

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

M  
R.S.

L.D. 897

DATE: 3-16-99

(Filing No. H- 61 )

**TAXATION**

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 647, L.D. 897, Bill, "An Act to Extend the Management Plan Requirement for Forest Owners under the Maine Tree Growth Tax Law"

Amend the bill by inserting after the title and before the emergency preamble the following:

**'Mandate preamble.** This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, two thirds of all of the members elected to each House have determined it necessary to enact this measure.'

Further amend the bill in section 1 by striking out all of subsection 1 and inserting in its place the following:

**'1. Forest management and harvest plan.** A forest management and harvest plan has been prepared for the parcel and updated every 10 years. The landowner shall file a sworn statement with the municipal assessor in a municipality or the State Tax Assessor for parcels in the unorganized territory that a management plan has been prepared for the parcel. A landowner with a parcel taxed pursuant to this subchapter on September 30, 1989 has until ~~April--1~~ December 31, 1999 to comply with this requirement ~~and--until~~ or to provide evidence to the municipal assessor or the State Tax Assessor for parcels in the unorganized territory that the landowner intends to develop a forest management and harvest plan by December 31, 2000 or has executed a contract with a licensed forester for the completion of a

**COMMITTEE AMENDMENT**

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 647, L.D. 897

2 forest management and harvest plan by December 31, 2000. Until  
3 the plan is prepared or April 1, 1999 December 31, 2000,  
4 whichever is earlier, the land is subject to the applicability  
5 provisions under this section as it existed on April 1, 1982. A  
6 landowner who does not provide the municipal assessor or the  
7 State Tax Assessor for parcels in the unorganized territory by  
8 December 31, 1999 with a sworn statement that a forest management  
9 and harvest plan has been prepared or evidence that the landowner  
10 intends to develop a forest management and harvest plan or has  
11 executed a contract with a licensed forester for the completion  
12 of a forest management and harvest plan by December 31, 2000  
13 shall pay a penalty of \$100 to the municipal tax collector or the  
14 State Tax Assessor for parcels in the unorganized territory.  
15 This penalty is in addition to any penalty that is assessed  
16 pursuant to section 581 for withdrawal of land from  
17 classification under this subchapter and may be enforced in the  
18 same manner as a supplemental assessment under section 713.

19 ~~A-landowner with a parcel taxed pursuant to this subchapter for a~~  
20 ~~property tax year beginning before April 1, 1996 when the parcel~~  
21 ~~was less than 100 acres and the sole use of the land was~~  
22 ~~harvesting of trees for personal use shall:~~

23 ~~A- By April 1, 1999, file a sworn statement that a revised~~  
24 ~~management plan has been prepared for the parcel of forest~~  
25 ~~land;~~

26 ~~B- Apply for classification under the open space laws~~  
27 ~~pursuant to section 1106-A, or~~

28 ~~C- Notwithstanding section 581, withdraw from tree growth~~  
29 ~~classification pursuant to this paragraph for the 1996 tax~~  
30 ~~year.~~

31 ~~For withdrawal from tree growth classification under this~~  
32 ~~paragraph, the entire parcel subject to that classification~~  
33 ~~in 1993 must be withdrawn from classification for the 1996~~  
34 ~~tax year. Persons electing to withdraw under this paragraph~~  
35 ~~shall notify the assessor before April 1, 1996 and pay a~~  
36 ~~penalty equal to the taxes that would have been assessed on~~  
37 ~~the first day of April for the 5 tax years, or any lesser~~  
38 ~~number of tax years starting with the year in which the~~  
39 ~~property was first classified, preceding that withdrawal had~~  
40 ~~the real estate been assessed in each of those years at its~~  
41 ~~fair market value on the date of withdrawal less all taxes~~  
42 ~~paid on that real estate over the preceding 5 years and~~  
43 ~~interest at the legal rate from the date or dates on which~~  
44 ~~these amounts would have been payable. Persons electing to~~  
45 ~~withdraw under this paragraph may pay the penalty owed in 5~~  
46 ~~equal annual installments with interest at the legal rate to~~  
47 ~~begin 60 days after the date of assessment. Notwithstanding~~  
48  
49  
50

**COMMITTEE AMENDMENT**

~~section 943, the period during which the tax lien mortgage, including interest and costs, must be paid to avoid foreclosure and expiration of the right of redemption is 48 months instead of 18 months. The procedure for withdrawal provided in this paragraph is intended to be an alternative to the procedure in section 581.~~

Further amend the bill by inserting after section 1 the following:

**Sec. 2. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1998-99

**ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF**

**Bureau of Revenue Services**

All Other \$2,400

Provides funds for the revision and distribution of a property tax bulletin and schedule.'

Further amend the bill by inserting at the end before the summary the following:

**FISCAL NOTE**

1998-99

**APPROPRIATIONS/ALLOCATIONS**

General Fund \$2,400

This bill will allow existing land classified under the Maine Tree Growth Tax Law to remain eligible after April 1, 1999 by extending the deadline for obtaining a forest management and harvest plan from April 1, 1999 to December 31, 2000. Under current law, the Tree Growth Tax Reimbursement program will be realizing savings from reductions in tax reimbursements as a result of this requirement and the subsequent withdrawal or reclassification of land. These savings will result in funds lapsing from the Tree Growth Tax Reimbursement program to General Fund unappropriated surplus at the end of fiscal years 1999-00

100

COMMITTEE AMENDMENT "A" to H.P. 647, L.D. 897

2 and 2000-01. This bill will reduce the amounts that will lapse.  
The amount of these reductions can not be estimated at this time.

4 The Bureau of Revenue Services will incur additional costs  
6 estimated to be \$2,400 in fiscal year 1998-99 to revise and  
distribute a property tax bulletin and a form for classification  
8 of land as forest land. An additional General Fund appropriation  
to fund these additional costs is included.

10 This modification to the Maine Tree Growth Tax Law will  
12 result in some minor additional administrative costs to  
municipalities. Pursuant to the Mandate Preamble, the two-thirds  
14 vote of all members elected to each House exempts the State from  
the constitutional requirement to fund 90% of the additional  
16 local costs.

18 The collection of an additional \$100 penalty may increase  
dedicated revenue to the Unorganized Territory Education and  
20 Services Fund by a minor amount in fiscal year 2000-01.'

22 **SUMMARY**

24 This amendment allows owners of land classified under the  
Maine Tree Growth Tax Law until December 31, 2000 to file a sworn  
26 statement that a forest management plan has been prepared for the  
land or the land will be withdrawn from tree growth  
28 classification. A landowner whose land was subject to  
classification on September 30, 1989 is subject to a \$100 penalty  
30 if the landowner does not submit to the municipal assessor or the  
State Tax Assessor for parcels in the unorganized territory by  
32 December 31, 1999 either a sworn statement that a forest  
management plan has been completed or evidence that the landowner  
34 has executed a contract with a licensed forester for completion  
of a forest management plan by December 31, 2000. The bill also  
36 deletes obsolete language and adds a state mandate preamble and a  
fiscal note to the bill.  
38