

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>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 154

H.P. 111

House of Representatives, January 22, 1991

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 MAYO of Thomaston.

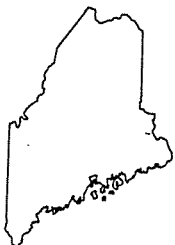
Cosponsored by Representative GRAY of Sedgwick, Representative COLES of Harpswell and Representative NASH of Camden.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

**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
2 become effective until 90 days after adjournment unless enacted
as emergencies; and

4
Whereas, to implement the property tax changes contained in
6 this Act for the next tax year, this Act must be in effect before
the 90-day period expires; and

8
Whereas, in the judgment of the Legislature, these facts
10 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
12 necessary for the preservation of the public peace, health and
safety; now, therefore,

14
Be it enacted by the People of the State of Maine as follows:

16
Sec. 1. 36 MRSA §1108, sub-§2, as amended by PL 1987, c. 728,
18 **§5, is further amended to read:**

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

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

38
3. Reimbursement to municipalities. The State Tax Assessor
40 is authorized to make provisional payment of up to 75% of any
municipal claim found to be in satisfactory form. The payment
42 must be made within 90 days after receipt of a satisfactory claim
and be presented for final settlement to the next Legislature.

44
In tax years beginning on or after April 1, 1991, the State Tax
46 Assessor shall determine annually the amount of acreage in each
municipality that is classified and taxed in accordance with this
48 subchapter. A municipality actually levying and collecting
municipal property taxes and within whose boundaries this acreage
50 lies is entitled to annual payments from money appropriated by
the Legislature provided the municipality submits an annual
52 return in accordance with section 383 and achieves the

2 appropriate minimum assessment ratio described in section 327.
3 For property tax years based on the status of property on April
4 1, 1991, or thereafter, the per acre reimbursement must be 90% of
5 the per acre tax revenue lost as a result of this subchapter.
6 For purposes of this section, the tax lost is the tax that would
7 have been assessed, but for this subchapter, on the classified
8 farm and open space lands if they were assessed according to the
9 undeveloped acreage valuations used in the state valuation then
10 in effect, or according to the current local valuation on
11 undeveloped acreage, whichever is less, minus the tax that was
12 actually assessed on the same lands in accordance with this
13 subchapter.

14 A municipality may not receive a reimbursement payment under this
15 section that would exceed an amount determined by calculating the
16 farm and open space tax loss less the municipal savings in
17 educational costs attributable to reduced state valuation.

18
19 A. The farm and open space tax loss is the adjusted tax
20 that would have been assessed, but for this subchapter, on
21 the classified farm and open space lands if they were
22 assessed according to the undeveloped acreage valuations
23 used in the state valuation then in effect minus the tax
24 that was actually assessed on the same lands in accordance
25 with this subchapter.

26
27 In determining the adjusted tax that would have been
28 assessed, the tax rate to be used is computed by adding the
29 additional school support required by the modified state
30 valuation attributable to the increased valuation of farm
31 and open space land to the original tax committed and
32 dividing this sum by the modified total municipal
33 valuation. The adjusted tax rate is then applied to the
34 valuation of farm and open space lands based on the
35 undeveloped acreage valuations, adjusted by the certified
36 ratio, to determine the adjusted tax.

37
38 B. The municipal savings in educational costs are
39 determined by multiplying the school subsidy index by the
40 change in state valuation attributable to the use of the
41 valuations determined in accordance with this subchapter on
42 classified farm and open space lands rather than their
43 valuation using the undeveloped acreage valuations used in
44 the state valuation then in effect.

45 Emergency clause. In view of the emergency cited in the
46 preamble, this Act takes effect when approved.

48

2

STATEMENT OF FACT

4

6

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