

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 802

H. P. 649

House of Representatives, February 27, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Maxwell of Jay.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

AN ACT to Amend the Tree Growth Tax Law.

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

**Sec. 1.** 36 MRSA § 573, sub-§ 3, as last amended by PL 1973, c. 308, § 2, is repealed and the following enacted in its place:

**3. Forest land.** "Forest land" means land used primarily for growth of trees for commercial use, but shall not include ledge, marsh, open swamp, bog, water and similar areas, which are unsuitable for growing a forest product even though these areas may exist within forest lands. Land shall be included, upon presentation by the landowner of evidence that the land is being used primarily for growth of trees for commercial use, as follows:

**A.** A sworn affidavit from the landowner establishing that the landowner is engaged in the business of selling or processing forest products;

**B.** A sworn affidavit from a registered professional forester that the land is being managed primarily for growth of trees for commercial use; or

**C.** A written forest management plan for commercial use of the land, accompanied by a sworn affidavit from the landowner that he is following that plan.

Land which would otherwise be included within this definition shall not be

excluded because of multiple use for public or private recreation, or because it is under contract with a state or federal agency restricting its use for timber production. "Commercial use," as used in this subchapter, shall include an owner's use of wood harvested from the owner's land.

Sec. 2. 36 MRSA § 574, as last amended by PL 1973, c. 308, § 3, is further amended to read:

**§ 574. Applicability**

~~This subchapter shall have a mandatory application to any parcel which contains more than 500 acres of forest land.~~ An owner of a parcel containing forest land of 500 acres or less may apply at his election by filing with the assessor the schedule provided for in section 579; except that this subchapter shall not apply to any parcel containing less than 10 acres of forest land. The election to apply shall require the unanimous consent of all owners of an interest in a parcel, except for the State of Maine which is not subject to taxation hereunder.

**This subchapter shall not apply to any land within the coastal shoreland area. For the purposes of this subchapter, "coastal shoreland area" shall mean that land within 250 feet of the normal high water mark of any tidal water. Tidal water is that within the rise and fall of the tide, except water above any fishway or dam where the fishway or dam is the dividing line between tidewater and freshwater.**

Sec. 3. 36 MRSA § 578, sub-§ 1, first paragraph, last sentence, as repealed and replaced by PL 1977, c. 282, is repealed and the following enacted in its place:

**For any tax year beginning on or after January 1, 1979, in which a municipality's aggregate tax assessed on lands classified under this subchapter is less than the aggregate tax that could have been assessed on the same lands in that year, using the undeveloped acreage valuations which the State uses in computing the state valuation, but for this subchapter, by more than 5% of the municipality's total tax levy, the municipality shall have a claim against the State to recover the taxes lost in excess of 5% of the total municipal tax levy, with adjustments for any state subsidies or aid programs that may be affected by changes in municipal valuations, upon proof of the facts in form satisfactory to the State Tax Assessor.**

Sec. 4. 36 MRSA § 578, sub-§ 1, 2nd paragraph, as repealed and replaced by PL 1977, 282, is repealed.

Sec. 5. 36 MRSA § 578, sub-§ 1, 3rd, 4th and 5th paragraphs, as enacted by PL 1977, c. 720, § 3, are repealed.

**STATEMENT OF FACT**

This bill limits forest land under the tree growth law to land used primarily for growth of trees for commercial use and requires affidavits from landowners to substantiate that usage. It repeals the mandatory classification of parcels of 500 acres or more. It excludes coastal shoreland. It replaces the existing municipal

reimbursement provisions with a new provision to provide reimbursement to municipalities which lose more than 5% of their total local tax levy because of lower tree growth assessments.

There is no revenue loss because the estimate of \$500,000 per year for this method of reimbursement is offset by the approximately \$500,000 spent for reimbursement under the existing reimbursement provisions during the last fiscal year.