

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 560

S.P. 230

In Senate, March 6, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DILLENBACK of Cumberland.
Cosponsored by Representative DEXTER of Kingfield.

STATE OF MAINE

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

An Act to Amend the Tree Growth Law.



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

3 **Sec. 1. 36 MRSA §581, 3rd ¶, as amended by PL 1983, c. 400,**
5 **§§1 and 3, is further amended to read:**

7 In either case, and except when the change is occasioned by
9 a transfer to the State or other entity holding the power of
11 eminent domain, resulting from the exercise or threatened
13 exercise of that power, withdrawal shall impose a penalty upon
15 the owner ~~which shall be the greater of (a) an amount equal to~~
17 ~~the taxes which would have been assessed on the first day of~~
19 ~~April for the 5 tax years, or any lesser number of tax years~~
21 ~~starting with the year in which the property was first~~
23 ~~classified, preceding such withdrawal had such real estate been~~
25 ~~assessed in each of those years at its fair market value on the~~
27 ~~date of withdrawal less all taxes paid on that real estate over~~
29 ~~the preceding 5 years, and interest at the legal rate from the~~
31 ~~date or dates on which those amounts would have been payable or~~
33 ~~(b) an amount computed by multiplying the amount, if any, by~~
35 ~~which the fair market value of the real estate on the date of~~
 ~~withdrawal exceeds the 100% valuation of the real estate pursuant~~
 ~~to this subchapter on the preceding April 1st, by the following~~
 ~~rates: (i) If the real estate was subject to valuation under this~~
 ~~subchapter for 10 years or less prior to the date of withdrawal,~~
 ~~the rate shall be 30%; and (ii) if the real estate was subject to~~
 ~~valuation under this subchapter for more than 10 years prior to~~
 ~~the date of withdrawal, the rate shall be that percentage~~
 ~~obtained by subtracting 1% from 30% for each full year beyond 10~~
 ~~years that the real estate was subject to valuation under this~~
 ~~subchapter prior to the date of withdrawal until a rate of 20% is~~
 ~~reached in accordance with the provisions in this section. Fair~~
 ~~market value at the time of withdrawal is the assessed value of~~
 ~~comparable property in the municipality adjusted by the~~
 ~~municipality's certified assessment ratio.~~

37 **Sec. 2. 36 MRSA §581, as amended by PL 1987, c. 852, §3, is**
39 **further amended by adding new 4th and 5th paragraphs to read:**

41 For land classified under this subchapter for less than 5
43 years, the penalty shall be equal to 40% of its assessed fair
45 market value at the time the land is removed from the program.
47 For land that has been classified under this subchapter for 5 or
49 more years but less than 10 years, the penalty shall be full
51 recapture of the taxes that would have been paid on the land for
 all the years it was in the program, less all taxes that were
 paid during those years and interest at the rate set by the town
 during those years on delinquent taxes. For land that has been
 classified under this subchapter for 10 or more years, the
 penalty shall be the recapture of the taxes that would have been
 paid on the land for the past 5 years if it had not been
 classified under this subchapter, less all taxes that were

1 actually paid during those 5 years and interest at the rate set
3 by the town during those 5 years on delinquent taxes.

5 If land is withdrawn from classification under this
7 subchapter, any penalty assessed may be considered for abatement
9 pursuant to the procedures incorporated in subchapter VIII.

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STATEMENT OF FACT

11 This bill makes the penalties for withdrawing land from
13 taxation under the Maine Tree Growth Tax Law the same as the
15 penalties for withdrawing land under the farm and open space tax
laws.