

Farmland Tax Program Basics



Foundations of Current Use

Maine Constitution

Article 9, Section 8.

Taxation. All taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.



Current Use

2. Assessment of certain lands based on current use; penalty on change to higher use. The Legislature shall have power to provide for the assessment of the following types of real estate whenever situated in accordance with a valuation based upon the current use thereof and in accordance with such conditions as the Legislature may enact:

A. Farms and agricultural lands, timberlands and woodlands;

PENALTY IS ALSO CONSTITUTIONAL



Purpose

It is declared that it is in the public interest to encourage the preservation of farmland and open space land in order to maintain a readily available source of food and farm products close to the metropolitan areas of the State to conserve the State's natural resources and to provide for the welfare and happiness of the inhabitants of the State, that it is in the public interest to prevent the forced conversion of farmland and open space land to more intensive uses as the result of economic pressures caused by the assessment thereof for purposes of property taxation at values incompatible with their preservation as such farmland and open space land, and that the necessity in the public interest of the enactment of this subchapter is a matter of legislative determination.

- Encourage preservation of farmland
- Prevent forced conversion of farmland to “more intensive uses”
- As with other current use programs, allows land to be based on current use as farmland rather than just value (highest and best use).



Requirements

- 5 Contiguous acres
 - Does not have to all be farmed
- \$2,000/year of income from farming in some combination of 2, 3, 5 preceding years
 - Can include income of lessee
- Must apply first year
 - Assessor can request updates to confirm classification/income



Valuation

- DACF/MRS develops values based on different categories.
 - Cropland
 - Orchard land
 - Pastureland
 - Horticultural land (edible)
 - Horticultural land (ornamental)
 - Blueberry land



Farmland Numbers

- 134,000 acres in Farmland
- 125,600 acres in Open Space
- 162 acres in Working Waterfront
- 11.1 million acres in Tree Growth



COUNTY	Number of Parcels	Acres	Total	Per Acre	County	Difference
		Farmland Acres	Valuation Farmland	Farmland Value	Excess Acreage Value	
ANDROSCOGGIN	385	9917.82	\$ 3,539,065.00	\$ 356.84	\$ 1,125.00	\$ (768.16)
AROOSTOOK	120	6253.35	\$ 3,580,005.00	\$ 572.49	\$ 500.00	\$ 72.49
CUMBERLAND	421	8481.29	\$ 4,323,408.00	\$ 509.76	\$ 1,935.00	\$ (1,425.24)
FRANKLIN	275	5551.00	\$ 1,972,433.00	\$ 355.33	\$ 730.00	\$ (374.67)
HANCOCK	252	4086.05	\$ 2,153,289.00	\$ 526.99	\$ 665.00	\$ (138.01)
KENNEBEC	736	17706.34	\$ 6,568,735.50	\$ 370.98	\$ 1,090.00	\$ (719.02)
KNOX	588	6656.36	\$ 2,877,138.00	\$ 432.24	\$ 1,085.00	\$ (652.76)
LINCOLN	244	3704.17	\$ 1,404,670.00	\$ 379.21	\$ 935.00	\$ (555.79)
OXFORD	297	8462.60	\$ 3,272,710.00	\$ 386.73	\$ 850.00	\$ (463.27)
PENOBSCOT	692	15373.43	\$ 6,995,641.00	\$ 455.05	\$ 730.00	\$ (274.95)
PISCATAQUIS	68	3472.95	\$ 1,080,355.00	\$ 311.08	\$ 620.00	\$ (308.92)
SAGADAHOC	221	4671.49	\$ 2,047,465.00	\$ 438.29	\$ 1,380.00	\$ (941.71)
SOMERSET	531	16784.20	\$ 4,798,624.00	\$ 285.90	\$ 715.00	\$ (429.10)
WALDO	683	11216.67	\$ 4,006,489.11	\$ 357.19	\$ 750.00	\$ (392.81)
WASHINGTON	106	1540.64	\$ 2,096,746.13	\$ 1,360.96	\$ 435.00	\$ 925.96
YORK	513	9691.70	\$ 4,681,006.00	\$ 482.99	\$ 1,605.00	\$ (1,122.01)
STATE TOTAL	6132	133570.06	\$ 55,397,779.74			



Solar Exemption

- New for 2020 tax year.
- *Solar and wind energy equipment that generates heat or electricity is exempt from property tax if all the energy generated is either used on the site where the equipment is located, or is connected to the electrical grid and the customer receives a net energy billing credit.*
- Under current PUC program, NEB limit is 5 MW.
- Exemption is reimbursed 50% by State
- ONLY applies to equipment, not land.



Current Law

Siting solar on farmland would result in:

- Removal of land from current use classification
 - Potential withdrawal penalty and additional tax for landowner
- Exemption of qualified solar equipment
 - 50% reimbursement to town by State



Contact:

