



FOREST CONSULTANT'S NEWSLETTER

A Quarterly Newsletter of the Department of Conservation, Maine Forest Service Stewardship Program

MAINE FOREST SERVICE SEEKS IMPROVED COMPLIANCE WITH YEAR END REPORTING BY LANDOWNERS AND AGENTS

Did you have timber harvested on your land during 2001, or are you a forester responsible for reporting for a landowner? If so, Maine law requires you to complete a year-end Landowner Report. While most landowners and agents report in a timely fashion, each year several landowners and companies are repeatedly late in reporting, resulting in wasted taxpayer dollars and staff time as we seek compliance.

To address this issue, the Maine Forest Service plans to step up its enforcement efforts. "Year after year we see many of the same landowners who need repeated reminders to submit their year end reports," says Maine Forest Service Director Tom Doak. "We spend too much valuable staff time with repeated mailings and visits by Forest Rangers to landowners who fail to meet a simple legal requirement. These reports provide the Forest Service, the Legislature, and the public with important information about the status of and trends in the management and use of Maine's forest resources. The information these reports provide is critical to our understanding of an important contributor to Maine's economy and quality of life."

Beginning in 2002, the Maine Forest Service will take additional measures to ensure compliance with the reporting requirements. Landowners who fail to complete the year end reports after receiving a delinquent notice may receive court summonses for failure to submit the required reports. State law specifies that "failure to submit reports ... constitutes a civil violation for which a forfeiture not to exceed \$1,000 for each failure may be assessed." (12 MRSA § 8887)

The Maine Forest Service has made it easier for landowners to report their harvest activities. We now select a random sample of landowners to report

timber volumes, stumpage prices and harvest information - these landowners receive the standard report. The other landowners receive a short form to report timber harvest information (acres, type of harvest) - these landowners are not required to report volume and stumpage price information. MFS mailed over 6,000 standard forms and 6,000 short forms in 2000. "Our objective is for landowners to report their information to us. If you don't understand how to complete a form or need more time, please contact the Maine Forest Service," said Doak.

In order to complete the year end report, land owners should:

- ❖ Assemble all scale slips received from the logger or wood buyer listing the species, product and volume of wood harvested.
- ❖ Assemble all stumpage payment records received.
- ❖ Read the instructions carefully, and complete the report.
- ❖ Return the report to the Maine Forest Service by January 31, 2002. Postage-paid envelopes will be provided this year.

If landowners have any questions about completing the land owner reports, they should call the Maine Forest Service at 1-800-367-0223 (in state only) or 207-287-2791.

MAINE FOREST SERVICE WEB PAGE UPDATES

The Maine Forest Service has updated its web page to include a "Find a District Forester" function. By clicking on a map of Maine, people can locate the Maine Forest Service District Forester for that region and how to contact them.

The website domain name is being changed to a much simpler address. It will shortly be:
www.maineforestservice.org

ACF PRESENTS WORKSHOP ON MAINE TREE GROWTH TAX LAW 10-YEAR RECERTIFICATION REQUIREMENTS

The Association of Consulting Foresters, Maine Chapter sponsored a workshop on the 10-year recertification requirements for the Maine Tree Growth Tax Law on December 11 in Augusta. About 75 people attended.

Dave LeDew of Maine Revenue Services spoke on the general requirements of TGTL from an assessor's point of view. He said that expertise on the law varied from town to town and that many towns do not have full time certified assessors. He did not speak to compliance. He said that after 10 years, all an assessor is looking for is a statement that the plan is being followed and has been renewed. He suggested to foresters that if a landowner reaches the 10-year recertification and is not following the plan and has no intention of harvesting timber, then the forester may want to suggest that the landowner transfer his property to the Open Space current use tax program, which can be done without penalty. When asked specifically when the 10-year cycle starts and when the recertification is due, he said it was a decision he was leaving up to the local assessors. He also commented on the common perception that towns receive less tax revenue because of the Tree Growth Tax Law. There are some factors that help alleviate this perceived problem:

1. Towns received a TGTL reimbursement from the state that is a source of income for the town.
2. The loss of value in a town due to property enrolled in current-use property tax programs leads to a reduction in state valuation. This can lead to increased aid to education and revenue sharing from the state, and a reduction in county taxes.

I (Kathy Nitschke) spoke on the need for foresters to examine the Code of Ethics and Standards for licensed foresters in the state and also suggested that a forester examine his or her own personal ethics closely. If you cannot, in your own conscience and by the Code of Ethics, sign a recertification for a landowner, then you should not do so. You are not under any obligation to ensure that a landowner follow a plan you have written. A good businessman is going to try to develop a solid working relationship with his client and hopefully will be able to work with the landowner to implement the plan. One comment was

that a landowner may say that he assumed the forester was going to take care of things. Consulting foresters need to have written contracts with their clients that are very definite about what services are covered by that contract.

