

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1172

H.P. 869

House of Representatives, March 5, 2003

An Act To Assist American Mills with Tree Growth Management Plan Products

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative JACKSON of Fort Kent.
Cosponsored by Senator MARTIN of Aroostook and
Representatives: EDER of Portland, JOY of Crystal, LUNDEEN of Mars Hill, SMITH of Van
Buren, Senators: KNEELAND of Aroostook, STANLEY of Penobscot.

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

4 **Sec. 1. 36 MRSA §574-B, sub-§2,** as enacted by PL 1989, c. 555,
§16, is amended to read:

6 **2. Evidence of compliance with plan.** The landowner ~~must~~
shall comply with the plan developed under subsection 1, and ~~must~~
8 shall submit, every 10 years, to the municipal assessor in a
municipality or the State Tax Assessor for parcels in the
10 unorganized territory, a statement from a licensed professional
forester that the landowner is managing the parcel according to
12 schedules in the plan required under subsection 1; and

14 **Sec. 2. 36 MRSA §574-B, sub-§3,** as repealed and replaced by PL
2001, c. 603, §4, is amended to read:

16 **3. Transfer of ownership.** When land taxed under this
18 subchapter is transferred to a new owner, within one year of the
date of transfer, the new landowner must file with the municipal
20 assessor or the State Tax Assessor for land in the unorganized
territory one of the following:

22 A. A sworn statement indicating that a new forest
24 management and harvest plan has been prepared; or

26 B. A statement from a licensed professional forester that
the land is being managed in accordance with the plan
28 prepared for the previous landowner.

30 The new landowner may not harvest or authorize the harvest of
forest products for commercial use until a statement described in
32 paragraph A or B is filed with the assessor. A person owning
timber rights on land taxed under this subchapter may not harvest
34 or authorize the harvest of forest products for commercial use
until a statement described in paragraph A or B is filed with the
36 assessor.

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

40 For the purposes of this subsection, "transferred to a new owner"
42 means the transfer of the controlling interest in the fee
ownership of the land or the controlling interest in the timber
44 rights on the land; and

46 **Sec. 3. 36 MRSA §574-B, sub-§4** is enacted to read:

48 **4. Owners with more than 100,000 acres.** Beginning in 2004,
an owner of more than 100,000 acres classified under this chapter
50 shall demonstrate annually that a portion of the timber harvested

2 from the eligible land has been sold or transferred to a mill
3 located in the United States. For 2004, the portion of timber
4 sold or transferred to a mill located in the United States must
5 be at least 50%. For 2005, the portion must be at least 60%.
6 For 2006, the percentage must be at least 70%. For 2007 and
7 succeeding years, the portion must be at least 80%. If an owner
8 does not demonstrate the percentage of sales requirement under
9 this subsection, the owner shall pay a penalty equal to the
10 difference between the taxes assessed on the property under this
11 subchapter and the taxes that would have been assessed if the
12 land was not classified under this subchapter.

14 SUMMARY

16 This bill requires that a portion of the timber harvested
17 from land classified under the Maine Tree Growth Tax Law be sold
18 or transferred to a mill located in the United States if the
19 landowner owns at least 100,000 acres. The portion must be at
20 least 50% in 2004, 60% in 2005, 70% in 2006 and 80% in 2007 and
21 subsequent years. The bill imposes a penalty if those
22 percentages are not maintained and equal to the amount of the tax
23 benefit.