastructure

# Farmland Tax Law (FTL)

- Minimum 5 contiguous acres
- Annual gross income or value of \$2,000 from agricultural products sold (wholesale or retail) or grown for household consumption. Schedule F or crop yield chart and statement.
- Landowner must provide evidence of income/value every other year
  - \* Utilized on farm, consumed by farm household
  - \* Firewood/cord wood does not count
- 2-year Provisional Classification
  - \* Time to begin farming & collect evidence of crop value/income
- Town sets rate/ac based on State recommendations
- Withdrawal calculated as 5-year recapture fee

# Farmland Tax Law (FTL)

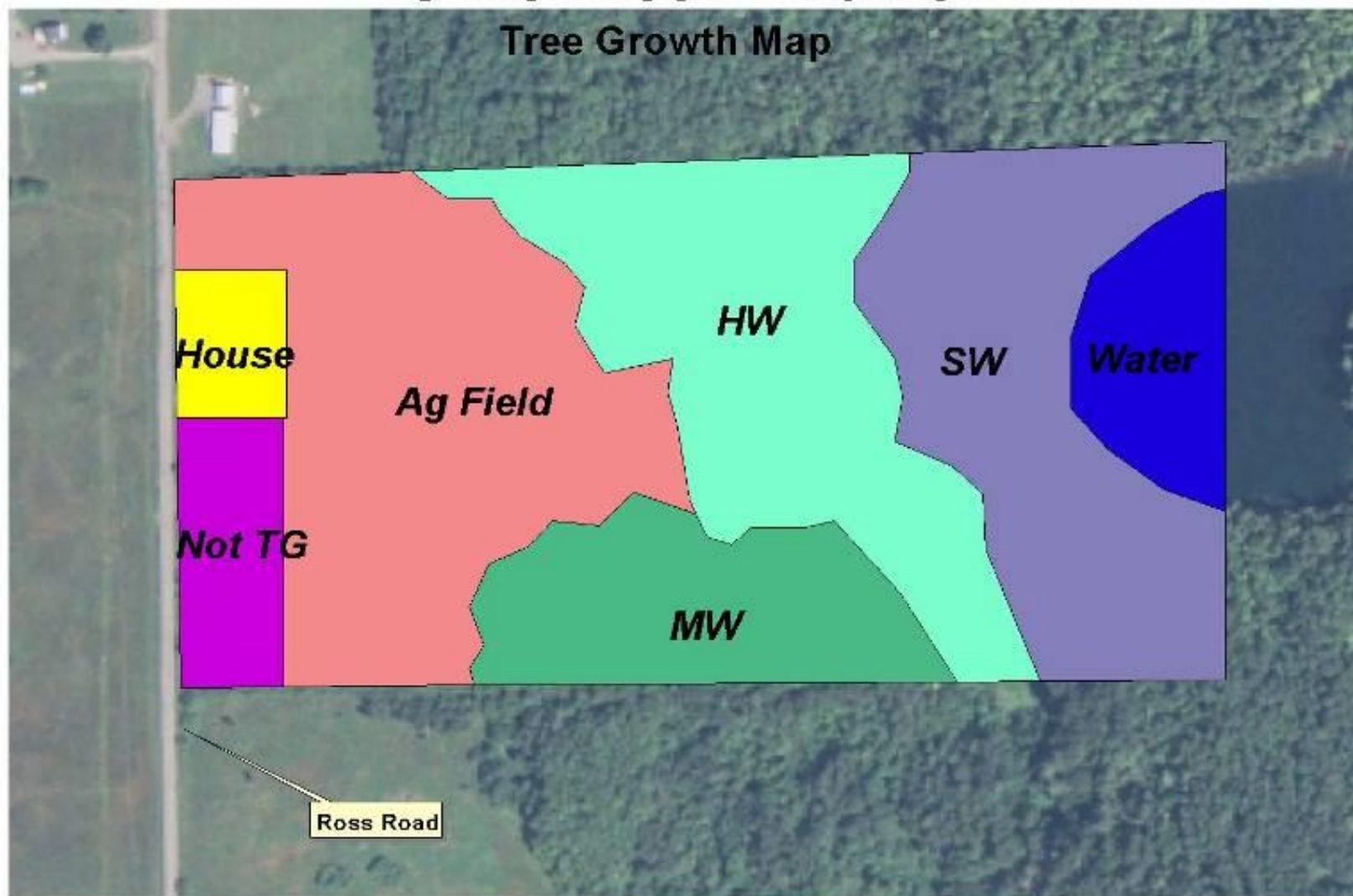
- **Valuation can change if crop changes**
- **Town sets rate/ac based on State recommendations**
  - ✓ Blueberry Land
  - ✓ Crop Land – potatoes, small grains, peas, legumes, broccoli, etc
  - ✓ Horticultural Land – Edible
  - ✓ Horticultural Land - Ornamental
  - ✓ Orchard Land
  - ✓ Pasture Land
  - ✓ Woodland
  - ✓ Wasteland

