

MAINE STATE LEGISLATURE

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No. 1580

H.P. 1105

House of Representatives, March 20, 2007

An Act To Allow Tree Growth Land Transfer to Family Members

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GOULD of South Berwick.
Cosponsored by Senator COURTNEY of York and
Representatives: CARTER of Bethel, CLEARY of Houlton, CRAY of Palmyra, PINKHAM of
Lexington Township, PRESCOTT of Topsham, Senators: DOW of Lincoln, GOOLEY of
Franklin, SHERMAN of Aroostook.

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

2 **Sec. 1. 36 MRSA §581-H** is enacted to read:

3 **§581-H. Withdrawal and transfer to family member**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Family member" means a sibling, spouse, child, parent, grandparent or
7 grandchild of the owner of the parcel.

8 B. "Portion" means a plot of land no greater than 5 acres in area.

9 C. "Transfer" means the transfer of a controlling interest in the fee ownership of the
10 land or the controlling interest in the timber rights on the land.

11 **2. Transfer without penalty.** Notwithstanding the penalties for withdrawal
12 specified in section 581, if a portion of a parcel of land subject to this subchapter is
13 withdrawn from taxation under this subchapter and transferred immediately to a family
14 member, a penalty may not be assessed against the transferor or the transferee. The
15 transfer allowed by this subsection may be exercised only once per family.

16 **3. Exception.** This section does not apply if the transfer of a portion of land causes
17 the total parcel subject to taxation under this chapter to fall below the 10-acre minimum
18 requirement.

19 **SUMMARY**

20 This bill allows a 5-acre or smaller plot of land to be withdrawn from taxation under
21 the Maine Tree Growth Tax Law and transferred once to a family member without
22 penalty for withdrawal.