

MFS Responsibilities for Tree Growth Tax law (TGTL) Management Plan review

- What we do when a Town asks us for assistance

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Disclaimer!!!

- This presentation only summarizes certain selected sections of the TGTL and Property Tax Bulletin # 19 and at times adds emphasis. Please refer to the full text of the statute and the bulletin for complete information.

First some background

- 2 essential references
- The statute (Title 36, MRSA, Chapter 105, Subchapter 2-A: Tree Growth Tax Law)
- MRS Property Tax Bulletin No. 19
- Latest versions of both are available on line

Useful Web sites

- Information about the statute:
- <http://www.maine.gov/revenue/propertytax/propertytaxlaw/propertytaxlaw.htm>
- Information about MRS publications:
- <http://www.maine.gov/revenue/propertytax/propertytaxlaw/propertytaxlaw.htm>

Not all Forest Land is eligible

- **§574-B. Applicability**
- A parcel of land **used primarily for growth of trees to be harvested for commercial use** shall be taxed according to this subchapter, provided that the landowner complies with the following requirements: [1989, c. 555, §16 (NEW).]
- **1. Forest management and harvest plan.** A forest management and harvest plan has been prepared for the parcel and updated every 10 years..
- **Evidence of compliance with plan.** The landowner must comply with the plan developed under subsection 1, and must submit, every 10 years to the municipal assessor in a municipality or the State Tax Assessor for parcels in the unorganized territory, a statement from a licensed professional forester that the landowner is managing the parcel according to schedules in the plan required under subsection 1;

Forest Land is defined

- **3. Forest land.** "Forest land" means *land used primarily for growth of trees to be harvested for commercial use*, but does not include ledge, marsh, open swamp, bog, water and similar areas, which are unsuitable for growing a forest product or for harvesting for commercial use even though these areas may exist within forest lands.

A Forest Management and Harvest Plan is defined

- **3-A. Forest management and harvest plan.** "Forest management and harvest plan" means a written document that outlines activities to regenerate, improve and *harvest* a standing crop of timber. The plan must include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife. A plan **may include**, but is not limited to, schedules and recommendations for timber stand improvement, harvesting plans and recommendations for regeneration activities. The plan must be prepared by a licensed professional forester or a landowner and be reviewed and certified by a licensed professional forester as consistent with this subsection and with sound silvicultural practices.

Forest Products that have commercial Value is Defined

- **3-B. Forest products that have commercial value.** "Forest products that have commercial value" means logs, pulpwood, veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, Christmas trees, maple syrup, nursery products used for ornamental purposes, wreaths, bough material or cones or other seed products.

Landowners must submit schedule

- **§579. Schedule, investigation**
- The owner or owners of forest land subject to valuation under this subchapter shall submit a signed schedule in duplicate, on or before April 1st of the year in which that land first becomes subject to valuation under this subchapter, to the assessor upon a form to be prescribed by the State Tax Assessor, identifying the land to be valued hereunder, listing the number of acres of each forest type, showing the location of each forest type and ***representing that the land is used primarily for the growth of trees to be harvested for commercial use***. Those schedules may be required at such other times as the assessor may designate upon 120-days' written notice. The assessor shall determine whether the land is subject to valuation and taxation hereunder and shall classify such land as to forest type.

Towns can ask MFS for help with Management Plan Questions

- **§575-A. Assistance in determining compliance with forest management and harvest plan**
- Upon request of a municipal assessor or the State Tax Assessor and in accordance with section 579, the Director of the Bureau of Forestry within the Department of Conservation **may provide assistance in evaluating a forest management and harvest plan to determine whether the plan *meets the definition of a forest management and harvest plan*** in section 573, subsection 3-A.
- Upon request of a municipal assessor or the State Tax Assessor, the Director of the Bureau of Forestry **may provide assistance in determining whether a harvest or other silvicultural activity conducted on land enrolled under this subchapter *complies with the forest management and harvest plan*** prepared for that parcel of land. When assistance is requested under this section and section 579, the Director of the Bureau of Forestry or the director's designee may enter and examine forest land for the purpose of determining compliance with the forest management and harvest plan.

MRS Bulletin 19 provides good advice

- Bulletin 19 is prepared by Maine revenue Services and is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges.
- While it follows the wording in the law quite closely, it contains very useful and quite user friendly information, clarifies certain unclear parts of the law, and is a good guide to understanding it. I recommend it as essential to understanding the law.

Bulletin 19 on a Type map

- For instance, Bulletin 19 is the only place that actually says a type map is needed. The law is vague, it says:

“§579. Schedule, investigation The owner or owners of forest land subject to valuation under this subchapter shall submit a signed schedule in duplicate, on or before April 1st of the year in which that land first becomes subject to valuation under this subchapter, to the assessor upon a form to be prescribed by the State Tax Assessor, identifying the land to be valued hereunder, listing the number of acres of each forest type, **showing the location of each forest type** and representing that the land is used primarily for the growth of trees to be harvested for commercial use. Those schedules may be required at such other times as the assessor may designate upon 120-days' written notice.