# FTL Map

- **Aerial or Tax base map**
- **Acreages**
  - *Farmland (crop type)*
  - *Land Not Suitable for Farming*
  - *Forested Land (forest type)*
  - *Buildings/Building lots*
- **Map must be updated when land is converted from one crop to another**
- **Manure Storage structures are exempted from any property tax provided that the landowner has a Certified Nutrient Management Plan**

# Smith Lot in Blaine

## Tree Growth Map



### Land Use Summary:

House = 1 ac	Not In TG = 3 ac
Ag Field = 12 ac	HW = 11 ac
MW = 7 ac	SW = 11 ac
Water = 4 ac	



300 0 300 600 Feet

A horizontal scale bar with markings at 300, 0, 300, and 600 feet.

Prepared By: Forester Name, LPF  
Not A Legal Survey

# Tree Growth Tax Law (TGTL)

## Statutory Purposes and Present Status

- Since 1971
  - “to tax all forest lands according to their productivity\*”*
  - “to encourage forest landowners to retain and improve their holdings of forest lands\*”*
  - “to promote better forest management\*”*

*\*Title 36, Chapter 105, Subchapter 2-A, Tree Growth Tax Law*



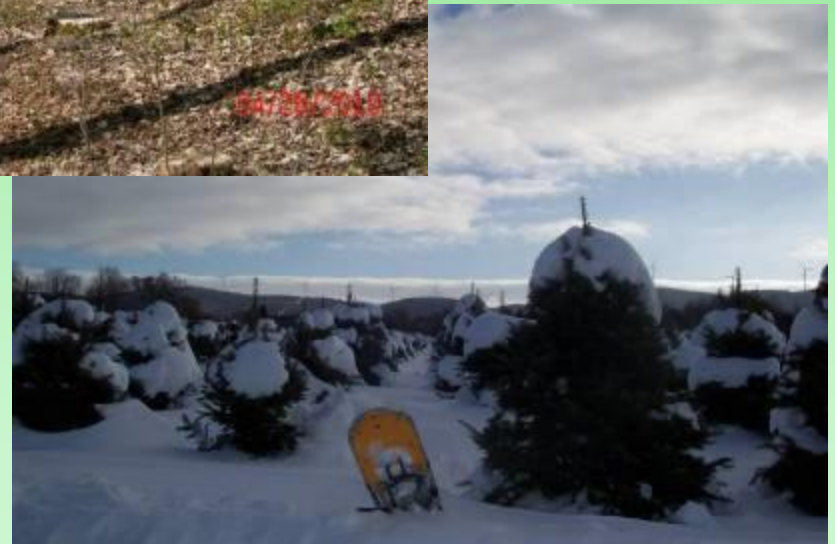
# TGTL

- Landowner's primary intent must be to grow forest products, *secondary goals can include recreation, wildlife, etc.*
- Minimum 10 forested acres
- TGTL stays with the land, unless withdrawn
- Landowner must have a written forestry plan, updated every ten years
- Landowner must re-certify evidence of compliance with assessor every 10 years
- Withdrawal can result in a BIG penalty

