

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 665

H.P. 514

House of Representatives, February 8, 2007

### **An Act Regarding the Calculation of Tree Growth Reimbursements to Municipalities**

(EMERGENCY)

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative MILLETT of Waterford.  
Cosponsored by Senator NASS of York and  
Representatives: HAMPER of Oxford, HAYES of Buckfield, HOTHAM of Dixfield.

1       **Emergency preamble.** Whereas, acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3       **Whereas,** the current formula for reimbursement to municipalities for property tax  
4 losses under the Maine Tree Growth Tax Law does not accurately reflect the impact on  
5 many municipalities; and

6       **Whereas,** this situation causes fiscal difficulties for many municipalities that need to  
7 be addressed as soon as possible; and

8       **Whereas,** in the judgment of the Legislature, these facts create an emergency within  
9 the meaning of the Constitution of Maine and require the following legislation as  
10 immediately necessary for the preservation of the public peace, health and safety; now,  
11 therefore,

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

13       **Sec. 1. 36 MRSA §578, sub-§1,** as amended by PL 2005, c. 457, Pt. CCC, §1, is  
14 further amended to read:

15       **1. Organized areas.** The municipal assessors or chief assessor of a primary  
16 assessing area shall adjust the State Tax Assessor's 100% valuation per acre for each  
17 forest type of their county by whatever ratio, or percentage of current just value, is  
18 applied to other property within the municipality to obtain the assessed values. Forest  
19 land in the organized areas, subject to taxation under this subchapter, must be taxed at the  
20 property tax rate applicable to other property in the municipality.

21 The State Tax Assessor shall determine annually the amount of acreage in each  
22 municipality that is classified and taxed in accordance with this subchapter. Each such  
23 municipality is entitled to annual payments from money appropriated by the Legislature if  
24 it submits an annual return in accordance with section 383 and if it achieves the  
25 appropriate minimum assessment ratio described in section 327. The State Tax Assessor  
26 shall pay any municipal claim found to be in satisfactory form by August 1st of the year  
27 following the submission of the annual return. The per acre reimbursement is 90% of the  
28 per acre tax revenue lost as a result of this subchapter. For purposes of this section, the  
29 tax lost is the tax that would have been assessed, but for this subchapter, on the classified  
30 forest lands if they were assessed according to the undeveloped acreage valuations used  
31 in the state valuation then in effect, or according to the current local valuation on  
32 undeveloped acreage, whichever is less, minus the tax that was actually assessed on the  
33 same lands in accordance with this subchapter. A municipality that fails to achieve the  
34 minimum assessment ratio established in section 327 loses 10% of the reimbursement  
35 provided by this section for each one percentage point the minimum assessment ratio falls  
36 below the ratio established in section 327.

37 ~~No municipality may receive a reimbursement payment under this section that would~~  
38 ~~exceed an amount determined by calculating the tree growth tax loss less the municipal~~  
39 ~~savings in educational costs attributable to reduced state valuation.~~

