CHAPTER 61
UNDERSTANDING MASSACHUSETTS CHAPTER 61, 61A, AND 61B PROGRAMS

CURRENT USE TAX ASSESSMENT PROGRAMS

Chris Capone, DCR Service Forester
PURPOSE OF CHAPTER 61

• A Current Use Tax Program
  • Reduces taxes on forested and agricultural land

• Rising property values and taxes make owning land expensive

• CH61 programs give Massachusetts landowners opportunity to reduce taxes
  • In exchange, public benefits from undeveloped land:
    • clean water
    • wildlife habitat
    • rural character & aesthetics
    • wood production
    • food
    • outdoor recreation
    • reduced load on public utilities

Chapter 61 programs offer a property tax break for landowners willing to commit to keeping some or all of their land undeveloped for a specified period of time.
STATUS OF MA. FORESTS

The numbers…
- Forest Land Size → 3,126,000 acres
- Non-industrial Private Forest Land → 2,369,000 acres
- 212,800 private forest land owners

Sustainability Concerns
- Trend
  - 65 acres of forested land lost per day in MA (24,000 acres annually)

- Ownership
  - Average length of ownership in MA is 7 years

Data taken from Harvard Forest, Petersham, MA (September 2017)
STATUS OF MA. FORESTS

• Over 60% (3.1 million acres) of Massachusetts is forested making us the 8th most forested state by percent of forest cover. Some towns in western Massachusetts are 90% forested.

• 79% of those forests are in private ownership, the vast majority owned by families and individuals. 10% is owned by the state of Massachusetts (Department of Fish and Game and the Department of Conservation and Recreation)
WHAT IS A CURRENT USE TAX PROGRAM?

- Property is taxed based on current USE instead of commercial value when enrolled in program.

- If not enrolled, property is taxed at commercial value (under Chapter 59).

- **Purpose:**
  To encourage landowners to keep their land as open space.
CHAPTER 61 VARIATIONS

• Chapter 61 – Forestland

• Chapter 61A – Agriculture and Horticulture

• Chapter 61B – Recreation
CHAPTER 61 - FORESTLAND

• **Eligibility**
  • 10 or more acres (exclude house lot and manicured areas)
  • Land devoted to the growth of forest products
  • Forest Products may include:
    • Timber, firewood, woodchips, Christmas trees, forest growth, or any other product produced by forest vegetation

• **Management plan**
  • Requires a 10 year forest management plan
  • Management plan lays out current forest conditions, desired future conditions, and a 10 year plan to get there. Written by MA Licensed Forester

“Chapter 61 is a good fit for landowners interested in actively managing their forestland.”
• **Eligibility**
  • 5 or more acres
  • Must be used for agriculture the previous two years
  • Actively devoted to agricultural or horticultural use
  • Annual gross sales $500+
  • Plus a per acre value
  • Must refile at assessors yearly

“Ch. 61A is a good fit for landowners engaged in agriculture on their land.”
CHAPTER 61B - RECREATION

• Eligibility
  • 5 or more acres
  • Land either retained as “substantially natural, wild or open condition” OR “recreational use” OR “in a managed forest condition” ** OR “pastured condition”
  • Refile annually

“Because there is no requirement for land enrolled in Ch. 61B to be managed or have a 10-year forest management plan, the Ch. 61B program is a good fit for landowners who take a passive approach to their land.”
OTHER PROGRAM VARIATIONS

• Other forestry programs include
  • Forest Stewardship
  • FSC Green Certification
  • Foresters for the Birds
  • NRCS
    • EQIP
    • WHIP

• Require program specific variations to the management plan

• Generally help landowners with funding to perform costly operations such as invasive plant species control and bird habitat creation
## TAX REDUCTION RATES

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<td>Phillipston</td>
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<td>Charlton</td>
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<td>Taunton</td>
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<td>Chester</td>
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An excellent resource for information on Chapter 61, Sawlog Price Trends, Local Foresters & Loggers, Land Planning, etc.