# Sawlogs, Pulpwood, Firewood, and Chips are Forest Products



# Maple Syrup, Wreath Brush and Christmas Trees are also Forest Products





# Productive Forestland

**Land that is used for, and is capable of producing commercial forest products**

*May not include all land with trees; land **unsuitable** for or **not used primarily** for growing a forest product or timber harvesting should be excluded.*



# TGTL Forest Management & Harvest Plan

- Is a written document
- Prepared or approved by a Licensed Forester
- Minimum *statutory* requirements:
  - Activities to “*regenerate, improve and harvest*” timber
  - Location of water bodies
  - Location of wildlife habitats identified by IF&W
  - A land-use cover type map
- Is NOT a public document
- Should be updated and revised as changes occur

# Working with Licensed Foresters

- Licensing is required to practice forestry in Maine.
- Maine Forest Service (MFS) foresters are licensed, but do not write plans or manage timber harvests
- MFS foresters refer landowners to private, independent licensed consulting foresters
- MFS strongly recommends that landowners continue to work with a licensed forester to implement recommendations in their plans

# TGTL Application

Is a multi-functional document used for:

- Initial enrollment
- Recertification of the Forest Management Plan (FMP)
- Evidence of compliance with the FMP
- New owner continuing enrollment
- Changes in land use

# TGTL Application Schedule

## TREE GROWTH APPLICATION SCHEDULE

(Title 36 M.R.S.A., Sections 571 through 584-A)

Refer to Property Tax Bulletin #19 for detailed information

ASSESSOR'S USE ONLY  
Recertification Date: \_\_\_\_\_

### PART A

1. Check one:

- A. ☒ First year of classification for parcel - *must be filed on or before April 1*  
 B. ☐ New application for parcel already classified  
 C. ☐ Adopted previous owner's forest management plan.  
 D. ☐ Recertification of forest management plan  
 E. ☐ Assessor requested new schedule.

2. Are there any structures or improvements on the property? ☒ Yes ☐ No

### PART B

1. Name of Owner(s): Joe and Jane Smith  
 2. Mailing Address: 98765 Fromma Way  
Number and Street  
Ongs Hat NJ 080000 (609) 222-2222  
City State Zip Code Phone Number  
 3. Location of Parcel: Blaine Aroostook  
Township or Municipality County  
 4. Identification of Parcel(s): R-1000 1010  
Tax Map Plan Lot

#### 5. A. FOREST TYPE LANDS

Type	Number of Acres
1. Softwood	1. 11.0
2. Mixed Wood	2. 7.0
3. Hardwood	3. 11.0
<b>TOTAL ACRES:</b>	4. 29.0

#### B. LAND UNSUITABLE FOR COMMERCIAL FOREST PRODUCTION

Type	Number of Acres
1. Natural Water and/or Man-made Water Areas	1. 4.0
2. Wetlands (swamp, marsh)	2. _____
3. Ledges and Barrens	3. _____
<b>TOTAL ACRES:</b>	4. 4.0

#### C. LAND NOT USED PRIMARILY FOR COMMERCIAL FOREST PRODUCTION

Type	Number of Acres
1. Building areas	1. 1.0
2. Fields	2. 12.0
3. Gravel Pits	3. _____
4. Transmission Line or Pipeline R/W area	4. _____
5. Roads, Class 1 (includes culverts, ditching, gravel)	5. _____
6. Roads, Class 2 (unimproved haul road)	6. _____
7. Agricultural area (list _____)	7. _____
8. Other areas (list potential house lots _____)	8. 3.0
<b>TOTAL ACRES:</b>	9. 16.0

D. **TOTAL AREA OF PARCEL (A4 + B4 + C9)** 49.0

### PART C

#### FOREST MANAGEMENT AND HARVEST PLAN REQUIREMENT

1. Check one:

- ☒ A. FIRST YEAR OF CLASSIFICATION OF PARCEL. I hereby swear that I will follow the provisions of the forest management and harvest plan prepared for the parcel.  
☐ B. TRANSFER OF CLASSIFIED LAND TO NEW OWNER. I hereby swear that  
☐ 1. A new forest management and harvest plan has been prepared; or  
☐ 2. I will follow the provisions of the forest management and harvest plan prepared for the parcel by the previous owner on (date) \_\_\_\_\_.

