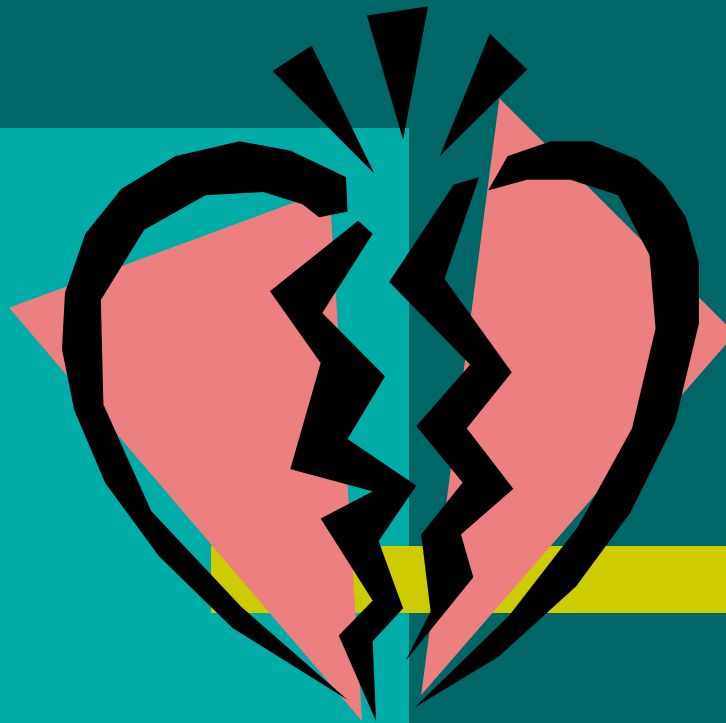




MUNICIPALITIES AND TREE GROWTH

LOVE



HATE

Municipalities

Unorganized Territory

Tree Growth Parcels	21,802	4,672
Tree Growth Acres	3,628,891	7,529,164
Total Acres	10,820,325	9,298,453
% Acres Enrolled in Tree Growth	34%	81%

The Effect of Tree Growth

- Municipalities
 - Tree Growth accounts for over 34% of the land mass but only 3/10's of 1% of all municipal property tax raised
- Unorganized Territory
 - Tree Growth accounts for 81% of the land mass but accounts for over 32% of the tax raised

How a Property Tax Rate is Determined

$$T / V = R$$

Where: T = Total tax to be raised by the town
 V = Total value of all taxable property
 R = Property Tax Rate

Therefore: If total value is reduced (because land is valued using Tree Growth values instead of 'just value) the tax rate as applied to all properties will increase

Why is it Some Municipal Officials Dislike Tree Growth

- Results in a tax shift to non-classified properties
- Reimbursement can vary from year to year
- A perception that certain parcels should not qualify for tree growth classification
 - Certain waterfront parcels
 - Parcels where there is no intent to ever harvest
- Land owner compliance with the forest management plan is difficult to monitor



Why are Some Municipal Officials Accepting of Tree Growth?

- Lower values are reflected in State Valuation resulting in an increase in school subsidy and revenue sharing as well as a decrease in local share of County Taxes
- Helps prevent sprawl by preserving land from development
- Reimbursement money can reduce the tax rate
- Land in Tree Growth does not add to the 'cost' to the Town in terms of school costs, road maintenance, police and fire protection, etc.

QUESTION OF BALANCE



PROS

CONS