

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

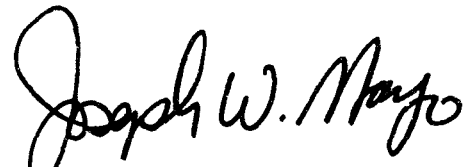
No. 935

H.P. 679

House of Representatives, February 2, 1999

**An Act to Set Penalties for the Late Filing of the Tree Growth Tax
Reimbursement.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative STEDMAN of Hartland.
Cosponsored by Representatives: BERRY of Belmont, JODREY of Bethel, JOY of Crystal,
KASPRZAK of Newport, RICHARDSON of Greenville.

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

2
4 **Sec. 1. 36 MRSA §578, sub-§1**, as amended by PL 1997, c. 24,
Pt. C, §4 and affected by §18, is further amended to read:

6 **1. Organized areas.** The municipal assessors or chief
7 assessor of a primary assessing area shall adjust the State Tax
8 Assessor's 100% valuation per acre for each forest type of their
9 county by whatever ratio, or percentage of current just value, is
10 then being applied to other property within the municipality to
11 obtain the assessed values. Forest land in the organized areas,
12 subject to taxation under this subchapter, must be taxed at the
13 property tax rate applicable to other property in the
14 municipality, which rate is applied to the assessed values so
15 determined.

16
17 The State Tax Assessor shall pay any municipal claim found to be
18 in satisfactory form within 90 days after receipt of the claim.

19
20 In tax years beginning on or after April 1, 1988, the State Tax
21 Assessor shall determine annually the amount of acreage in each
22 municipality that is classified and taxed in accordance with this
23 subchapter. A municipality actually levying and collecting
24 municipal property taxes and within whose boundaries this acreage
25 lies is entitled to annual payments from money appropriated by
26 the Legislature provided it submits an annual return in
27 accordance with section 383 and it achieves the appropriate
28 minimum assessment ratio described in section 327. For the
29 property tax year based on the status of property on April 1,
30 1988, the per acre reimbursement amount increases from 15¢ to
31 24¢. For property tax years based on the status of property on
32 April 1, 1989 or thereafter, the per acre reimbursement is 90% of
33 the per acre tax revenue lost as a result of this subchapter.
34 For purposes of this section, the tax lost is the tax that would
35 have been assessed, but for this subchapter, on the classified
36 forest lands if they were assessed according to the undeveloped
37 acreage valuations used in the state valuation then in effect, or
38 according to the current local valuation on undeveloped acreage,
39 whichever is less, minus the tax that was actually assessed on
40 the same lands in accordance with this subchapter. A
41 municipality that fails to achieve the minimum assessment ratio
42 established in section 327 loses 10% of the reimbursement
43 provided by this section for each one percentage point the
44 minimum assessment ratio falls below the ratio established in
45 section 327. A municipality that fails to file a claim by the
46 deadline established in section 383 loses 1% of the reimbursement
47 provided by this section for each day that the claim is overdue.

48
49 No municipality may receive a reimbursement payment under this
50 section that would exceed an amount determined by calculating the

2 tree growth tax loss less the municipal savings in educational
costs attributable to reduced state valuation.

4 A. The tree growth tax loss is the adjusted tax that would
6 have been assessed, but for this subchapter, on the
classified forest lands if they were assessed according to
8 the undeveloped acreage valuations used in the state
valuation then in effect minus the tax that was actually
10 assessed on the same lands in accordance with this
subchapter.

12 In determining the adjusted tax that would have been
assessed, the tax rate to be used is computed by adding the
14 additional school support required by the modified state
valuation attributable to the increased valuation of forest
16 land to the original tax committed and dividing this sum by
the modified total municipal valuation. The adjusted tax
18 rate is then applied to the valuation of forest land based
on the undeveloped acreage valuations, adjusted by the
20 certified ratio, to determine the adjusted tax.

22 B. The municipal savings in educational costs is determined
by multiplying the school subsidy index by the change in
24 state valuation attributable to the use of the valuations
determined in accordance with this subchapter on classified
26 forest lands rather than their valuation using the
undeveloped acreage valuations used in the state valuation
28 then in effect.

30 SUMMARY

32 This bill penalizes municipalities that are late filers for
34 the tree growth property tax reimbursement by 1% of the
reimbursement for each day that the claim is overdue.