**LICENSED FORESTER MUST COMPLETE PART D(2).**

- ☐ C. EVIDENCE OF COMPLIANCE FOR 10 YEAR RECERTIFICATION. I hereby swear that I have followed the provisions of the prior forest management and harvest plan and  
☐ 1. I will continue to follow the plan for the next ten years; or  
☐ 2. I have prepared a new plan.

**LICENSED FORESTER MUST COMPLETE PART D(2).**

2. Under penalties of perjury, I declare that I have examined this application and to the best of my knowledge and belief it is true, correct and complete. I swear that as owner of the property classified under the Tree Growth Tax Law my primary use for the forest land is to grow trees to be harvested for commercial use or that the forest land is land described in 36 M.R.S.A. § 573(3)(A), (B), (C) or (E). I declare that all owners of the parcel agree to classification of the parcel under the Tree Growth Tax Law.

\_\_\_\_\_  
Signature of Owner/Authorized Agent\*

\_\_\_\_\_  
Date

\*Multiple owners: If all owners agree to classification of the property under Tree Growth Tax Law, the owner's authorized agent may sign this form.

### PART D

1. This section is to be completed by the forester.

Name of licensed forester who approved/prepared the plan: Forrest P. Woods  
 Forester license number: 00001 Forester telephone number: (207) 111-1111  
 Date plan prepared: 04/01/2000 Date plan expires: 04/01/2010  
 Date parcel inspected: \_\_\_\_\_

2. Forester's signature is required if plan is adopted from prior owner or for recertification of the forest management and harvest plan (Part C, Box B or C). Check the appropriate box.

- ☐ 1. For a plan adopted by a new owner following a land transfer, I hereby swear that the new owner is managing the forest land in accordance with the plan prepared for the previous landowner.  
☐ 2. For a plan being recertified, I hereby swear that I have inspected the parcel and that the owner is managing the parcel according to the forest management and harvest plan.

