

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



1 tracts of land, including woodland and wasteland of at  
2 least 10 5 contiguous acres on which farming or  
3 agricultural activities have produced a gross income  
4 of at least \$2,000 per year in one of the 2 or 3 of  
5 the 5 calendar years preceding the date of application  
6 for classification of-at-least.

7 A. --\$1,000 for 10 acres; and

8 B. \$100 per acre for each acre over 10, with  
9 the total income required not to exceed \$2,000.

10 Gross income as used in this section includes the  
11 value of commodities produced for consumption by the  
12 farm household. Any applicant for assessment under  
13 this subchapter bears the burden of proof as to his  
14 qualification.

15 Sec. 2. 36 MRSA §1103, as amended by PL 1977,  
16 c. 467, §2, is further amended to read:

17 §1103. Owner's application

18 An owner of farmland or open space land may apply  
19 for taxation under this subchapter for the calendar  
20 year 1978 1988, and for subsequent calendar years,  
21 at his election by filing with the assessor the  
22 schedule provided for in section 1109. The election  
23 to apply shall require the unanimous consent of all  
24 owners of an interest in that farmland or open space  
25 land.

26 Sec. 3. 36 MRSA §1105, as repealed and replaced  
27 by PL 1977, c. 467, §3, is repealed and the following  
28 enacted in its place:

29 §1105. Valuation of farmland and open space land

30 1. Valuation rules. The Department of  
31 Agriculture, Food and Rural Resources and Bureau of  
32 Taxation shall establish no later than January 1,  
33 1989, through rulemaking pursuant to the Maine  
34 Administrative Procedure Act, Title 5, chapter 375,  
35 subchapter II, the value per acre of various  
36 categories of farmland for each county in the State.

1 The valuation standards shall be based on soil types,  
2 farmland quality, topography, degree days and other  
3 relevant considerations. These standards shall be  
4 updated no less than every 5 years.

5 2. Notification of assessors. The standards  
6 shall be sent to each municipal assessor in the State.

7 3. Transition. Until rules establishing the  
8 valuation categories have been promulgated pursuant to  
9 subsection 1, subsection 4 shall continue to be used  
10 to guide the assessment of farmland. Upon  
11 promulgation of the rules establishing the valuation  
12 categories pursuant to subsection 1, subsection 4 is  
13 repealed.

14 4. Valuation; method. The municipal assessor,  
15 chief assessor or State Tax Assessor for the  
16 unorganized territory shall establish the 100%  
17 valuation per acre for good cropland, good orchard  
18 land and good pastureland and open space. The 100%  
19 valuations per acre shall be based on the current use  
20 value of farmland used for agricultural purposes and  
21 open space land used for open space purposes. These  
22 valuations shall reflect neither the potential for  
23 development of farmland or open space for purposes  
24 other than for agriculture or open space nor the value  
25 attributable to road or shore frontage.

26 Subsequent to the determination of 100% valuations  
27 per acre, the municipal assessor, chief assessor or  
28 the State Tax Assessor for the unorganized territory  
29 shall determine the valuation of each parcel of  
30 farmland classified under this subchapter, on a  
31 schedule provided by the State Tax Assessor, by  
32 adjusting the 100% valuation by the following ratios  
33 to reflect the value of very good, good and poor  
34 farmland.

35		<u>Very Good</u>	<u>Good</u>	<u>Poor</u>
36	<u>Cropland</u>	<u>1.2</u>	<u>1.0</u>	<u>.8</u>
37	<u>Orchard Land</u>	<u>1.2</u>	<u>1.0</u>	<u>.8</u>
38	<u>Pastureland</u>	<u>1.2</u>	<u>1.0</u>	<u>.8</u>

1       The 100% valuations per acre for farm and open  
2 space woodland within a parcel classified under this  
3 subchapter shall be the 100% valuation per acre for  
4 each forest type established for each county pursuant  
5 to subchapter II-A. Areas other than woodland,  
6 pastureland, orchard land, cropland or open space  
7 located within any parcel of farmland or open space  
8 classified under this subchapter shall be valued on  
9 the basis of just value.

