

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2010

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Legislative Document

No. 1635

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H.P. 1163

House of Representatives, December 23, 2009

### **An Act To Avoid Unnecessary Removal of Land from the Maine Tree Growth Tax Law Program**

(EMERGENCY)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 21, 2009. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative WATSON of Bath.  
Cosponsored by Senator DAMON of Hancock and  
Representatives: EBERLE of South Portland, KNIGHT of Livermore Falls, SMITH of  
Monmouth.

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,** land that meets all other eligibility criteria for assessment under the Maine  
4 Tree Growth Tax Law may be withdrawn from the program if the landowner fails to file  
5 certain statements at the end of a 10-year period in which the land has been previously  
6 assessed under the law; and

7           **Whereas,** landowners must pay a significant penalty for land withdrawn from  
8 assessment under the Maine Tree Growth Tax Law; and

9           **Whereas,** the tax year for property tax purposes begins April 1st; and

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

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

15           **Sec. 1. 36 MRSA §581, sub-§1,** as repealed and replaced by PL 2007, c. 627,  
16 §16, is amended to read:

17           **1. Assessor determination; owner request.** If Subject to the suspension process  
18 provided in subsection 1-A, if the assessor determines that land subject to this subchapter  
19 no longer meets the requirements of this subchapter, the assessor must withdraw the land  
20 from taxation under this subchapter. Before withdrawing a parcel from taxation under this  
21 subchapter, if the sole reason the land does not meet the requirements of this subchapter  
22 is that the owner failed to file the sworn statement required under section 574-B, the  
23 assessor shall provide the owner with written notice by regular mail of the deadline to file  
24 the sworn statement and permit the owner at least 60 days to respond to that notice. An  
25 owner of land subject to taxation under this subchapter may at any time request  
26 withdrawal of that land from taxation under this subchapter by certifying in writing to the  
27 assessor that the land is no longer to be classified under this subchapter.

28           **Sec. 2. 36 MRSA §581, sub-§1-A** is enacted to read:

29           **1-A. Suspension period.** Before withdrawing a parcel from taxation under this  
30 subchapter, if the sole reason the parcel does not meet the requirements of this subchapter  
31 is that the owner failed to file the sworn statement required under section 574-B,  
32 subsection 1 or the statement from a licensed professional forester under section 574-B,  
33 subsection 2, the assessor shall provide the owner with written notice of the original due  
34 date for filing the required statements and notify the owner that the parcel will be  
35 suspended from taxation under this subchapter and that a penalty may be assessed under  
36 subsection 3.

37           **A. Eligibility of the parcel for taxation under this subchapter must be suspended for**  
38 one year after the original due date for filing the statements required under section  
39 574-B.

1 B. During the one-year suspension period under paragraph A, the parcel must be  
2 taxed as if it were not eligible for taxation under this subchapter; however, no penalty  
3 may be assessed.

4 C. If the owner provides the required statements before the end of the one-year  
5 suspension period under paragraph A, the parcel must be returned to classification  
6 under this subchapter.

7 D. If the owner does not provide the required statements before the end of the one-  
8 year suspension period under paragraph A, a penalty must be assessed as otherwise  
9 provided in this section as if the parcel were withdrawn on the original due date of  
10 the statements required under section 574-B and the parcel may not be returned to  
11 classification under this subchapter.

12 E. If, during the one-year suspension period under paragraph A, the parcel becomes  
13 ineligible under this subsection for reasons other than failure to file the statements  
14 required under section 574-B, the parcel must be immediately withdrawn and a  
15 penalty assessed as if the suspension period had not applied.

16 **Emergency clause.** In view of the emergency cited in the preamble, this  
17 legislation takes effect when approved.

18 **SUMMARY**

19 This bill provides a grace period that imposes a temporary suspension from taxation  
20 under the Maine Tree Growth Tax Law for landowners who fail to file the required  
21 statements every 10 years but are otherwise in compliance with the law. Current law  
22 requires the tax assessor to withdraw the land from taxation under the program and  
23 impose prescribed penalties after notifying the landowner and providing a period of 60  
24 days for the landowner to respond to that notice. This bill provides that the parcel for  
25 taxation under the Maine Tree Growth Tax Law is suspended from the program for one  
26 year after the original due date of the required statements and that the parcel is taxed as if  
27 it were not eligible for taxation under the program but without applying the penalty  
28 provision. The bill allows the land to be returned to classification under the Maine Tree  
29 Growth Tax Law if the landowner provides the required statements before the end of the  
30 one-year suspension period. It requires that the penalty be assessed as if the parcel were  
31 withdrawn on the original due date of the required statements if the landowner fails to file  
32 the required statements and the land is no longer classified under the Maine Tree Growth  
33 Tax Law. The bill requires that if, during the suspension period, the parcel becomes  
34 ineligible for taxation under the Maine Tree Growth Tax Law for reasons other than  
35 failure to file the required statements, the parcel must be immediately withdrawn and a  
36 penalty assessed as if the suspension period had not applied.