**MassWoods**

**MassWoods** Learn your options. Find local contacts.

**Chapter 61/61A Tax Calculator**

The Ch. 61 Forest Land and Ch. 61A Farm Land tax laws are designed to give favorable tax treatment to landowners willing to keep woodland undeveloped and actively managed. Learn more about the Ch. 61 program. Please note, that the Ch. 61/61A rates used in this calculator are for fiscal year 2019 and go into effect starting July 1st, 2018.

1. **Step 1**: Choose the location of your property *
   - East OR
   - West of the Connecticut River

2. **Step 2**: Enter the number of certified acres *

3. **Step 3**: Enter your town’s tax rate. Use the open space rate if your town has adopted one for your chapter program. If an open space rate has not been adopted, then use your town’s commercial tax rate. Click here to look up your town’s tax rate. *

*Calculate*

**Species**

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<th>SPECIES</th>
<th>EAST OF CT RIVER</th>
<th>WEST OF CT RIVER</th>
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<td></td>
<td>no of reports</td>
<td>median</td>
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<tr>
<td>Red oak</td>
<td>13</td>
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<td>Ash</td>
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<td>150</td>
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<td>Cherry</td>
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<td>350</td>
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<tr>
<td>Sugar maple</td>
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<td>310</td>
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<tr>
<td>Red maple</td>
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<td>180</td>
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Need to talk to someone about your land? Find a Professional
WHAT’S A FOREST MANAGEMENT PLAN?

A Plan Contains:
• Landowner Information
• Landowner Objectives
• Forest Resources Described: Tree size and species, forest density, soils, ground/shrub species, overall forest health, etc.
• Resource Areas: wetlands, streams, vernal pools, etc.
• 10 year Management Recommendations to meet landowner objectives
• Maps of property and surrounding area
FOREST MANAGEMENT PLANS

Property Map

Stand Descriptions

Management Practices
WITHDRAWAL

• Ch.61/Management plan is valid for 10 years
  • Landowner must renew every 10 years to continue program
  • Landowner must renew annually if enrolled Ch.61A or B

• Lien is attached to property when Ch.61 plan filed
  • Once the classification is approved, the municipality records a lien on the property at the Registry of Deeds

• This tax lien and notice informs all potential purchasers that the property is subject to the provisions of the Chapter 61 laws.
WITHDRAWAL - PENALTIES

• If property use is converted, penalties may apply
• Ch61 programs are tied to the property, not the landowner
• Withdrawal penalties:
  Pay the rollback taxes or pay a conveyance tax. Whichever amount is higher will be due
WITHDRAWAL

• Landowners are allowed to switch between variations of CH61

• Penalties apply when:
  • New landowner purchases property and decides not to finish Ch61. plan period
  • Landowner converts to non-Ch61 compatible land during plan period

• Penalties:
  • Rollback Taxes
    • Difference in taxes (Ch.59 vs. Ch.61) while in program, +5%
  • Conveyance Tax
    • Scaled based on time in program: shorter time = more $
    • Pay percentage of property sale price (10% or less)
RIGHT OF FIRST REFUSAL

• The Right of First Refusal:
  • An option provided to the municipality

  • Triggered when land classified in CH 61/A/B is to be sold for residential, commercial, or industrial purposes before 10-year period is up.

  • Gives municipality right to purchase property at full and fair market value – must be independently appraised

  • Some caveats, ex: land to be converted for dwelling of immediate family

“The purpose of the Chapter 61 programs is to help keep land undeveloped.”
CH61 AND HARVESTING TIMBER

• If enrolled in Chapter 61, landowners must practice long-term forest management on their property

• Landowners must be actively engaged in forest management activities

• Management plan schedules when and what should be harvested

• Management plans are flexible, and may be adapted and amended for changing forest conditions
CHAPTER 61 BENEFITS

- Maintains Open Space
- Character of where we live
- Reduces Property taxes
- Penalties only tied to change of use
- Landowners have expressed *Ch.61 is the only way they’ve been able to afford to keep their property*
 CHAPTER 61 ADMINISTRATION

DCR Service Forestry: Service Foresters & Districts

Massachusetts Department of Conservation and Recreation
Service Forestry Districts – May 2018