10       Sec. 4. 36 MRSa §1108, as amended by PL 1979,  
11 c. 666, §23, is further amended to read:

12 §108. Assessment of tax; municipal compensation

13       1. Organized areas. The municipal assessors  
14 shall adjust the 100% valuations per acre for farmland  
15 for their jurisdiction by whatever ratio, or  
16 percentage of current just value, is then being  
17 applied to other property within the municipality to  
18 obtain the assessed values. Commencing April 1,  
19 1978, land in the organized areas subject to taxation  
20 under this subchapter shall be taxed at the property  
21 tax rate applicable to other property in the  
22 municipality, which rate shall be applied to the  
23 assessed values so determined.

24       2. Unorganized territory. The State Tax  
25 Assessor shall adjust the 100% valuations per acre for  
26 farmland for the unorganized territory by such ratio  
27 or percentage as is then being used to determine the  
28 state valuation applicable to other property in the  
29 unorganized territory to obtain the assessed values.  
30 Commencing April 1, 1978, land in the unorganized  
31 territory subject to taxation under this subchapter  
32 shall be taxed at the state property tax rate  
33 applicable to other property in the unorganized  
34 territory, which rate shall be applied to the assessed  
35 values so determined.

36       3. Municipal compensation. Upon application by a  
37 municipality to the Bureau of Taxation on a yearly  
38 basis, on forms to be developed by the bureau, each  
39 municipality in the State shall be entitled to  
40 reimbursement in full from the General Fund for

1 revenues from property taxation that would otherwise  
2 be due except for the classification of farmland under  
3 this chapter.

4       Sec. 5. 36 MRSA §1109, sub-§2, as amended by PL  
5 1977, c. 509, §26, is further amended to read:

6       2. Provisional classification. The owner of a  
7 parcel of land, including woodland and wasteland of at  
8 least ~~10~~ 5 contiguous acres on which farming or  
9 agricultural activities have not produced the gross  
10 income required in section 1102, subsection 4, per  
11 year for one of the 2 or 3 of the 5 preceding calendar  
12 years, may apply for a 2-year provisional  
13 classification as farmland by submitting a signed  
14 schedule in duplicate, on or before April 1st of the  
15 year for which provisional classification is  
16 requested, identifying the land to be taxed hereunder,  
17 listing the number of acres of each farmland  
18 classification, showing the location of the land in  
19 each classification and representing that the  
20 applicant intends to conduct farming or agricultural  
21 activities upon that parcel. Upon receipt of the  
22 schedule, the land shall be provisionally classified  
23 as farmland and subjected to taxation under this  
24 subchapter. If, at the end of the 2-year period, the  
25 land does not qualify as farmland under section 1102,  
26 subsection 4, the owner shall pay a penalty which  
27 shall be an amount equal to the taxes which would have  
28 been assessed had the property been assessed at its  
29 fair market value on the first day of April for the 2  
30 preceding tax years less the taxes paid on the  
31 property over the 2 preceding years and interest at  
32 the legal rate from the dates on which those amounts  
33 would have been payable.

34       Sec. 6. 36 MRSA §1109, sub-§4, as amended by PL  
35 1977, c. 509, §27, is further amended to read:

36       4. Investigation. The assessor shall notify the  
37 landowner of his determination as to the applicability  
38 of this subchapter by June 1st following receipt of a  
39 signed schedule meeting the requirements of this  
40 section. ~~If such notification is not given, except~~  
41 ~~for an application for provisional classification as~~

1 farmland, the assessor shall be deemed to have  
2 denied taxation hereunder at that time unless the land  
3 was taxed under this subchapter in the preceding year,  
4 in which case the assessor shall be deemed to have  
5 permitted taxation hereunder. The assessor shall then  
6 notify the landowner that the application has been  
7 accepted or denied. If the application is denied, the  
8 assessor shall state the reasons for the denial and  
9 provide the landowner an opportunity to amend the  
10 schedule to conform to the requirements of this  
11 chapter.

12 The assessor or the assessor's duly authorized  
13 representative may enter and examine the lands under  
14 this subchapter for tax purposes and may examine into  
15 any information submitted by the owner or owners.

16 Upon notice in writing by certified mail, return  
17 receipt requested, any owner or owners shall be  
18 required, within 60 days of the receipt of such  
19 notice, to respond to such written questions or  
20 interrogatories as the assessor may deem necessary to  
21 obtain material information about those lands. Should  
22 the assessor determine that he cannot reasonably  
23 obtain the required material information regarding  
24 those lands through such written questions or  
25 interrogatories, the assessor may require any owner or  
26 owners, upon notice in writing by certified mail,  
27 return receipt requested, or by such other method as  
28 provides actual notice, to appear before the assessor  
29 at such reasonable time and place as the assessor may  
30 designate and answer such questions or interrogatories  
31 as the assessor may deem necessary to obtain material  
32 information about those lands.

