

MAINE STATE LEGISLATURE

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1 (After Deadline)
2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE
5

6 Legislative Document

No. 1565

7
8 H.P. 1076

House of Representatives, May 23, 1985

9 Approved for introduction by a majority of the Legislative Council
10 pursuant to Joint Rule 27.

Reference to the Committee on Taxation suggested and ordered printed.

11 EDWIN H. PERT, Clerk

Presented by Representative Murphy of Berwick.

12 Cosponsored by Representative Hale of Sanford.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FIVE
17

18 AN ACT to Require Certain Tax Classification
19 Information to be Filed at the
20 Registry of Deeds.
21

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

24 Sec. 1. 36 MRSA §579, as amended by PL 1981, c.
25 706, §9, is further amended by adding after the first
26 paragraph a new paragraph to read:

27 The owner or owners of forest land subject to
28 valuation under this subchapter shall submit to the
29 register of deeds in the appropriate county within 30
30 days of the date that such land first becomes subject
31 to valuation under this subchapter a form to be pre-
32 scribed by the State Tax Assessor identifying the
33 land to be valued under this subchapter, listing the
34 number of acres of each forest type and showing the
35 location of each forest type. Local assessors shall
36 prepare a list of those parcels which are, on the ef-

1 fective date of this paragraph, subject to valuation
2 under this subchapter and shall present this list to
3 the register of deeds within 30 days of the effective
4 date of this Act. Municipalities and their assessors
5 shall not be liable for any errors or omissions from
6 this list.

7 Sec. 2. 36 MRSA §579, 7th ¶, as repealed and re-
8 placed by PL 1979, c. 666, §16, is amended to read:

9 It shall be the obligation of the owner or owners
10 to report to the assessor any change of use or change
11 of forest type of land subject to valuation hereun-
12 der. It is also the obligation of the owner or own-
13 ers to report to the register of deeds any change of
14 use or change of forest type of land subject to valu-
15 ation under this subchapter within 30 days of that
16 change. The owner or owners of a parcel or parcels
17 classified under this subchapter are liable for any
18 withdrawal penalty which section 581 may impose upon
19 those changes, except that a buyer of a parcel clas-
20 sified under this subchapter who takes without notice
21 of classification shall not be liable for any with-
22 drawal penalty which section 581 may impose. In this
23 instance, liability for any withdrawal penalty which
24 section 581 may impose shall remain on the seller.

25 Sec. 3. 36 MRSA §1109, sub-§1, as amended by PL
26 1981, c. 698, §181, is further amended to read:

27 1. Schedule. The owner or owners of farmland
28 subject to taxation under this subchapter shall sub-
29 mit a signed schedule in duplicate, on or before
30 April 1st of the year in which the owner or owners
31 wish to first subject such land to taxation under
32 this subchapter, to the assessor upon a form to be
33 prescribed by the State Tax Assessor identifying the
34 land to be taxed hereunder, listing the number of
35 acres of each farmland classification, showing the
36 location of the land in each classification and
37 representing that the land is farmland within the
38 meaning of section 1102, subsection 4. In determining
39 whether such land is farmland, there shall be taken
40 into account, among other things, the acreage of such
41 land, the portion thereof in actual use for farming
42 or agricultural operations, the productivity of such
43 land, the gross income derived therefrom, the nature

1 and value of the equipment used in connection there-
2 with and the extent to which the tracts comprising
3 such land are contiguous. If the assessor finds that
4 the land meets the requirements of section 1102, sub-
5 section 4, the assessor shall classify it as
6 farmland, apply the appropriate 100% valuations per
7 acre for farmland and it shall be subject to taxation
8 under this subchapter.

9 The owner or owners of farmland subject to taxation
10 under this subchapter shall submit to the register of
11 deeds in the appropriate county within 30 days of the
12 date that such land first becomes subject to taxation
13 under this subchapter a form to be prescribed by the
14 State Tax Assessor identifying the land to be taxed
15 under this subchapter, listing the number of acres of
16 each farmland classification and showing the location
17 of the land in each classification. Local assessors
18 shall prepare a list of those parcels which are on
19 the effective date of this paragraph, subject to tax-
20 ation under this subchapter and shall present this
21 list to the register of deeds within 30 days of the
22 effective date of this Act. Municipalities and their
23 assessors are not liable for any errors or omissions
24 from this list.

25 **Sec. 4. 36 MRSA §1109, sub-§5, as amended by PL**
26 **1977, c. 467, §10, is further amended to read:**

27 **5. Owner obligation.** If the owner or owners of
28 any parcel of land subject to taxation under this
29 subchapter fail to submit the schedules under the
30 foregoing provisions of this section, or fail to re-
31 spond, within 60 days of receipt, to written ques-
32 tions or interrogatories of the assessor, or fail
33 within 60 days of receipt of notice as provided in
34 this section, to appear before the assessor to re-
35 spond to questions or interrogatories, or fail to
36 provide information after notice duly received as
37 provided under this section, such owner or owners
38 shall be deemed to have waived all rights of appeal.

39 It shall be the obligation of the owner or owners to
40 report to the assessor any change of use or change of
41 classification of land subject to taxation hereunder
42 and to file annually by April 1st with the assessor a
43 determination of the gross income realized the previ-

ous year from acreage classified as "farmland." It is also the obligation of the owner or owners to report to the register of deeds any change of use or changes of forest type of land subject to valuation under this subchapter within 30 days of that change. The owner or owners of a parcel or parcels classified under this subchapter are liable for any withdrawal penalty which section 1112 may impose upon these changes, except that a buyer of a parcel classified under this subchapter who takes without notice of classification is not liable for any withdrawal penalty which section 1112 may impose. In this instance, liability for any withdrawal penalty which section 1112 may impose shall remain on the seller.

If the owner or owners fail to report to the assessor as required by the foregoing paragraph, the assessor may collect such taxes as should have been paid, shall collect the penalty provided in section 1112 and shall assess an additional penalty of 25% of the foregoing penalty amount. The assessor may waive the additional penalty for cause.

STATEMENT OF FACT

The purpose of this bill is to require owners of land classified under the Maine Tree Growth Tax Law or the Farm and Open Space Tax Law to file a form at the registry of deeds indicating that classification.

This is necessary in order to protect buyers who currently lack notice of that classification. These buyers find themselves liable for penalties that they had no prior notice of.

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