

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 857

H.P. 632

House of Representatives, March 14, 1995

**An Act to Postpone the Date by Which Withdrawal from the Tree
Growth Tax Laws Must Occur.**

(EMERGENCY)

Reported by Representative DORE for the Joint Standing Committee on Taxation pursuant to Public Law 1993, chapter 576, section 2.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

2 **Emergency preamble.** **Whereas**, Acts of the Legislature do not
3 become effective until 90 days after adjournment unless enacted
4 as emergencies; and

6 **Whereas**, the changes in the tree growth tax laws raise
7 several significant and complicated issues; and

8 **Whereas**, the joint standing committee of the Legislature
9 having jurisdiction over taxation matters is currently addressing
10 these issues in a thoughtful and comprehensive manner; and

12 **Whereas**, unless this legislation is enacted as an emergency
13 measure, the April 1, 1995 deadline for withdrawal from the tree
14 growth tax laws precludes reaching a meaningful and durable
15 solution to the issues raised and may present problems of notice
16 and fairness to certain landowners; and

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

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

26 **Sec. 1. 36 MRSA §574-B, sub-§1**, as amended by PL 1993, c. 576,
27 §1, is further amended to read:

30 **1. Forest management and harvest plan.** A forest management
31 and harvest plan has been prepared for the parcel and updated
32 every 10 years. The landowner shall file a sworn statement with
33 the municipal assessor in a municipality or the State Tax
34 Assessor for parcels in the unorganized territory that a
35 management plan has been prepared for the parcel. A landowner
36 with a parcel taxed pursuant to this subchapter on September 30,
37 1989 has until April 1, 1999 to comply with this requirement and
38 until the plan is prepared or April 1, 1999, whichever is
39 earlier, is subject to the applicability provisions under this
40 section as it existed on April 1, 1982.

42 A landowner with a parcel taxed pursuant to this subchapter for a
43 property tax year beginning before April 1, 1995 1996 when the
44 parcel was less than 100 acres and the sole use of the land was
 harvesting of trees for personal use shall:

46 A. By April 1, 1996, file a sworn statement that a revised
47 management plan has been prepared for the parcel of forest
48 land;

2 B. Apply for classification under the open space laws
3 pursuant to section 1106-A; or

4 C. Notwithstanding section 581, withdraw from tree growth
5 classification pursuant to this paragraph for the 1995 1996
6 tax year.

8 For withdrawal from tree growth classification under this
10 paragraph, the entire parcel subject to that classification
12 in 1993 must be withdrawn from classification for the 1995
14 1996 tax year. Persons electing to withdraw under this
16 paragraph shall notify the assessor before April 1, 1995
18 1996 and pay a penalty equal to the taxes that would have
20 been assessed on the first day of April for the 5 tax years,
22 or any lesser number of tax years starting with the year in
24 which the property was first classified, preceding that
 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 that 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. The procedure for withdrawal provided in this
 paragraph is intended to be an alternative to the procedure
 in section 581;

26 **Emergency clause.** In view of the emergency cited in the
27 preamble, this Act takes effect when approved.
28

30 **STATEMENT OF FACT**

32 This emergency bill postpones the withdrawal deadline under
33 the tree growth tax laws by one year in order to allow the Joint
34 Standing Committee on Taxation to comprehensively address the
35 issues involved in implementing such a deadline and to avoid
36 problems of notice and fairness to landowners under the tree
 growth tax laws.