Bruce Rood, attorney/forester from Norway, Maine started by saying that foresters should familiarize themselves with the law and know the definitions. He suggested that nothing in the law prevents a landowner from amending the forest management and harvest plan at any time and simply resubmitting a new Schedule for Classification to the town and starting the 10-year cycle over again. In the opinion of the Maine Forest Service, simply amending the plan to avoid payment of a penalty because the landowner isn't following the plan is not meeting the intent or spirit of the law and we do not recommend it. When asked what compliance is, Rood used guidelines based on the legal profession and asked the landowner and the forester to ask themselves: Do we have a plan? Is it in writing? Is it being implemented to the best of your ability? Is your paperwork on time? If you can answer "yes" to these questions, then in his opinion, you are in substantial compliance.

Lloyd Irland spoke on ethics in forestry and asked foresters to closely examine the Code of Ethics and Standards that is part of the forester licensing law and rules in Maine. He said that we need to recognize that the problem is truly our problem - foresters, landowners, local assessors, State tax administrators and other State officials, and the Extension and information community. As the TGTL has evolved, it has placed special and difficult responsibilities on professional foresters, and presents us with difficulties and ethical dilemmas that are only now becoming clear. The financial and other stakes are far higher than the framers of the TGTL might have expected in 1970 and 1989, and the recertification questions brings these issues into especially sharp focus.

Later in the afternoon, a panel discussion led by Irland brought different viewpoints to the fore. Fred Huntress said that the weakest link in the program is the way it is administered at the town level - this needs to be standardized and provide continuity for changing boards of selectmen.

Michael Austin of Maine Equalization Consultants (a firm that can serve towns as an assessor's agent) cited the complexity of dealing with a variety of town systems of keeping records and with the frequent changes in boards of selectmen and town

assessors. One town that he works with apparently did not understand the law completely - when he sent out \$790,000 worth of penalty notices to landowners who had not had a forest management and harvest plan completed, the town fathers protested to him that this couldn't possibly be true and have since waived the deadline for landowners 3 times.

Dave LeDew reiterated his earlier comments on the possibilities of using the Open Space current use property tax program for landowners who are not complying with the requirements of Tree Growth. He also stated that the Tree Growth Tax program has been very important in helping maintain Maine's rural character.

Jim Katsiaticas, representing Maine Municipal Association, maintained MMA's position that TGTL results in towns getting less revenue and towns should not be required to send notices to landowners regarding deadlines and requirements, as this in effect is an unfunded mandate from the State. He stated that it is the landowner's responsibility to meet the requirements of the law.

Finally, small group discussions were held that asked participants to list questions they felt had not been answered during the previous presentations. The list was long and diverse, with the most frequent questions people still had being "What is compliance" and "When are the recertifications due".

Thanks to ACF for putting on this timely and thought-provoking session. Complete transcripts of the meeting will be available at a nominal cost. If you are interested in receiving a transcript, contact Izzy McKay at (207) 234-4281

A NEW WAY OF LISTING CONSULTANTS

Beginning in January, the Maine Forest Service will start putting together the published list of consultants in a new way, which will hopefully be more useful to both landowners and foresters.

The list will be arranged by county, and will list the services that a forester offers. Consulting companies that employ more than one forester will have the option of listing their company, rather than individuals. You will also have the option of listing other licenses that you may hold.

A complete information package and listing form will be sent to you in January. Please take the time to read it over and return the form by the deadline. If we do not receive a form, you will not be listed.

TIMBER TAX WORKSHOP

The Maine Forest Service Stewardship Program is sponsoring a Federal Timber Income Tax Workshop for foresters and tax preparers on Tuesday, January 8, 2002 from 8:00 am to 4:30 pm at the Augusta Civic Center during the Agricultural Trades Show. The USDA Forest Service National Tax Team is coming to present this full-day seminar. Topics covered include:

- ◆ Federal Income Tax & the Tax Process
- ◆ Establishment of Capital Accounts, Basis, & Record Keeping
- ◆ Amortization & Tax Credits
- ◆ Passive Loss Rules, Operating Expenses, & Carrying Charges
- ◆ Timber Sale Contracts & Income
- ◆ Depreciation & Section 179 Deductions
- ◆ Casualty & Other Timber Losses
- ◆ Christmas Tree Plantations

Cost is \$20 if you preregister by Friday, January 4, 2002; \$25 at the door. The registration fee covers the cost of handouts and other items. Lunch is on your own. Space is limited.

