

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-1997

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Legislative Document

No. 1702

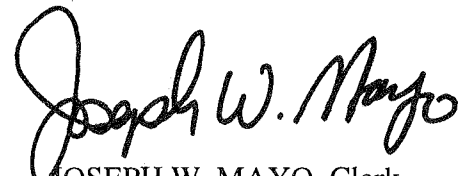
H.P. 1202

House of Representatives, April 1, 1997

### **An Act to Change the Method of Taxing Borrow Pits.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative GOODWIN of Pembroke.

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

Sec. 1. 36 MRSA c. 105, sub-c. XI is enacted to read:

SUBCHAPTER XI

BORROW PITS

§1151. Taxation of borrow pits

1. Scope. Borrow pits, as defined in Title 38, section 482, subsection 1 are taxed according to this section.

2. Determination of just value. The just value of a borrow pit must be determined as follows:

A. In the first year that the property is taxed under this section, the assessor shall determine:

(1) The just value of the property based upon the amount and value of material that is available for extraction from the property; and

(2) A depletion schedule, as adopted by the State Tax Assessor under subsection 4, for the next 9 years based upon the property owner's plans for extraction;

B. In the 9 years after the property is first taxed under this section, the just value determined under paragraph A must be reduced according to the depletion schedule determined under paragraph A.

C. In the 10th year after the property is first taxed under this section, the assessor shall redetermine the just value of the property based upon the amount and value of material that remains available for extraction from the property, and a new depletion schedule must be implemented for subsequent years.

3. Credits. If the assessor determines when the property is revalued in the 10th year that the original depletion schedule overestimated the amount and value of material for extraction from the property, a credit must be allowed based upon the amount and value of material that was actually available.

4. Depletion schedule. The State Tax Assessor shall adopt rules establishing approved depletion schedules for use under this section. The rules are routine technical rules for purposes of Title 5, chapter 375, subchapter II-A.

2        5. Documentation. Owners of property subject to this  
3        section shall provide any information requested by the assessor  
4        for purposes of determining the amount and value of material  
5        available for extraction from the property and the owner's plans  
6        for the timing of the extraction.

8                                **SUMMARY**

10        This bill provides a method of assessing property tax on  
11        borrow pits based upon the amount and value of material available  
12        for extraction from the property.