## MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

Legislative Document

No. 1706

H.P. 1165

House of Representatives, April 25, 1991

Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative BUTLAND of Cumberland. Cosponsored by Senator RICH of Cumberland.

STATE OF MAINE

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

An Act to Exempt Certain Farm Structures from Taxation.



	Be it enacted by the People of the State of Maine as follows:
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4	Sec. 1. 36 MRSA §656, sub-§1, ¶I, as enacted by PL 1983, c. 555, §3, is amended to read:
6	I. Mining property as provided in section 2854.; and
8 10	Sec. 2. 36 MRSA §656, sub-§1, ¶J is enacted to read:  J. Farm structures as provided in subchapter XI.
12	Sec. 3. 36 MRSA c. 105, sub-c. XI is enacted to read:
14	SUBCHAPTER XI
16	FARM STRUCTURES TAX EXEMPTION
18	§1131. Definitions
20	As used in this subchapter, unless the context otherwise
	indicates, the following terms have the following meanings.
22	
	1. Farm structure. "Farm structure" means any structure as
24	defined in Title 38, section 436-A, subsection 12 or any portion
	of such a structure used:
26	or budi a belaceare abea.
	A. Directly and predominately for the raising, production
28	for sale and storage of agricultural or horticultural
	products, not including structures or portions of structures
30	used for processing or retail sale of these products; and
	used for processing of recall safe of these produces, and
32	B. To provide housing for regular and essential farm
	employees and their immediate families, not including any
34	structure occupied as a residence by the applicant and the
-	applicant's immediate family.
36	approduce Laming
	2. Farmland. "Farmland" means any tract or tracts of land,
38	including woodland and wasteland, of at least 5 contiguous acres
	on which farming, agricultural or horticultural activities are
40	pursued for profit and have produced a gross income of at least
	\$2,000 per year in one of the 2, or 3 of the 5, calendar years
42	preceding the date of application for exemption.
	proceeding the date or approached for exemptions
44	§1132. Tax exemption for farm structures
46	Upon application of the owner, farm structures actually used
	and occupied for the purposes defined in section 1131, subsection
48	1 that are constructed or reconstructed after January 1, 1992 and
_0	before January 1, 2002 are exempt from taxation for any increase
50	in value caused by that construction or reconstruction for a
	neriod of 10 years

### §1133. Owner's application

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An owner of farmland may apply for exemption under this subchapter on a form prescribed by the State Tax Assessor on or before April 1st following the completion of the construction or reconstruction. The applicant has the burden of proof as to qualification. If the assessor finds that the farm structure meets the requirements of section 1132, that structure is exempt from taxation as provided. The exemption continues, without further application, only while the farm structure is actually used as required, but in no event for more than 10 years.

The assessor shall record, in the municipal office of the town where the farm structure is located, the granting of the exemption and the value at which the property would have been assessed had it not been exempt under this subchapter.

### §1134. Recapture of taxes on change of use

If the farmland or farm structure is converted to other uses inconsistent with the provisions of this subchapter during the period of an exemption granted under section 1133, the farm structure is subject to full recapture of the taxes that would have been paid for each year the exemption was granted, based on the value recorded under section 1133 plus interest at the rate set by the town on delinquent taxes during those years.

#### \$1135. Enforcement

A tax lien is available to secure the payment of the penalty provided in section 1134. This lien may be enforced in the same manner as liens on real estate created by section 552.

#### STATEMENT OF FACT

This bill further encourages the preservation of farmland as provided in the Farm and Open Space Tax Law by providing a 10-year exemption from taxation for certain new farm structures.