\_\_\_\_\_  
Signature of Licensed Forester

\_\_\_\_\_  
Date

### PART E

☐ Approved ☐ Denied \_\_\_\_\_ Date \_\_\_\_\_  
 Assessor's Signature

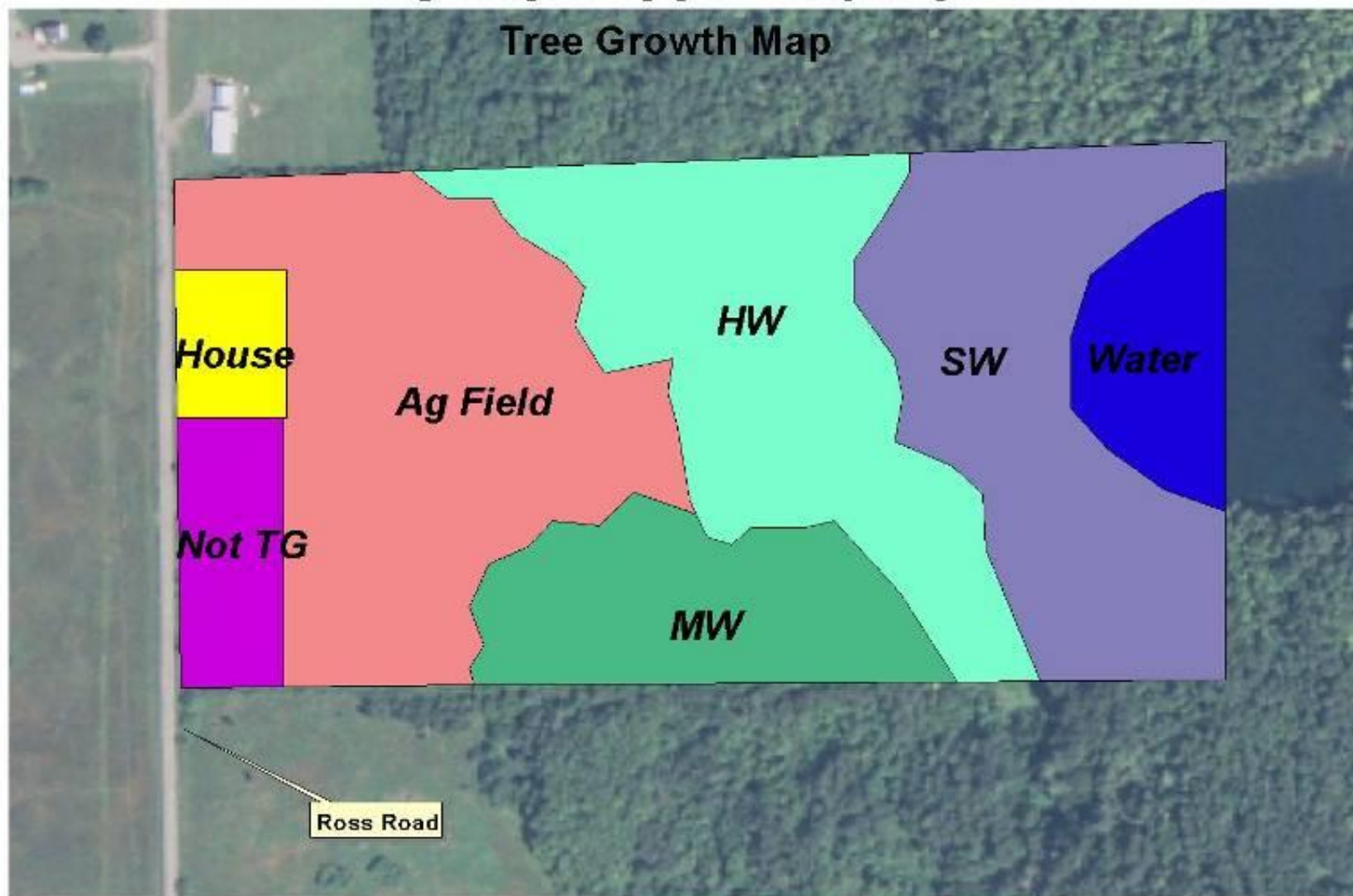


# TGTL Map

- Simple is OK
- Shows the location of all land uses accurately
- Shows the classified forest stand types as *softwood*, *hardwood* or *mixed wood* at a minimum
- Should be updated and revised as changes occur
- Location of “floating house lots” and other non-forest land uses should NOT move around over time, such changes may result in a withdrawal penalty

# Smith Lot in Blaine

## Tree Growth Map



### Land Use Summary:

House = 1 ac	Not In TG = 3 ac
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300 0 300 600 Feet

A horizontal scale bar with markings at 300, 0, 300, and 600 feet.

Prepared By: Forester Name, LPF  
Not A Legal Survey

# TGTL and Timber Harvesting

- Harvesting of commercial forest products is required as recommended in the plan. A licensed forester can help facilitate harvest planning.
- Under TGTL it is NOT enough to cut wood solely for personal use.
- TGT Law itself does not dictate HOW or WHEN to harvest commercial forest products
  - Different harvest options can be considered – technology, silviculture, etc.
  - Harvest MUST follow scheduling recommendations in the plan
- Harvesting on TGTL land is not regulated differently; *Forest Practices Act and Liquidation Harvesting Law* and other laws still apply





**New owners of land previously enrolled in TGTL who harvest wood in the first year must:**

- Adopt previous owner's Forest Management Plan
- OR
- Develop a new plan BEFORE cutting

# Recent changes to TGTL

- Minimum exclusion for building areas
- Shoreland area exclusion
- Additional year, in 2 six month periods, with administrative penalty, to provide re-certification paperwork
- Attestation on Application form
- Study by MFS of FMP compliance
- Updated forms on MRS website, accessible via MFS “Understanding TGTL” page