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

114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document   No. 2064

H.P. 1491   House of Representatives, January 3, 1990

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Taxation suggested and ordered printed.

Ed Pert

EDWIN H. PERT, Clerk

Presented by Representative TARDY of Palmyra.

Cosponsored by Representative MAYO of Thomaston, Representative DORE of Auburn and Senator ANDREWS of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act Concerning Reimbursement to Municipalities for Property Taxes Lost Due to the Classification of Property in Farmland and Open Space Programs.

(EMERGENCY)
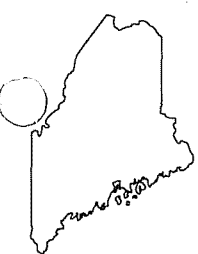
Emergency preamble. Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

Whereas, to implement the property tax changes contained in
this Act for the next tax year this Act must be in effect before
the 90-day period expires; and

Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
safety; now, therefore,

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

Sec. 1. 36 MRSA §1108, sub-§2, as amended by PL 1987, c. 728,
§5, is further amended to read:

2. Unorganized territory The State Tax Assessor shall
adjust the 100% valuations per acre for farmland for the
unorganized territory by such ratio or percentage as is then
being used to determine the state valuation applicable to other
property in the unorganized territory to obtain the assessed
values. For any tax year, the classified farmland value must
reflect only the current use value for farm or open space
purposes and shall not include any increment of value reflecting
development pressure. Commencing April 1, 1978, land in the
unorganized territory subject to taxation under this subchapter
shall be taxed at the state property tax rate applicable to other
property in the unorganized territory, which rate shall be
applied to the assessed values so determined. Upon collection by
the State Tax Assessor, such taxes shall be deposited in the
Unorganized Territory Education and Services Fund in accordance
with section 1605.

Sec. 2. 36 MRSA §1108, sub-§3 is enacted to read:

3. Reimbursement to municipalities. The State Tax Assessor
is authorized to make provisional payment of up to 75% of any
municipal claim found to be in satisfactory form. The payment
shall be made within 90 days after receipt of a satisfactory
claim and shall be presented for final settlement to the
Legislature next convening.

In tax years beginning on or after April 1, 1990, the State Tax
Assessor shall determine annually the amount of acreage in each
municipality which is classified and taxed in accordance with
this subchapter. A municipality actually levying and collecting
municipal property taxes and within whose boundaries this acreage
lies shall receive annual payments from money so appropriated by
the Legislature provided it submits an annual return in

accordance with section 383; and it achieves the appropriate
minimum assessment ratio described in section 327. For property
tax years based on the status of property on April 1, 1990, or
thereafter, the per acre reimbursement shall be 90% of the per
acre tax revenue lost as a result of this subchapter. For
purposes of this section, the tax lost is the tax that would have
been assessed, but for this subchapter, on the classified farm
and open space lands if they were assessed according to the
undeveloped acreage valuations used in the state valuation then
in effect, or according to the current local valuation on
undeveloped acreage, whichever is less, minus the tax that was
actually assessed on the same lands in accordance with this
subchapter.

No municipality may receive a reimbursement payment under this
section which would exceed an amount determined by calculating
the farm and open space tax loss less the municipal savings in
educational costs attributable to reduced state valuation.

A. The farm and open space tax loss is the adjusted tax
that would have been assessed, but for this subchapter, on
the classified farm and open space lands if they were
assessed according to the undeveloped acreage valuations
used in the state valuation then in effect minus the tax
that was actually assessed on the same lands in accordance
with this subchapter.

In determining the adjusted tax that would have been
assessed, the tax rate to be used is computed by adding the
additional school support required by the modified state
valuation attributable to the increased valuation of farm
and open space land to the original tax committed and
dividing this sum by the modified total municipal
valuation. The adjusted tax rate is then applied to the
valuation of farm and open space lands based on the
undeveloped acreage valuations, adjusted by the certified
ratio, to determine the adjusted tax.

B. The municipal savings in educational costs is determined
by multiplying the school subsidy index by the change in
state valuation attributable to the use of the valuations
determined in accordance with this subchapter on classified
farm and open space lands rather than their valuation using
the undeveloped acreage valuations used in the state
valuation then in effect.

STATEMENT OF FACT

This bill makes reimbursement to municipalities under the
farmland and open space laws the same as the tree growth tax laws.