

MAINE STATE LEGISLATURE

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L.D. 2506

(Filing No. H-738)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1830, L.D. 2506,
Bill, "AN ACT to Improve Comprehensive Land Use
Planning and Land Use Ordinances to Manage Growth and
Development."

Amend the Bill by striking out all of the title
and inserting in its place the following:

'AN ACT to Manage Growth and Development Through the
Establishment of Municipal Land Banks.'

Further amend the Bill by striking out everything
after the enacting clause and inserting in its place
the following:

'36 MRSA c. 712-A is enacted to read:

CHAPTER 712-A

LOCAL OPTION REAL ESTATE TRANSFER TAX

§4661. Local real estate transfer tax

A municipality adopting a municipal land bank
pursuant to this chapter may impose a real estate
transfer tax on both the transferor and the transferee
of real estate according to the following procedure
and limitations.

1. Referendum. A local real estate transfer tax

COMMITTEE AMENDMENT "A" to H.P. 1830, L.D. 2506

1 may be imposed by a municipality if it is approved by
2 a referendum conducted according to Title 30, section
3 2061.

4 2. Rate of tax. The referendum question shall
5 specify the rate of the tax which may not exceed 0.4%
6 of the taxable base of the property subject to the tax.

7 3. Taxable base. The base to which the tax is
8 applied is the amount subject to tax under chapter
9 711-A less \$77,000 if the property subject to the tax
10 is the primary residence of the transferor or will be
11 the primary residence of the transferee. Transfers
12 which are exempt from the tax under chapter 711-A are
13 also exempt from the tax authorized by this chapter.

14 4. Liability. The transferor of property is
15 liable for 1/2 of the tax. The transferee is liable
16 for the remaining 1/2.

17 5. Payment. The tax shall be paid to the
18 municipal tax collector within 30 days of the transfer
19 of property.

20 6. Lien. If the tax is not paid within 30 days
21 of the transfer, the municipality may establish and
22 enforce a lien in the same manner as a lien pursuant
23 to Title 38, section 1208.

24 7. Use of revenues. All revenues received by a
25 municipality from the tax authorized by this chapter
26 shall be deposited in a municipal land bank account
27 and may be used only for the purposes permitted under
28 this chapter.

29 8. Failure to pay tax. Failure to pay the tax
30 provided by this chapter shall be subject to a
31 penalty, in addition to the tax, equal to the amount
32 of the tax and interest at the rate determined
33 pursuant to section 186. Penalties and interest due
34 under this chapter shall be paid to the municipality
35 in which the tax is due. Penalties and interest may
36 be recovered by the municipality in a civil suit.

37 \$4662. Municipal land bank

38 A municipality imposing a local real estate

COMMITTEE AMENDMENT "A" to H.P. 1830, L.D. 2506

1 transfer tax shall establish a municipal land bank and
2 shall previously have adopted a comprehensive plan
3 pursuant to the requirements of Title 30, chapter 239,
4 subchapter VI.

5 1. Referendum. The municipal land bank must be
6 approved by referendum according to the provisions of
7 Title 30, section 2061. It may be approved as part of
8 the referendum adopting a local real estate transfer
9 tax or as a separate measure.

10 2. Administration. The referendum shall provide
11 that the municipal land bank be administered by the
12 municipal officers, unless a commission is
13 established. If a commission is to administer the
14 land bank, the referendum shall provide for a
15 commission and shall specify number, qualifications,
16 terms of office and powers and duties of commission
17 members.

18 3. Limitation. Funds in a municipal land bank
19 are restricted to the following uses:

20 A. Acquisition or management of interests in land
21 within the municipality for the purposes of:

- 22 (1) Preserving it in an undeveloped state;
- 23 (2) Conserving natural or scenic resources
24 or preserving wildlife habitat; or
- 25 (3) Maintaining or improving recreational
26 opportunities within the municipality; or

27 B. Any other purposes which are incidental to the
28 purposes permitted by this section, including
29 administrative costs and the costs of employing
30 staff, but not including costs of maintaining or
31 improving recreation or open space.

32 4. Local effort. Funds may be expended from the
33 municipal land bank only to the extent that the
34 municipality provides an equal amount of funds for the
35 purposes authorized in subsection 3 from sources other
36 than the municipal land bank.'

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STATEMENT OF FACT

2 This amendment eliminates provisions of the
3 original bill which do not relate to municipal land
4 banks. It permits a municipality to establish a
5 municipal land bank funded by a local real estate
6 transfer tax. The municipality could adopt a
7 municipal land bank if it has adopted a comprehensive
8 plan under the relevant provisions of the Maine
9 Revised Statutes, Title 30. The municipality would be
10 required to hold a referendum on imposition of the
11 tax. The tax would be limited to 0.4% of the taxable
12 base of property transferred within the municipality
13 to be paid 1/2 by the transferor and 1/2 by the
14 transferee. The first \$77,000 of the value of primary
15 residences would be exempt from the tax. The tax
16 would be collected by the municipal tax collector.

17 Revenues obtained through a local real estate
18 transfer tax would be restricted to the acquisition or
19 management of land for the purposes of preserving
20 undeveloped land, conserving natural or scenic
21 resources or wildlife habitat, maintaining or
22 improving recreational opportunities or other
23 incidental purposes, including administrative costs,
24 but not land maintenance. A municipality would be
25 required to match land bank funds from other sources
26 before money could be expended from the land bank.

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Reported by the Minority of the Committee on Energy and Natural Resources
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4/18/88 (Filing No. N-738)