

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 180

H.P. 136

House of Representatives, February 14, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative SMITH of Island Falls.

Cosponsored by Speaker MARTIN of Eagle Lake, Representative MAYO of Thomaston and Senator ANDREWS of Cumberland.

STATE OF MAINE

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

**An Act to Amend the Tree Growth Tax Law to Ensure a Steady
Supply of Wood for Maine's Forest Products Industry.**



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

3 **Sec. 1. 36 MRSA §572, 2nd ¶**, as enacted by PL 1971, c. 616,
5 §8, is amended to read:

7 It is declared to be the public policy of this State that
9 the public interest would be best served by encouraging forest
11 landowners to retain and improve their holdings of forest lands
13 upon the tax rolls of the State and, to promote better forest
15 management by appropriate tax measures in order to protect this
17 unique economic and recreational resource and to ensure a steady
19 supply of wood for the State's forest products industry.

21 **Sec. 2. 36 MRSA §574, 1st ¶**, as amended by PL 1981, c. 517, §4,
23 is further amended to read:

25 An owner of a parcel containing forest land may apply at his
27 the owner's election by filing with the assessor the schedule
29 provided for in section 579; except that this subchapter shall
31 not apply to any parcel containing less than 10 acres of forest
33 land. For purposes of this subchapter, a parcel is deemed to
35 include a unit of real estate, notwithstanding that it is divided
37 by a road, way, railroad or pipeline, or by a municipal or county
39 line. The election to apply shall require the unanimous consent
41 of all owners of an interest in a parcel, except for the State
43 which is not subject to taxation hereunder.

45 **Sec. 3. 36 MRSA §574**, as amended by PL 1981, c. 517, §4, is
47 further amended by adding at the end a new paragraph to read:

49 After April 1, 1990, any stumpage harvested from land
51 covered under this subchapter must be sold directly to state
53 forest products processors, to brokers who will sell this
55 stumpage only to state forest products processors or for use as
firewood in the State. To be covered under this subchapter, a
landowner must submit a signed and sworn statement to abide by
this condition. If any stumpage from a parcel covered under this
subchapter is sold for processing or use out of state, the parcel
shall not be eligible for this program and shall be subject to
any penalties for withdrawal.

57 **Sec. 4. 36 MRSA §579, 2nd ¶**, as enacted by PL 1981, c. 625,
59 §3, is repealed.

61 **Sec. 5. 36 MRSA §579**, as amended by PL 1987, c. 852, §2, is
63 further amended by adding after the 3rd paragraph a new paragraph
65 to read:

67 After April 1, 1990, a landowner must notify the assessor in
69 writing of any stumpage harvests of over 20 cords per year from a
71 parcel subject to reduced valuation under this subchapter. The
73 landowner must include with this notification a sworn and signed
75 statement from a state forest product processor or forest product
broker that the stumpage was sold for processing or use in this
State.

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STATEMENT OF FACT

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This bill proposes to broaden the purpose of Maine's Tree Growth Tax Law to ensure a steady supply of wood for Maine forest products industries. This bill will change the law to require that timber grown on land classified under the law is sold only for use or processing in Maine. Maine taxpayers should not be subsidizing landowners to sell their timber out of state when wood processors in some areas are experiencing shortages.

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This bill requires landowners participating in the program to agree to sell their stumpage to Maine processors. In addition, to maintain favorable treatment under the law, landowners must document that any stumpage sales over 20 cords per year are sold for processing or use within the State.

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