

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-518)  
109TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1115, L.D. 1244, Bill, "AN ACT to Amend the Tree Growth Tax Law."

Amend the Bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 12 MRSA §1012, sub-§2, as enacted by PL 1975,  
c. 764, §3, is amended to read:

2. Forest land. "Forest land" means land in contiguous parcels which ~~are~~ were subject to mandatory taxation pursuant to Title 36, chapter 105, subchapter II-A, as of April 1, 1979.

first sentence,  
Sec. 2. 12 MRSA §1014, sub-§3, as enacted by PL 1975,  
c. 764, §3, is amended to read:

Persons owning parcels of forest land, including persons claiming timber and grass rights in public reserved lands, which ~~are~~ were classified as forest land pursuant to Title 36, chapter 105, subchapter II-A, as of April 1, 1979, of more than 500 acres within the Spruce Fir Forest Protection District, shall be subject to an excise tax on the privilege of owning and operating such parcels of forest land in 1976 and the 5 years thereafter, except as provided hereinafter or in the event the Legislature establishes an alternative method of taxation after 1976.

Sec. 3. 12 MRSA §1015, sub-§3, as enacted by PL 1975,  
c. 764, §3, is amended to read:

3. Municipal assessors certification to the State Tax Assessor. The assessors of each municipality / <sup>within</sup> the Spruce Fire Forest Protection District shall, on or before the first day of September, 1976, and on the anniversary date thereof in each of the 5 years thereafter for which an excise tax is in effect, certify to the State Tax Assessor the name and address of each owner of forest land within that town, based on its April 1, 1976, status for the tax year 1976, and its April 1st status in each of the 5 years thereafter, <sup>that was</sup> /classified as forest land pursuant to Title 36, chapter 5, subchapter II-A, section 573, subsection 3, as of April 1, 1979, and the hardwood, mixed wood and softwood land acreage of each such parcel.

Sec. 4. 36 MRSA §573, sub-§3, as amended by PL 1973, c. 308, §2, is repealed and the following enacted in its place: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 those 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 statement from the landowner establishing that the landowner is engaged in the business of selling or processing forest products;

B. A sworn statement 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 the land, accompanied by a sworn statement from the landowner that he is following the 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. 5. 36 MRSA §574, as amended by PL 1973, c. 308,  
§3, is further amended to read:

§574. Applicability

~~This subchapter shall have 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' 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. Land mandatorily excluded from classification under this subchapter by this section shall not be subject to any penalty upon exclusion.

Sec. 6. 36 MRSA §576, first paragraph, first sentence,  
as amended by PL 1973, c.460, §18, is/amended to read:

The State Tax Assessor shall determine the average annual net wood production rate for each forest type described in section 573, subsections 5 to 7, in each county or region to be used in determining valuations applicable to forest land under this subchapter, on the basis of the surveys of average annual growth rates applicable in the State made from time to time by the United States Forest Service or by the Maine Forestry Bureau.

Sec. 7. 36 MRSA §576, 2nd paragraph, as enacted by PL 1971, c. 616, §8, is amended to read:

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 as he may designate, after passage of this subchapter and in each even-numbered year thereafter, taking into consideration the prices upon sales of round standing timber of that forest type in that area during the previous 2 calendar years year, and such other considerations as he deems appropriate.

Sec. 8. 36 MRSA §576, 5th paragraph, as amended by PL 1977, c. 694, §678, is further amended to read:

The State Tax Assessor shall hold one or more public hearings, upon the foregoing matters to be determined, shall provide for a transcript thereof, and shall issue a rule or rules stating said determinations on or before October 1, 1978 and on or before October 1st ~~biennially~~ each year thereafter

Sec. 9. 36 MRSA §576-B, as amended by PL 1977, c. 694, §§680 to 685, is further amended by inserting before the first sentence, a new sentence to read:

Until February 1, 1982, the percentage factor by which the growth rates set by the State Tax Assessor pursuant to section 576 shall be reduced to reflect the growth which can be extracted on a sustained basis shall be 10%.

Sec. 10. 36 MRSA §576-B, first sentence, as amended by PL 1977, c. 694, §680, is further amended to read:

By February 1, ~~1978~~ 1982, and every 4th even-numbered year thereafter, the State Tax Assessor shall determine and prescribe by rule the percentage factor by which the growth rates set by him pursuant to section 576 shall be reduced to reflect the growth which can be extracted on a sustained basis.

Sec. 11. 36 MRSA §578, sub-§1, first sentence, as repealed and replaced by PL 1977, c. 282, is amended to read:

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 or region by whatever

ratio, or percentage of current just value, is then being applied to other property within the municipality to obtain the assessed values.

Sec. 12. 36 MRSA §578, sub-§1, 3rd sentence as repealed and replaced by PL 1977, c. 282, is amended to read:  
For any tax year, beginning on or after January 1, 1979, in which a municipality has a situation where the municipality's aggregate tax assessed on lands classified under this subchapter is less than ~~90%-of~~ the aggregate tax that could have been assessed, but for this subchapter, on the same lands if the lands were assessed according to the undeveloped acreage used in the state valuation then in effect, adjusted by the municipal ratio in 1972, the municipality shall have a valid claim against the State to recover the taxes lost, with adjustments for any state school subsidies that may be affected by changes in municipal valuations caused by the use of undeveloped acreage valuation, to the extent of 35% of that such loss ~~exceeds a 10% loss from 1972,~~ upon proof of the facts in form satisfactory to the State Tax Assessor.

Sec. 13. 36 MRSA §578, sub-§1, 2nd paragraph, as last repealed and replaced by PL 1977, c. 282, is repealed.

Sec. 14. 36 MRSA §578, sub-§1, 3rd, 4th and 5th paragraphs, as enacted by PL 1977, c. 720, §3, are repealed.

Sec. 15. 36 MRSA §578, subsection 2, as amended by PL 1973, c. 308, §8, is repealed and the following enacted in its place:

2. Unorganized territory. The State Tax Assessor shall use 100% valuation per acre for each type for each county or region to obtain the assessed value for the unorganized territory.

Statement of Fact

This amendment defines commercial use to include an owner's use of timber for his own purposes in connection with the management plan requirement. It permits regional as well as county establishment of wood production rates. Stumpage values are to be determined annually and the discount factor is set at 10% to February 1, 1982 at which time it is set by the State Assessor biennially along with the capitalization rate. Reimbursement for tax shifts is set at 35%.

Reported by the Majority of the Committee on Taxation  
Reproduced and distributed under the direction of the  
Clerk of the House.  
5/29/79 (Filing No. H-518)