33 Sec. 7. 36 MRSA §1112, as amended by PL 1983,  
34 c. 400, §§2 and 3, is further amended to read:

35 §1112. Recapture penalty

36 Any change in use disqualifying land for  
37 classification under this subchapter shall cause a  
38 penalty to be assessed by the assessors of the  
39 municipality in which the land is located, or by the  
40 State Tax Assessor if the land is not within a

1 municipality, in addition to the annual tax in the  
2 year of disqualification except when the change is  
3 occasioned by a transfer resulting from the exercise  
4 or the threatened exercise of the power of eminent  
5 domain.

6 Such penalty shall be an amount computed by  
7 multiplying the amount, if any, by which the fair  
8 market value of the real estate on the date of  
9 withdrawal exceeds the 100% valuation of the real  
10 estate pursuant to this subchapter on the preceding  
11 April 1st by the following rates: Ten percent for  
12 land which has been taxed under this subchapter for 5  
13 years or less; 20% for land which has been taxed under  
14 this subchapter for more than 5 years but less than 10  
15 years and 30% for land which has been taxed under this  
16 subchapter for 10 years or more.

17 Notwithstanding the percentages specified under  
18 the preceding paragraph, beginning April 1, 1988, the  
19 penalty shall not be less than 20% and beginning April  
20 1, 1993, the penalty shall not be less than 30%. If  
21 the real estate was subject to valuation under this  
22 subchapter for more than 10 years prior to the date of  
23 withdrawal, the rate, whether calculated under this  
24 paragraph or the preceding one, shall be adjusted by  
25 deducting 1% from 30% for each full year beyond 10  
26 years that the real estate was subject to valuation  
27 under this subchapter prior to the date of withdrawal  
28 until a rate of 20% is reached. In no event may the  
29 penalty be less than the minimum required by the  
30 Constitution of Maine, Article IX, Section 8.

31 For land classified under this chapter for less  
32 than 5 years, the penalty shall be equal to 40% of its  
33 assessed fair market value at the time the land is  
34 removed from the program. For land that has been  
35 classified under this chapter for 5 years or longer,  
36 the penalty shall be equal to the sum of the taxes  
37 that would have been paid on the land for the past 5  
38 years if it had not been classified under this  
39 chapter, less all taxes that were actually paid during  
40 those 5 years, and interest at the rate charged during  
41 those 5 years for United States Treasury notes, plus  
42 3%.

1 No penalty may be assessed at the time of a change  
2 of use from one classification of land subject to  
3 taxation under this subchapter to another  
4 classification of land subject to taxation under this  
5 subchapter nor ~~shall~~ may any penalty be assessed  
6 upon the withdrawal of land from taxation under this  
7 subchapter if the owner applies for and is accepted  
8 for classification as timberland under subchapter  
9 II-A, provided that in the event a penalty is later  
10 assessed under subchapter II-A the period of time that  
11 the land was taxed as farmland or open space land  
12 under this subchapter shall be included for purposes  
13 of establishing the amount of the penalty.

14 If land is taken out of agricultural production  
15 due to the owner's death or permanent disability  
16 within 5 years of its classification under this  
17 chapter, the penalty assessed shall be the minimum  
18 required by the Constitution of Maine, Article IX,  
19 Section 8.

20 The penalties set forth in this section shall  
21 apply to all farmland classified under this chapter on  
22 the effective date of this paragraph and to all  
23 farmland subsequently enrolled.

24 Sec. 8. 36 MRSa §§1119 and 1120 are enacted to  
25 read:

26 §1119. Program promotion

27 By January 1, 1989, the Department of Agriculture,  
28 Food and Rural Resources and the Bureau of Taxation  
29 shall produce written materials designed to inform  
30 municipal assessors, farmers and Maine citizens about  
31 the farm and open space tax program. These materials  
32 shall be in a form that are attractive, easily  
33 understandable and designed to interest the public in  
34 the program. The department and the bureau shall  
35 ensure that these written materials are made available  
36 and distributed as widely as possible throughout the  
37 State.

