

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 596

H.P. 443 House of Representatives, March 3, 1987
Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative HICHBORN of LaGrange.
Cosponsored by Senators PEARSON of Penobscot, EMERSON of
Penobscot and Representative CLARK of Millinocket.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Amend the Maine Tree Growth Tax
Law.

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

36 MRSA §578, as amended by PL 1981, c. 706, §§7
and 8, is repealed and the following enacted in its
place:

§578. Assessment of tax

1. Organized areas. The municipal assessors or
chief assessor of a primary assessing area shall ad-
just the State Tax Assessor's 100% valuation per acre
for each forest type of their county by whatever ra-
tio, or percentage of current just value, is then be-
ing applied to other property within the municipality

1 to obtain the assessed values. Forest land in the or-
2 ganized areas, subject to taxation under this sub-
3 chapter shall be taxed at the property tax rate ap-
4 plicable to other property in the municipality, which
5 rate shall be applied to the assessed values so de-
6 termined.

7 2. Reimbursement of tax loss. In tax years be-
8 ginning on or after April 1, 1987, each municipality
9 with lands classified and taxed in accordance with
10 this subchapter shall receive reimbursement for 90%
11 of the taxes that are lost as a result of this sub-
12 chapter. For the purposes of this section, the tax
13 loss is the adjusted tax that would have been as-
14 essed, but for this subchapter, on the classified
15 forest lands if they were assessed according to the
16 undeveloped acreage valuations used in the state va-
17 luation then in effect, minus the tax that was actual-
18 ly assessed on the same lands in accordance with this
19 subchapter.

20 The State Tax Assessor shall annually certify the
21 amount of the tax loss for each municipality with
22 lands classified under this subchapter. The Treasur-
23 er of State shall pay to the municipality by December
24 15th of that year 90% of the amount certified by the
25 State Tax Assessor.

26 3. Unorganized territory. The State Tax Assessor
27 shall adjust the 100% valuation per acre for each
28 type for each county by such ratio or percentage as
29 is then being used to determine the state valuation
30 applicable to other property in the unorganized ter-
31 ritory to obtain the assessed values. Beginning
32 April 1, 1973, forest land in the unorganized terri-
33 tory subject to taxation under this subchapter shall
34 be taxed at the same property tax rate as is applica-
35 ble to other property in the unorganized territory,
36 which rate shall be applied to the assessed values so
37 determined. Upon collection by the State Tax Asses-
38 sor, such taxes shall be deposited in the Unorganized
39 Territory Education and Services Fund in accordance
40 with section 1605.

41 4. Divided ownership. In cases of divided owner-
42 ship of land and the timber and grass rights on that
43 land, the assessor shall apportion 10% of the valua-

1 tion to the land and 90% of the valuation to the tim-
2 ber and grass rights.

3

STATEMENT OF FACT

4 The purpose of this bill is to require that mu-
5 nicipalities be reimbursed annually for 90% of the
6 taxes they lose as a result of the Tree Growth Tax
7 Law. This law imposes a very large burden on the re-
8 maining property owners in a municipality, particu-
9 larly in the rural, less populated areas of the
10 State.

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