State Tax Form CL-1(61)

Revised 9/2008

The Commonwealth of Massachusetts

Name of City or Town

Property Owner's Acknowledgement of Rights and Obligations under Classified Forest Land Program

This form must be submitted as part of your application for classification

QUALIFICATIONS. I understand that property must consist of at least 10 contiguous acres of land under the same ownership, be devoted to the growth of forest products and be managed under a 10 year management plan approved and certified by the State Forester in order to qualify for and retain classification as forest land under Massachusetts General Laws Chapter 61. I understand that buildings and other structures located on the property, as well as the land on which a residence is located or regularly used for residential purposes, do not qualify for classification and will continue to be assessed a regular local property tax.

APPLICATIONS. I understand that for property to be classified as forest land under Chapter 61, I must submit a written application to the State Forester before July 1 of the year before the start of the fiscal year for which taxation as classified land is sought. (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*) The application must be made in accordance with all rules and regulations established by the State Forester. The State Forester will certify whether the property qualifies as forest land and is being managed under an approved 10 year forest management plan. I must then submit before October 1 of the same year a written application for classification to the board of assessors of the city or town in which the property is located. The application must include the State Forester's certification and a copy of the approved forest management plan. I understand that classification of the land as forest land will be effective as of January 1, and taxation of the property under Chapter 61 will begin the following July 1, which is the start of the next fiscal year. The parcel will remain classified as forest land provided I file with the assessors a new certification by the State Forester and an approved forest management plan every 10 years, and the land otherwise continues to qualify under Chapter 61. I further understand that the property cannot be classified as forest land if I do not comply with all application deadlines and procedures.

LIEN. I understand that once my application for classification has been approved, the board of assessors will record a statement at the Registry of Deeds indicating that the land has been classified as forest land under Chapter 61. That statement will constitute a lien on the land for all taxes due under Chapter 61. I understand that I must pay all fees charged by the Registry for recording or releasing the lien.

APPEALS. I understand that if the board of assessors concludes that any land included in my application for classification, or any land already classified under Chapter 61, is not being managed under the approved management plan, is being used in a manner incompatible with forest production, or does not otherwise qualify for classification, it may file an appeal with the State Forester by December 1. Appeals must be made in writing and sent by certified mail to the State Forester, with a copy to me sent by certified mail. The State Forester must notify the assessors and me of his decision by March 1 of the following year. The assessors and I may appeal that decision by notifying the State Forester by April 15. The appeal will be heard by a three person regional panel convened by the State Forester by May 15. The assessors and I will be notified of the decision within 10 days after the conclusion of the hearing. The panel's decision may be appealed to the Superior Court or the Appellate Tax Board. This appeal must be filed within 45 days of receiving notice of the panel's decision. In addition, the State Forester may remove the land from classification if he believes it is not being managed according to the approved management plan or does not otherwise qualify for classification.

ANNUAL TAXATION. I understand that I must pay an annual property tax to the city or town in which the classified land is located. The tax will be assessed on the use value of the land for forestry purposes, rather than fair market value based on the land's highest and best use as would be the case if the land were not classified. In determining the valuation of my land, the board of assessors will consider the range of forest land use values established by the Farmland Valuation Advisory Commission together with their knowledge, judgment and experience regarding forest land values. The commercial property tax rate for the fiscal year will be applied to that value, unless the city or town has accepted a local option to apply the open space property tax rate. The tax will be due in the same number of installments and at the same time as other local property tax payments are due in the city or town. Interest will be charged on any overdue taxes at the same rate applicable to overdue local property taxes.

THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE

MUNICIPAL OPTION TO PURCHASE. I understand that the city or town has an option to purchase any classified land whenever I plan to sell or convert it to a residential, commercial or industrial use during a fiscal year it is classified, or within 1 full fiscal year after it is removed from classification. I must notify by certified mail or hand delivery, the mayor and city council or the selectmen, assessors, planning board and conservation commission of the city or town, and the State Forester of my intention to sell or convert the land to those uses and provide certain information regarding the intended sale or conversion. If I plan to sell the land, the city or town has the right to match a bona fide offer to purchase it. If I plan to convert it, the city or town has the right to purchase it at its fair market value, which is to be determined by an impartial appraisal. The city or town may also assign its option to a non-profit, conservation organization, the Commonwealth or any of its political subdivisions. I understand that I may not sell or convert the land until at least 120 days after I provide a notice that fully complies with the requirements of Chapter 61 or until I have been notified in writing that the option will not be exercised and the notice is recorded at the Registry of Deeds, whichever is earlier.

This option is not available to the city or town and the notice requirement does not apply if the forest land certification is simply discontinued, or I plan to build a residence for my use, or the use of my spouse or my parents, grandparents, child, grandchild, brother or sister, the surviving spouse of any of those relatives, or an employee working full time in the forest use of the land.

PENALTY TAX. I understand that I must pay one of two alternative penalty taxes whenever any of the land is no longer used for, or maintained in, a use or condition that would qualify the land for classification as forest land under Chapter 61, agricultural or horticultural land under Chapter 61A, or recreational land under Chapter 61B. Payment of a penalty tax applies in that case whether or not the land is subject to the purchase option and notice requirement. I must pay a roll-back tax for a 5 year period if the use of the land changes to a non-qualifying use or condition. If the change in use or condition occurs when the land is classified, the tax will be imposed for the current fiscal year and the 4 prior years. If the land is not classified at that time, the tax will be imposed for the 5 prior years. In either case, the tax will be the difference between the amount I would have paid in annual property taxes on the land if it had been taxed at its fair market value and the amount of the taxes I paid on the land under Chapter 61 during the same time. The roll-back tax also includes interest at the rate of 5% per year on each year's tax savings.

However, I must pay the alternative conveyance tax instead if the land is sold for or converted to a non-qualifying use within 10 years of the date I acquired it, or the earliest date of its uninterrupted forest use by me, whichever is earlier, and the conveyance tax is greater than the roll-back tax that would be due. The conveyance tax will be equal to the conveyance tax rate applied to the sales price of the land, or if converted, to the fair market value of the land as determined by the assessors. The conveyance tax rate will be 10% if the land is sold or converted within the first year of ownership, 9% if sold or converted within the second year, and so on with the rate declining each year by one percentage point until it is 1% in the 10th year of ownership. After this 10 year period has expired, I will not be liable for any conveyance taxes, but will remain liable for roll-back taxes if there is a change to a non-qualifying use or condition of the land. In addition, for any land in classification before the fiscal year that began on July 1, 2008, I will pay a roll-back tax, not a conveyance tax, upon any change in use.

ABATEMENTS. I understand that I may contest my annual property tax or any penalty tax assessed under Chapter 61 by applying for an abatement. Applications for abatement must be made in writing **on an approved form** and must be filed with the assessors within 30 days of the date I am notified of the tax. If I disagree with the assessors' decision, or the assessors do not act on my application, I may appeal to the Appellate Tax Board within 30 days of the date I am notified of the assessors' decision, or 3 months from the date my abatement application was filed, whichever is later. I further understand that the assessors cannot grant any abatement if I do not comply with all application deadlines and procedures.

I certify that I have examined this general statement of the requirements and obligations of Chapter 61 and acknowledge that it is my responsibility as an applicant for classification to fully understand and satisfy all requirements of Chapter 61. I also certify that I will notify the board of assessors immediately in writing of any circumstances developing after this date that may cause a change in the use of the property from that described in my application for classification.

Owner(s)	Date