

# MAINE STATE LEGISLATURE

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L.D. 2213

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
108TH LEGISLATURE  
FIRST SPECIAL SESSION

(Filing No. H-1280)

HOUSE AMENDMENT "C" to COMMITTEE AMENDMENT "B" to H.P. 2346, L.D. 2213, RESOLUTION, Proposing an Amendment to the Constitution to Limit the Maximum Property Tax which can be Levied.

Amend the Resolution by striking out all of the title and inserting in its place the following:

'AN ACT to Establish Spending and Taxation Limits and to Provide Property Tax Relief and to Correct Inequities in the Tree Growth Tax Law.'

Further amend the Amendment by inserting at the beginning of the 8th line after the title the underlined abbreviation and figure 'Sec. 1.'

Further amend the Amendment by inserting before the statutory referendum procedure the following:

'Sec. 2. 36 MRSA §573, sub-§10 is enacted to read:

10. Average sale price. "Average sale price" means the average of the prices per acre of forest land sales throughout the State selected by the State Tax Assessor under section 576, subsection 1, for the most recent 2-year period.

Sec. 3. 36 MRSA §576, as last amended by PL 1977, c. 694, §679, is repealed and the following enacted in its place:

§576. Powers and duties

The State Tax Assessor shall make the following calculations to determine the valuation of parcels of land under this chapter.

1. Average sale price. The State Tax Assessor shall establish

procedures for determining which land transfers represent sales of land for tree growth and timber production. He shall exclude those sales made under stress or other unusual conditions. Average sale prices shall be calculated from sales for a 2-year time period, and the first period shall include sales through December 31, 1978. If at least 100 appropriate land transfers are not available for this calculation, the average sales price shall be based on the appropriate land transfers for the most recent 4-year period.

2. Stumpage values. The State Tax Assessor shall determine the average stumpage value for each forest type described in section 573, subsections 5 to 7, applicable in each county, or in such alternative forest economic regions, hereinafter referred to as regions, as he may designate in each odd-numbered year, taking into consideration the prices upon sales of sound standing timber of that forest type in that area during the previous 2 calendar years, and such other consideration as he deems appropriate.

3. One hundred percent valuation. Within each region, the softwood and hardwood stumpage values shall be averaged. The median region shall be selected based on these average stumpage values. The 100% valuation of mixed wood lands in this region shall be established at the average sale price of timberland. In all regions 100% valuations for each forest type shall be adjusted up or down in proportion to the ratio of the stumpage price of each forest type in that region to the average stumpage

price determined in this subsection.

The State Tax Assessor shall hold one or more public hearings with such reasonable notice to the public as he shall determine, upon the foregoing matters to be determined, shall provide for a transcript thereof, and shall issue an order or orders stating the determinations on or before October 1, 1979, and on or before October 1st biennially thereafter. The State Tax Assessor shall give public notice of such orders by certifying a copy of the orders to the Secretary of State and in such other manner as he determines reasonable.

The State Tax Assessor shall place the orders on file in the Bureau of Taxation and shall certify and transmit the orders to the municipal assessors of each municipality with respect to forest land therein on or before April 1st of each year.

Sec. 4. 36 MRS §576-B, as last amended by PL 1977, c. 694, §685, is repealed.

Sec. 5. 36 MRS §578, sub-§1, first ¶, as repealed and replaced by PL 1977, c. 282, is repealed and the following enacted in its place:

The municipal assessors or chief assessor of a primary assessing area shall adjust the State Tax Assessor's 100% valuation per acre for each forest type of their county by whatever ratio, or percentage of current just value, is then being applied to other property within the municipality to obtain the assessed values. Forest land in the organized areas, subject to taxation under this subchapter, shall be taxed at the property tax rate applicable

to other property in the municipality, which rate shall be applied to the assessed values so determined. For any tax year in which a municipality has a situation where the aggregate tax assessed on lands classified under this subchapter is less than 90% of the aggregate tax that would be assessed at its fair market value for the current tax year, the municipality shall have a valid claim against the State to recover the taxes lost to the extent that such loss exceeds 10% upon proof of the facts in form satisfactory to the State Tax Assessor.

Sec. 6. 36 MRS §581, as last amended by PL 1977, c. 509, §9, is further amended by adding after the 2nd paragraph the following:

However, any penalties incurred by withdrawal between April 1, 1979, and April 1, 1981, shall be in an amount equal to the taxes which would have been assessed on the first day of April for the 5 tax years, or any lesser number of tax years starting with the year in which the property was first classified, preceding that withdrawal had that real estate been assessed in each of those years at its fair market value on the date of withdrawal less all taxes paid on that real estate over the preceding 5 years, or lesser number of tax years, as applicable, and interest at the legal rate from the date or dates on which those amounts would have been payable.'

Further amend the Amendment by striking out all of the 2nd paragraph of the statutory referendum procedure and inserting in its place the following:

House Amendment "C" to Committee Amendment "B" to H.P. 2346,  
L.D. 2213

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"Shall 'AN ACT to Establish Spending and Taxation Limits and to Provide Property Tax Relief and to Correct Inequities in the Tree Growth Tax Law,' as passed by the first special session of the 108th Legislature, be accepted?"

Statement of Fact

This amendment corrects the inequities in the present method of valuing tree growth tax property. It does this by replacing the discount and capitalization factors with a factor that reflects the average market price of land sold for timber production.

The amendment also increases the reimbursement to municipalities by basing the state's reimbursement on the current full just valuation of this land instead of the 1972 valuation.

led by Mr. Martin of Eagle Lake  
reproduced and distributed under the direction of the Clerk of the House  
(9/15/78)

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