

### EXAMPLES:

- Through a number of local and regional forums, the Maine Department of Agriculture has educated local officials and landowners about current use taxation, especially the less understood Farmland and Open Space programs. As a result, the amount of active farmland enrolled has grown to over 100,000 acres.
- In Unity, enrollment in current use tax programs increased significantly after local assessors became familiar with the programs and began explaining them to landowners.

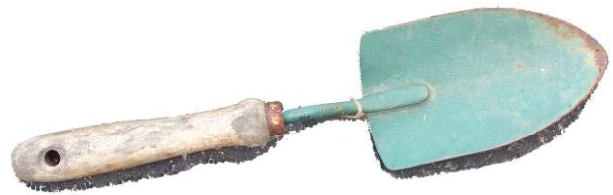


Photo: Bridget Besaw

### RESOURCES:

Maine Revenue Service, Property Tax Division, [Current Use Programs](#)

Municipal tax assessors



## VOLUNTARY MUNICIPAL FARM SUPPORT PROGRAM

### WHAT:

A local program that simultaneously lowers the property tax burden on farmers and protects farmland for at least 20 years

### WHO:

Select board, council, or community committee crafting a local program, or Town Meeting adopting the program and approving participants

### WHY:

Recently enacted legislation provides an additional tool for communities wishing to support farming and protect farmland. Under state guidelines, a community can adopt a local program that lowers property taxes on participating farms (beyond the reduction available through current use taxation), which may be crucial to a local farm remaining in business. Farmers that receive these special tax breaks must place agricultural conservation easements on their land that remain in effect for at least 20 years. The effect of such easements is to boost the farms' profitability, while the community protects farmland without having to raise capital to purchase easements.

### HOW:

Towns interested in establishing a municipal farm support program must:

- 1) adopt eligibility requirements for qualifying farmland and farm buildings;
- 2) develop a model easement; and
- 3) determine the mechanism for making farm support arrangements and payments.

Once a local program is established, a farm can apply to that municipality. Every application must be approved by the town's legislative body.

A farm accepted into the program will be compensated for a portion of the farm's property taxes, in exchange for an easement of 20 years or more. The amount of property tax relief is set by the town. The town could choose to pay the entire tax bill of a farm participating in the program, but under no circumstances may the benefit to a taxpayer exceed the value of the easement on that particular property.

State rules require that:

- ☞ an eligible property must be comprised of at least five contiguous acres;
- ☞ the eligible property must produce one or more agricultural crops that generate a minimum annual gross income or fair market value of \$2,000; and
- ☞ eligible farm buildings must be used for the production or processing of agricultural crops.



Photo: Brian Kent

Towns may elect to establish additional criteria. Towns are also given latitude to include land and buildings that do not produce or process crops, as long as they are associated with the agricultural enterprise.

#### EXAMPLES:

- ☞ State rules were just established in 2011. At the time of printing, no community had yet enacted a local program.

#### RESOURCES:

[State rules](#) provide additional information about program requirements

[Maine Farmland Trust](#)

## 4 Farm Support Programs

*Municipalities and residents should keep in mind that there are a number of successful Maine programs aimed at improving the business of farming. It is helpful to become familiar with these programs, to better understand the resources available to farmers.*



### PROGRAMS THAT SUPPORT FARM BUSINESS DEVELOPMENT

#### WHAT:

Helping farmers find needed services

#### WHO:

Local select board, conservation commission, or agricultural commission

#### WHY:

Like all businesses, farms can often benefit from various business services. However, because farming in Maine is changing, the success of many farmers will depend on good business planning leading to new ways to grow or market their products. At the same time, the future of farming is dependent on there being enough new farmers entering the profession, and that will require high levels of recruitment, training, and business assistance.

#### HOW:

The principal way that townspeople can help farmers take advantage of needed business services is to learn about what services are available, and then lead farmers to them. (Some farmers need to be informed about what's available; others may need to be encouraged to seek services.) Larger communities might consider providing some services themselves, perhaps in partnership with an organization that supports farmers as its primary work. (Maine Farmland Trust has been increasing its business services to farmers, and welcomes the possibil-