<table>
<thead>
<tr>
<th>District</th>
<th>Service Forester</th>
<th>Phone Number</th>
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<tbody>
<tr>
<td>1</td>
<td>Joe Perry</td>
<td>(508) 557-6009</td>
</tr>
<tr>
<td>2</td>
<td>Guy LaChance</td>
<td>(617) 719-4460</td>
</tr>
<tr>
<td>3</td>
<td>Lauren Dooley</td>
<td>(978) 937-2092 ext. 112</td>
</tr>
<tr>
<td>4</td>
<td>Mike Downey</td>
<td>(413) 212-3039</td>
</tr>
<tr>
<td>5</td>
<td>Chris Capone</td>
<td>(978) 368-0126 ext. 136</td>
</tr>
<tr>
<td>6</td>
<td>Andrew Russell</td>
<td>(617) 549-1677</td>
</tr>
<tr>
<td>7</td>
<td>Doug Huncher</td>
<td>(413) 545-7020</td>
</tr>
<tr>
<td>8</td>
<td>Allison Wright</td>
<td>(413) 263-2379</td>
</tr>
<tr>
<td>9</td>
<td>Sean Libby</td>
<td>(413) 545-4539</td>
</tr>
<tr>
<td>10</td>
<td>Pete Grims</td>
<td>(413) 442-8928 ext. 127</td>
</tr>
<tr>
<td>11</td>
<td>Tom Ryan</td>
<td>(413) 442-8928 ext. 123</td>
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Administrative Offices

Western Office:
Cori Garrett-Goodyear
P.O. Box 484
Amherst, MA 01004
(413) 545-5752

Eastern Office:
Heather Coton
355 West Boylston St.
Clinton, MA 01510
(978) 368-0126
## PROGRAM OVERVIEW

<table>
<thead>
<tr>
<th>Program Characteristics</th>
<th>Chapter 61: Forestry</th>
<th>Chapter 61A: Agriculture</th>
<th>Chapter 61B: Open Space and Recreation</th>
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<tr>
<td><strong>Land Use</strong></td>
<td>Forest management</td>
<td>Agriculture, including forest management</td>
<td>Passive or recreational use (forest management optional)</td>
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</table>
| **Administration**      | Department of Conservation and Recreation (DCR) Service Forestry Program | • Local board of assessors  
• DCR Service Forestry Program if managing forestland | • Local board of assessors  
• DCR Service Forestry Program if managing forestland |
| **Minimum Acreage**     | 10 acres             | 5 acres                   | 5 acres                                |
| **Tax Reduction**       | Based on market value of forest products land is capable of producing, set annually by Farm Land Advisory Committee | Based on market value of farm products land is capable of producing, set annually by Farm Land Advisory Committee | 75% reduction of assessed value |
| **Requirements**        | 10-year forest management plan approved by the state service forester | • Demonstrate at least $500 in annual sales of agricultural products, including forest products  
• If managing forestland, 10-year forest management plan approved by the state service forester | • Land mostly natural, wild, or open, or used for an approved recreational use  
• If managing forestland, 10-year forest management plan approved by the state service forester |
| **Posting (excluding public access)** | Posting allowed | Posting allowed | Posting allowed under “natural, wild, or open” category  
Posting may be allowed under the Recreation category for organizations with paying members |
| **Renewal Timeframe**   | Reapply every 10 years by September 30 with new 10-year forest management plan | Reapply annually by October 1 | Reapply annually by October 1 |
| **Forest Management**   | Required             | Required for enrolled productive forestland | Optional |
| **10-Year Forest Management Plan** | Required | Required only if landowner manages forestland | Required only if landowner manages forestland |
WEB RESOURCES:

www.Masswoods.org
MassWoods
• Ch. 61 Calculator, Find a Professional, Stumpage Prices, Planning

https://www.mass.gov/service-details/service-forestry
Service Forestry
• Regulations and Forms, Program Information, Ch.61 and Variations

https://masswoods.org/sites/masswoods.net/files/Ch61-v2.pdf
Chapter 61 Informational Pamphlet
• More details on the Chapter 61 Programs

Any other Questions?
I’ll be at the DCR Service Forestry table
At the MACC Fall Conference!

Saturday Oct.20th, Double Tree, Leominster MA

Thank You!