

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1244

H. P. 1115

House of Representatives, March 21, 1979

Reported by Mrs. Post, from the Committee on Taxation, pursuant to H. P. 2271 and printed under Joint Rules No. 17.

EDWIN H. PERT, Clerk

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Sec. 1. 36 MRSA § 573, sub-§ 3, as amended by PL 1973, c. 308, § 2, is repealed and the following enacted in its place: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 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 the land, accompanied by a sworn affidavit 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 of public recreation.

Sec. 2. 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.

Sec. 3. 36 MRSA § 578, sub-§ 1, 1st ¶, 3rd sentence, as last 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 legally have been assessed on the same lands in 1972 that year but for this subchapter~~, the municipality shall have a valid claim against the State to recover the taxes lost, **with adjustments for any state subsidies or aid programs that may be affected by changes in municipal valuations**, to the extent of 50% of ~~that~~ such loss ~~exceeds a 10% loss from 1972~~, upon proof of the facts in form satisfactory to the State Tax Assessor.

Sec. 4. 36 MRSA § 578, sub-§ 1, 2nd ¶, as last repealed and replaced by PL 1977, c. 282, is repealed.

Sec. 5. 36 MRSA § 578, sub-§ 1, 3rd, 4th and 5th ¶¶, as enacted by PL 1977, c. 720, § 3, are repealed.

STATEMENT OF FACT

This bill repeals that part of the Tree Growth Law that mandates classification of parcels of 500 acres or more under the law. It also excludes coastal shoreland from application of the law and requires proof of intent to use Tree Growth land for commercial timber purposes. Finally, it replaces the present municipal reimbursement provision with a new provision requiring reimbursement of 50% of the taxes lost due to lower Tree Growth assessments.