

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1417

H.P. 1006

House of Representatives, April 26, 1995

An Act to Restrict Application of the Maine Tree Growth Tax Law.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative PERKINS of Penobscot. (By Request)

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

2
4 **Sec. 1. 36 MRSA §573, sub-§3, ¶B**, as enacted by PL 1981, c. 625, §1, is repealed.

6 **Sec. 2. 36 MRSA §574-B, first ¶**, as enacted by PL 1989, c. 555, §16, is amended to read:

8
10 An owner of a parcel containing forest land may apply at the
12 landowner's election by filing with the assessor the schedule
14 provided for in section 579; except that this subchapter shall
16 ~~does~~ not apply to any parcel containing less than ~~10~~ 50 acres of
18 forest land. For purposes of this subchapter, a parcel is deemed
 to include a unit of real estate, notwithstanding that it is
 divided by a road, way, railroad or pipeline, or by a municipal
 or county line. The election to apply ~~shall-require~~ requires the
 unanimous consent of all owners of an interest in a parcel,
 except for the State, which is not subject to taxation hereunder.

20 **Sec. 3. 36 MRSA §574-B, sub-§3**, as enacted by PL 1989, c. 555,
22 §16, is amended to read:

24 **3. Transfer of ownership.** If the land is transferred to a
26 new owner, a forest management and harvest plan must be prepared
28 for the landowner and a sworn statement to that effect submitted
 within one year to the municipal assessor in a municipality or
 the State Tax Assessor for the unorganized territory.

30 Parcels of land subject to section 573, subsection 3, paragraph B
 or C, are exempt from the requirements under this section.

32 **Sec. 4. 36 MRSA §581-A**, as amended by PL 1987, c. 772, §10,
34 is further amended to read:

36 **§581-A. Sale of portion of parcel of forest land**

38 Sale of a portion of a parcel of forest land subject to
40 taxation under this subchapter ~~shall~~ does not affect the taxation
42 under this subchapter of the resulting parcels, unless any is
44 less than ~~10~~ 50 forested acres in area. Each resulting parcel
46 ~~shall~~ must be taxed to the owners under this subchapter until the
48 parcel is withdrawn from taxation under this subchapter, in which
50 case the penalties provided for in sections 579 and 581 shall
 apply only to the owner of that parcel. If a parcel resulting
 from that sale is less than ~~10~~ 50 forested acres in area, the
 parcel ~~shall-be~~ is considered as withdrawn from taxation under
 this subchapter as a result of the sale and the penalty assessed
 against the owner of the resulting parcel of less than ~~10~~ 50
 forested acres.

2 **Sec. 5. 36 MRSA §2724, sub-§2**, as amended by PL 1993, c. 452,
§15, is further amended to read:

4 **2. Commercial forest land.** "Commercial forest land" means
6 land that is classified or that is eligible for classification as
forest land pursuant to the Maine Tree Growth Tax Law, chapter
105, subchapter II-A, except that "commercial forest land" does
8 not include land described in section 573, subsection 3,
paragraph ~~B~~ C when all commercial harvesting of forest
10 products is prohibited. In determining whether land not
classified under the Maine Tree Growth Tax Law is eligible for
12 classification under that law, all facts and circumstances must
be considered, including whether the landowner is engaged in the
14 forest products business and the land is being used in that
business or there is a forest management plan for commercial use
16 of the land or a particular parcel of land has been harvested for
commercial purposes within the preceding 5 years.

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STATEMENT OF FACT

22 This bill repeals the law that allows land on which
commercial harvesting of trees is prohibited or a primary use of
24 the land other than commercial harvesting is required by statute
or governmental restriction to be placed under the Maine Tree
26 Growth Tax Law. The bill also raises from 10 to 50 acres the
minimum size of a parcel that may be placed in the tree growth
28 program.