

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1645

H.P. 1120

House of Representatives, April 24, 1991

Reference to the Committee on Taxation suggested and ordered printed.

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

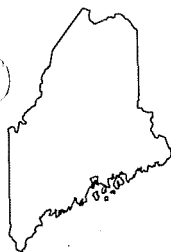
EDWIN H. PERT, Clerk

Presented by Representative GRAY of Sedgwick.
Cosponsored by Representative MAYO of Thomaston.

STATE OF MAINE

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

**An Act to Protect Forest Resources From Piecemeal Development and to
Amend the Maine Tree Growth Tax Law.**



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

4 Sec. 1. 36 MRSA §501, sub-§4-A is enacted to read:

6 4-A. Parcel. A "parcel" means a unit of real estate, even
if it is divided by a road, way, railroad or pipeline or by a
municipal or county line.

8 Sec. 2. 36 MRSA §581, as amended by PL 1983, c. 400, §§1 and
10 3, is repealed and the following enacted in its place:

12 §581. Withdrawal

14 If the assessor determines that land subject to this
subchapter no longer meets the requirements of this subchapter,
the assessor shall withdraw the parcel from taxation under this
subchapter. The owner of such land may at any time request
withdrawal of a parcel from taxation under this subchapter.

20 1. Penalty. Except when the withdrawal is occasioned by a
transfer to the State or other entity holding the power of
eminent domain and results from the exercise or threatened
exercise of that power, withdrawal imposes a penalty upon the
owner that is the greater of:

26 A. An amount equal to the taxes that would have been
assessed on April 1st for the 5 tax years, or any lesser
number of tax years starting with the year in which the
property was first classified, preceding the withdrawal had
the real estate been assessed in each of those years at its
fair market value on the date of withdrawal, less all taxes
paid on real estate over the preceding 5 years and interest
at the legal rate from the date or dates on which those
amounts would have been payable; or

36 B. An amount computed by multiplying the amount, if any, by
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: 10% from April 1, 1973 to March 31,
1978; 20% from April 1, 1978 to March 31, 1983; and 30%
after March 31, 1983.

44 These penalties must be paid to the tax collector as additional
property taxes upon withdrawal.

46 Upon withdrawal, the lands are relieved of the requirements
of this subchapter immediately and are returned to taxation under
the State's laws that relate to taxation of real property to be
taxed on the following April 1st.

2 A penalty may not be assessed upon the withdrawal of land
4 from taxation under this subchapter if the owner applies and is
6 accepted for classification as farmland or open space land under
8 subchapter X, except that if a penalty is later assessed under
10 section 1112, the period of time that the land was taxed as
12 forest land under this subchapter is included for the purposes of
14 establishing the amount of the penalty.

10 **Sec. 3. 36 MRSA §581-A**, as amended by PL 1987, c. 772, §10,
12 is repealed and the following enacted in its place:

14 **§581-A. Sale, lease or designation for other use of a portion**
16 **of a parcel of forest land**

16 Sale, lease or designation for primary use other than growth
18 of forest products of a portion of a parcel subject to taxation
20 under this subchapter is deemed withdrawal of the entire parcel
22 from taxation under this subchapter. The penalties provided for
24 in sections 579 and 581 are imposed for any of these actions.

24 **STATEMENT OF FACT**

26 The purpose of this bill is to ensure that land taxed under
28 the Maine Tree Growth Tax Law is managed for timber production on
30 a sustained-yield basis. The bill requires that if a portion of
a parcel subject to that tax law is sold, leased or designated
for primary use other than growth of forest products, the entire
parcel of land be withdrawn from the favorable tax laws.