

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 115

H.P. 91

House of Representatives, January 11, 2005

**An Act Enabling Municipalities To Establish Municipal Land Banks
Funded by Local Option Real Estate Transfer Taxes**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative RECTOR of Thomaston.
Cosponsored by Senator SAVAGE of Knox and
Representatives: BOWEN of Rockport, KOFFMAN of Bar Harbor, MAZUREK of Rockland,
PINGREE of North Haven, PIOTTI of Unity, SAVIELLO of Wilton, WOODBURY of
Yarmouth, Senator: PERRY of Penobscot.

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Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA c. 157, sub-c. 6 is enacted to read:

SUBCHAPTER 6

MUNICIPAL LAND BANKS

§3301. Establishment of municipal land bank

A municipality may establish a municipal land bank in accordance with this section.

1. Referendum required. A municipal land bank may be established only with approval by a referendum vote conducted in accordance with section 2528. Once established, a referendum vote conducted in a similar manner is required to alter or repeal provisions pertaining to the land bank. The municipal land bank may be approved as a separate measure or as part of a referendum adopting a municipal real estate transfer tax under Title 36, section 4641-O.

2. Land bank account. A municipality establishing a municipal land bank shall maintain a separate account to receive all tax revenue collected under Title 36, section 4641-F, subsection 4. A municipality may accept money from other public and private sources for deposit in the municipal land bank account. Interest accrued by money deposited into the account must be credited to the account. All deposits into the municipal land bank account may be used only for the purposes permitted under this subchapter.

3. Advisory board. A municipality that has established a municipal land bank under this section shall create an advisory board, in accordance with this Title, to review and make recommendations on proposed acquisitions using money from the land bank account.

4. Use of funds. Funds in a municipal land bank account are restricted to the following uses:

A. Acquiring interest in or managing land within the municipality for the purposes of:

(1) Conserving land or maritime resources;

(2) Maintaining or improving opportunities for recreation and environmental education within the municipality; and

2 date of a municipal real estate transfer tax. A municipality
3 shall notify the register of deeds of the county in which the
4 municipality is located upon repeal of a municipal real estate
5 transfer tax and the effective date of that repeal.

6 4. Liability. A transferee of real property is liable for
7 payment of the transfer tax.

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9 **§4641-P Determination and collection of tax**

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11 1. Taxable base. The base to which the municipal real
12 estate transfer tax under this chapter applies is the declared
13 value of the property under section 4641-D, except that if the
14 property subject to the tax is the primary residence of the
15 transferee, an amount not less than \$50,000 must be subtracted
16 from the base. An amount more than \$50,000 may be subtracted by
17 a municipality if the larger amount is specified in the
18 referendum question.

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20 2. Exemptions. The following transfers are not subject to
21 a municipal real estate transfer tax:

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23 A. A transfer that is exempt from the state real estate
24 transfer tax under section 4641-C;

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26 B. A transfer in which the transferee is a resident of the
27 municipality and is acquiring a property to be used as the
28 transferee's primary residence within that same
29 municipality; and

30
31 C. A transfer in which the property acquired is contiguous
32 to the transferee's primary residence or place of business
33 for the purpose of enlarging that property for the
34 transferee's occupancy or existing business activities.

35
36 3. Action by register of deeds. Within 30 days of
37 recording a transfer of real property within a municipality with
38 a municipal real estate transfer tax in effect, the register of
39 deeds of the county in which the municipality is located shall
40 notify that municipality of the transfer. The register shall
41 provide the following information to the municipality:

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43 A. The name and address of the transferee;

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45 B. The location of the real property subject to the
46 transaction;

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48 C. The effective date of the transaction; and

