

Town of Windham

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MEMO

DATE: October 13, 2015

TO: Windham Town Council
THROUGH: Tony Plante, Town Manager
FROM: Ben Smith, Planning Director
Cc: Dave Sawyer, Assessor;
Elisa Trepanier, Assistant Planner;
Amanda Lessard, Planner

RE: Voluntary Municipal Farm Support Program

Summary

The Planning and Assessing Departments will be gauging landowner interest in potentially participating in a program that allows qualified farmland owners to receive property tax reductions up to 100% of assessed taxes in exchange for a conservation easement to the Town of at least 20 years duration.

Voluntary Municipal Farm Support Program

The 123rd Legislature authorized the creation of the Voluntary Municipal Farm Support Program (VMFSP) “in order to protect and support local farms, preserve farmland, and reduce the tax burdens from new development...” Please see Title 7 MRSA, Chapter 2-C, which created the program, and the departmental rules for the program, attached.

This program allows for municipal property tax reductions beyond the widely utilized “current use” tax programs (Farm, Tree Growth and Open Space programs). There are about 117 Windham properties in these programs receive reductions in property taxes roughly based on how the property is used today, rather than the property’s development potential.

The VMFSP allows any municipality in Maine to create a program by which a willing and eligible farmer would “grant a 20-year agricultural conservation easement to the Town in exchange for full or partial reimbursement of property taxes on the farmland and farm buildings” (Department of Agriculture, Conservation & Forestry website).

Additional highlights of the program are:

- Individual properties must be approved for enrollment by the Town Council,
- Properties must be a single parcel of at least 5 acres and generate at least \$2,000 in annual income, and
- Unless approved by a 2/3 vote of the Council, the Town may not enter into farm support agreements that affect more than 3% of the total annual valuation of taxable land in town, and not more than 1% of the total annual valuation of taxable land in any calendar year.

Staff Proposal

The Comprehensive Plan Review Team and staff hosted a meeting at the Town Office in December 2014, in order to make sure that members of Windham's agricultural community had a chance to participate in the visioning exercises associated with the Comprehensive Plan update. At that meeting, staff heard that the two biggest requests from this group were to 1) reduce tax burdens on farmland and equipment, and 2) allow flexibility when it comes to permitted zoning uses and building codes.

Having just learned about this program in recent months, staff would like to follow up with participants from this meeting and with property owners enrolled in the Farm, Tree Growth and Open Space tax programs to see if a VMFSP would be of interest to enough eligible landowners to warrant development of a VMFSP in Windham.

Depending on the results from a survey of this group, future work would likely entail:

- Development of eligibility criteria for farmland and farm buildings, including application forms,
- Drafting a model agricultural conservation easement,
- Establishing a payment mechanism (either assessing taxes and deducting the amount of the Farm Support Payment from the property tax bill, or collecting taxes and reimburse the landowner), and
- Developing procedures for monitoring the agricultural conservation easement

This program has the potential to protect working properties that are important to members of the community for their scenic, historic, cultural, and recreational values. This program does not provide for permanent protection, but can protect properties while providing the Town more time to establish a program to permanently protect working lands. The other major benefit to the Town is that properties could be enrolled in the program relatively quickly, as opposed to capital cost that must be planned for years in advance. This would give the Town a chance to quickly respond when opportunities arise without building up a massive capital fund or borrowing to purchase land or development rights in perpetuity.