

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
110TH LEGISLATURE
FIRST REGULAR SESSION

L.D. 955

(Filing No. H-546)

COMMITTEE AMENDMENT "A" to H.P. 801, L.D. 955, Bill,
"AN ACT to Amend the Maine 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 §8403, sub-§2, as enacted by PL 1979,
c. 545, §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.

Sec. 2. 12 MRSA §8405, sub-§3, first sentence, as repealed
and replaced by PL 1979, c. 737, §4 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, sub-
chapter II-A, as of April 1, 1979, of more than 500 acres within
the Spruce Fir Forest Protection District shall be subject to the
pre-project and post-project excise taxes established under section
8406 on the privilege of owning and operating such parcels of
forest land, except as provided in this subchapter.

Sec. 3. 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§2, is repealed and the following enacted in its place: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 harvested for commercial use, but does 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 which would otherwise be included within this definition shall not be excluded because of multiple use for public recreation. Commercial use, as used in this subchapter, shall include an owner's use of wood harvested from the owner's land.

Sec. 4. 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. For purposes of this subchapter, a parcel is deemed to include a unit of real estate, notwithstanding that it is divided by a road, way, railroad or pipeline or by a municipal or county line. 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.

Sec. 5. 36 MRSA §574, as amended by PL 1973, c. 308, §3, is further amended by adding at the end the following:

A parcel of land shall be included upon presentation by the landowner of evidence that the land is being used as follows:

1. Business ^{selling} or processing forest products. A sworn statement from the landowner establishing that the landowner is engaged in the business of selling or processing forest products and that the land is used in such business;

2. Inspection by registered professional forester. A sworn statement from the landowner that the land has been inspected by a registered professional forester within the past 5 years and that the landowner is following the recommendations of that forester;

3. Written forest management plan for commercial use. A written forest management plan for commercial use of the land, accompanied by a sworn statement from the landowner that he is following that plan; or

4. Land of less than 100 acres. The land is less than 100 acres and the landowner is managing the land according to accepted forestry practices designed to produce trees having commercial value.

Sec. 6. 36 MRSA §576, first ¶, first sentence, as amended by PL 1973, c. 460, §18, is further 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 ¶, 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 sound 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 ¶, 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~~ those determinations on or before October 1, 1978 and on or before October 1st ~~biennially~~ each year thereafter.

Sec. 9. 36 MRSA §576-B, first ¶, as amended by PL 1977, c. 694, §681, is further amended by adding before the first sentence a new sentence to read:

Until February 1, 1983, 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 ¶, first sentence, as amended by PL 1977, c. 694, §680, is further amended to read:

By ~~February-17-1978~~ February 1, 1983 and every 4th 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 §576-B, first ¶, as amended by PL 1977, c. 694, §§680 and 681, is further amended by adding after the first sentence a new sentence to read:

The State Tax Assessor may determine such percentage factors on the basis of species or regions or both.

Sec. 12 MRSA §578, sub-§1, as amended by PL 1977, c. 720, §3, is further amended by adding at the end a new paragraph to read: Notwithstanding any other provisions of this subsection, for any tax year beginning on or after January 1, 1982, 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 most recent undeveloped acreage valuations which the State uses in computing the state valuation, but for this subchapter, by more than 3% of the municipality's total tax levy, the municipality shall have a claim against the State to recover 100% of the taxes lost in excess of 3% of the total municipal tax levy, with adjustments for educational subsidies that may be affected by changes in municipal valuations, upon proof of the facts in form satisfactory to the State Tax Assessor.

Sec. 13. 36 MRSA §581, as last amended by PL 1979, c. 445, §§1 and 2, is further amended by adding at the end a new paragraph to read:

Any municipality which receives a penalty for the withdrawal of land from taxation under this chapter shall report to the State Tax Assessor annually the total amount received on the municipal valuation return form described in section 383.

Statement of Fact

This amendment provides for ^{more} strict eligibility requirements for placing land under tree growth taxation. It provides for regional determination of wood production rates and annual determination of stumpage values and the discount rate. Beginning in 1982 municipal reimbursement is applied to municipalities which have a tax shift in excess of 3% of the total tax levy. It clarifies the definition of forest land and expands the definition of a parcel of land. It also provides that towns notify the State Tax Assessor annually of the amount of penalties received for the withdrawal of land from tree growth, and it eliminates the mandatory inclusion of parcels of land containing in excess of 500 acres.

Reported by the Majority of the Committee on Taxation.
Reproduced and distributed under the direction of the Clerk
of the House.

6/4/81

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