Bulletin 19 on Compliance Certification

- “**Category 2. Compliance Certification.** Determination on 10-year Periodic Inspection by a Licensed Professional Forester: A forester must inspect the parcel and establish whether the landowner has **prudently managed the land in accordance with the applicable Forest Management and Harvest Plan.** A Licensed Professional Forester must sign the schedule and provide the date that parcel was inspected to demonstrate owner is in compliance with plan or forester must submit other evidence that owner is considered in compliance with plan. Forester **should amend plan** and outline activities on accepted forest management practices, as appropriate, to guide owner until the next ten-year compliance review must be accomplished.”
- That seems more clear to me than the way the law says it.

Bulletin 19 cont.

- **General information:** Owners must manage Tree Growth classified parcels according to ***accepted forestry practices designed to produce trees having commercial value.*** In considering this option owners may be guided by but are not limited to the following accepted forestry practices: timber harvesting, tree planting, direct seeding, site preparation, thinning, cleaning, weeding, pruning, inventory of standing timber, forest protection measures (insect, fire, wind, etc.), forest access road construction and maintenance, and boundary line work.
- Now that's clarification!

Town, and upon request MFS, authorized to review plans

- **§579. Schedule, investigation**

- The assessor or the assessor's duly authorized representative may enter and examine the forest lands under this subchapter and may examine any information submitted by the owner or owners. A copy of the forest management and harvest plan required under section 574-B must be available to the assessor to review upon request and to the Director of the Bureau of Forestry within the Department of Conservation or the director's designee to review upon request when the assessor seeks assistance in accordance with section 575-A. For the purposes of this paragraph, "to review" means to see or possess a copy of a plan for a reasonable amount of time to verify that the plan exists or to facilitate an evaluation as to whether the plan is appropriate and is being followed. **Upon completion of the review, the plan must be returned to the owner or an agent of the owner. A forest management and harvest plan provided in accordance with this section is confidential and is not a public record as defined in Title 1, section 402, subsection 3.**

So what about this review by MFS?

- It is a very straightforward, and simple process
- It stays entirely within our statutory mandate
- It is fact based
- We are careful to respect the rights of all parties

Plan Review Procedure

- The Town asks MFS in writing for assistance.
- We put a Review Team together consisting of the Field Team Leader who is also the Review Team Leader, the Director of Forest Policy and Management (optional), and the local District Forester
- We request that the town provide us with copies of the management plan and all other pertinent materials.
- The Review Team does a desk review of the materials provided.
- The Review Team determines if a field visit is necessary.
- The team reaches a final decision and notifies the Town with a formal written response.
- All copies of plans, and other pertinent materials provided to MFS by the Town are either returned to the Town or destroyed.

What do we look for in a plan?

- We look for strict compliance with the statute, and are advised and guided by Bulletin # 19
- **3-A. Forest management and harvest plan.** "Forest management and harvest plan" means a written document that outlines activities to regenerate, improve and harvest a standing crop of timber. The plan must include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife. A plan may include, but is not limited to, schedules and recommendations for timber stand improvement, harvesting plans and recommendations for regeneration activities. The plan must be prepared by a licensed professional forester or a landowner and be reviewed and certified by a licensed professional forester as consistent with this subsection and with sound silvicultural practices.

How does MFS handle requests about compliance with the plan?

- The Town asks MFS in writing for assistance.
- We put a Review Team together consisting of the Field Team Leader who is also the Review Team Leader, the Director of Forest Policy and Management (optional), and the local District Forester
- We request that the town provide us with copies of the management plan and all other pertinent materials.
- A field review is carried out in which we check what has happened on the ground with what is required in the plan.
- We make a decision as to compliance with the plan and give the Town a formal written response.
- All copies of plans, and other pertinent materials provided to MFS by the Town are either returned to the Town or destroyed.

What does MFS look for on the ground

- We are guided by the statute, by Bulletin # 19, and the professional judgment of the review team.
- We look for evidence that the plan is being followed.
- **§575-A. Assistance in determining compliance with forest management and harvest plan**
- ***Upon request of a municipal assessor or the State Tax Assessor, the Director of the Bureau of Forestry **may** provide assistance in determining whether a harvest or other silvicultural activity conducted on land enrolled under this subchapter complies with the forest management and harvest plan prepared for that parcel of land.*** When assistance is requested under this section and section 579, the Director of the Bureau of Forestry or the director's designee may enter and examine forest land for the purpose of determining compliance with the forest management and harvest plan.

Who decides if the land gets in or stays in?

- The Assessor makes that decision, MFS does not address that issue.

My contact information

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Maine Department of Conservation
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Bolton Hill Headquarters
Augusta, Me. 04330
Office Phone: 207-624-3725
Cell: 207-592-0815
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www.maineforestservice.org
- ***Helping You Make Informed Decisions About Maine's Forests***

MRS contact information

- Maine Revenue Services Property Tax Division:
- Phone 207-287-2013
- FAX 207-287-6396
- PO Box 9106
Augusta, ME 04332-9106
- prop.tax@maine.gov

MFS contact information

- Maine Forest Service, Division of Forest Policy and Management
- Phone 207-287-2791
- Fax 207-287-8422
- 22 State House Station, Augusta, Me. 03333-0022
- http://www.maine.gov/doc/mfs/mfs/ask_a_forester.htm

Important local source of information

- The local Tax Assessor

Circa 1968, Myron McAllister
Woodlot, Oxford Maine.