To register, send your name, address, and phone number along with a check for the registration (made payable to Treasurer, State of Maine) to:

Kathy Nitschke
Maine Forest Service
22 State House Station
Augusta, ME 04333-0022

FORESTRY AT THE AG TRADES SHOW

Charlene Donahue, entomologist with the Division of Forest Health and Monitoring and Ann Gibbs, horticulturist with the Department of Agriculture will present a pesticide applicator's recertification course at the Agricultural Trades Show entitled "Prevention and Control of Invasive, Exotic, and 'Domestic' Pests in Forests, Christmas Trees, and Landscapes", Tuesday, January 8, 2002 at 4:00 at the Augusta Civic Center.

SWOAM's annual program will be on Wednesday, January 9 and will include presentations on ATV use on private woodlands, market influences on Maine's forests in the coming decade and a Q&A session with the Board of Directors. A more complete program will be available on their website at:

www.swoam.com

THE LAMMERT REPORT

The good news is that logs from certain species are still moving as the mills don't want to have little or nothing on stickers going into winter. The larger pine mills are moving lumber but not making money, just turning over dollars. At least they are buying logs. Some log concentration yards are buying a bit of everything, including pine now that the temperature has dropped. Premium Log Yard's latest spec sheet states that the market for oak veneer is still at a low and they are only buying the top two grades and they have to be very nice.

Apparently Michigan Veneer is in it for the long haul, as they have just completed a 40' by 60' refrigerated store house in New Sharon behind Bessey's log yard. According to log buyer Bob Bond, the company has several more of these in Michigan. The cooler will allow the company to buy and hold species of logs that would normally stain in the heat of summer.

The sale of firewood continues unabated as if oil were still \$1.40 a gallon. I've heard of green cut, split and delivered going for \$140/loose cord. Along this line, why is K-MART selling plastic wrapped bundles of firewood from Texas as Shaw's sells similar bundles from New Hampshire? Why isn't a Maine operation in on this marketing?

A mill owner who has a retail yard showed me Russian spruce, dried to 8% moisture content, that was dressed four sides and all strapped and wrapped. Looking at it reminded me of when I used to see bundles of this in retail yards. The name PINKHAM in bold black letters was on the end of each piece. The mill owner said the lumber arrives in containers in Boston for \$280/MBF, the same price he was paying for spruce logs delivered into his mill. Go figure. Has the free trade agreement precipitated this?

Have a safe winter season and be sure you have a home for the logs BEFORE you cut the tree.

-- Pete L.



GIRDLING TREES FOR TIMBER STAND IMPROVEMENT AND WILDLIFE OBJECTIVES

In *Crop Tree Management in Eastern Hardwoods* (Perkey and others 1994), Arlyn Perkey, Stewardship Coordinator with the USDA Forest Service in Morgantown, West Virginia, discusses the creation of snags (standing, dead, woody habitat) for wildlife. Snags benefit many species of wildlife by harboring a wide variety of insects that are a food source and providing cavities for shelter.

Girdling live trees is probably the best method to produce snags artificially. It is best performed by double-chainsaw girdling (i.e., two complete bands cut well through the bark and 1 inch into the wood). Cutting more than 1-inch deep may cause the tree to blow down in high winds.

Killing a tree by girdling is not an easy thing to do. Death from girdling can take longer than managers want to wait (Perkey considers a quick kill to be within 2 months). Some trees die quickly after girdling, while others may live for years. Resistance to death from girdling varies by species, by individual tree, and even by the season when girdling is performed.

For example, certain tree species, termed ring-porous or semi-ring-porous, transport water from the roots to the crown in the outer ring(s), just inside the bark. Logic dictates that it would be easier to kill these species than diffuse-porous species, which transport water through a number of growth rings, but that is not necessarily the case. Variations in time of death from girdling occur even within ring-porous or semi-ring-porous species. A deeper cut is required to kill diffuse-porous species, but will likely result in an unstable tree, which creates a safety hazard.

Ring-porous species in the Northeast include ash, oak, elm, hickory; semi-ring-porous species include black cherry and butternut; diffuse-porous species include maples, beech, birch, basswood, cottonwood, spruces, firs, hophornbeam, aspen, pines and hemlock.

Perkey, Arlyn W.; Wilkins, Brenda L.; Smith, H. Clay. 1994. *Crop tree management in eastern hardwoods*. NA-TP-19-93. Morgantown, WV: US Department of Agriculture, Forest Service, Northeastern Area State and Private Forestry. 58 p. + app.