

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 1393

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S.P. 505

In Senate, April 27, 1989

Reference to the Committee on Taxation suggested and ordered printed.

*Joy J. O'Brien*  
JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator HOLLOWAY of Lincoln.

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STATE OF MAINE

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

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An Act Amending the Tree Growth Tax Law to Dedicate Penalty Proceeds to  
Purchase Public Parks and Open Space.

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

3 Sec. 1. 36 MRSA §581, 5th ¶, as amended by PL 1977, c. 509,  
5 §9, is further amended to read:

7 Such penalties shall be paid to the tax collector as  
9 additional property taxes upon withdrawal. This money shall be  
placed in separate funds to be administered in accordance with  
the provisions of section 585.

11 Sec. 2. 36 MRSA §§585 to 588 are enacted to read:

13 §585. Penalty tax funds; unorganized areas

15 Penalty tax funds collected in unorganized areas shall be  
17 deposited in the Land for Maine's Future Fund established  
19 pursuant to Title 5, section 6203, to be used, in accordance with  
the provisions of that chapter, for purchase of land within the  
unorganized territory.

21 §586. Penalty tax funds; organized areas

23 Municipalities having land subject to tree growth taxation  
25 shall establish tree growth penalty funds to be held separate and  
27 apart from all other money, funds and accounts. There shall be 2  
29 funds: an acquisition fund in which 70% of each penalty shall be  
31 deposited and a development and maintenance fund in which 30% of  
each penalty shall be deposited. Eligible investment earnings  
credited to the assets of the funds shall become part of that  
fund's assets. Any balance remaining in the fund at the end of  
any fiscal year shall be carried forward for the next fiscal year.

33 1. Acquisition fund. Assets of the acquisition fund may be  
35 applied and expended to acquire property or an interest in  
37 property within the municipality which shall be dedicated to  
39 public parks and preserves, any such purchase to be consistent  
with any municipal comprehensive plan prepared pursuant to Title  
30, section 4960-C, as it relates to open and recreational space.

41 2. Development and maintenance fund. The development and  
43 maintenance fund may be used to fund capital improvements on  
acquired lands and the maintenance of the lands and facilities.

45 §587. Acquisition criteria

47 Land acquired with the funds created by section 586 shall  
49 contain recreation lands, prime physical features of the State's  
51 landscape, areas of special scenic beauty, farmland or open  
space, undeveloped shorelines, wetlands, fragile mountain areas,  
significant plant or wildlife habitat, forest lands, lands with  
other conservation or recreation values or land that provides

1 public access to recreational opportunities or to those natural  
3 resources identified in this section.

5 **§588. Ownership; title; management**

7 1. Fund; uses. The funds created by section 586 may be  
9 used for the acquisition of real property in both fee and  
11 less-than-fee simple interest, including, but not limited to,  
13 conservation easements, access easements, scenic easements, other  
15 permanent interests in land and long-term leases of at least 99  
17 years, provided that those acquisitions are primarily natural  
19 lands meeting the criteria set forth in this chapter.

21 2. Title. Title to all lands acquired pursuant to this  
23 chapter shall be vested in the municipality. Management  
25 responsibilities for the acquired lands may be contracted by the  
27 municipality to cooperating entities subject to appropriate lease  
29 arrangements.

31 **STATEMENT OF FACT**

When land is removed from tree growth, a penalty is paid into the municipal fund or, in the case of the unorganized territory, into the Unorganized Territory Education and Services Fund. This bill would dedicate those penalty proceeds to the purchase, development and maintenance of public parks and open space land by dedicating those proceeds to a special fund for that purpose within the municipality where collected or to the Land for Maine's Future Fund for purchases in the unorganized territory.