

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
125TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 459, L.D. 1470, Bill, "An Act To Ensure Harvesting of Timber on Land Taxed under the Maine Tree Growth Tax Law"

Amend the amendment by inserting before section 1 the following:

Sec. 1. 36 MRSA §573, sub-§3, ¶B, as enacted by PL 1981, c. 625, §1, is amended to read:

B. Statutory or governmental restrictions which that prevent commercial harvesting of trees or require a primary use of the land other than commercial harvesting; or

Sec. 2. 36 MRSA §573, sub-§3, ¶C, as amended by PL 1993, c. 452, §1, is repealed.

Sec. 3. 36 MRSA §574-B, first ¶, as amended by PL 2007, c. 438, §12, is repealed and the following enacted in its place:

An owner of a parcel containing forest land may apply at the landowner's election by filing with the assessor the schedule provided for in section 579, except that this subchapter does not apply to any parcel containing fewer than 10 acres of forest land or subject to deed restrictions, restrictive covenants or organizational charters that prevent commercial harvesting of trees or require a primary use of land other than commercial harvesting, unless the parcel is used for commercial purposes without the removal of trees to create forest products that have commercial value.

Sec. 4. 36 MRSA §574-B, as amended by PL 2009, c. 434, §15, is further amended by adding after the first paragraph a new paragraph to read:

For purposes of this subchapter, a parcel is deemed to include a unit of real estate, notwithstanding that it is divided by a road, way, railroad or pipeline or by a municipal or county line. The election to apply requires the written consent of all owners of an interest in a parcel except for the State.

Sec. 5. 36 MRSA §574-B, sub-§3, as repealed and replaced by PL 2001, c. 603, §4, is amended to read:

3. **Transfer of ownership.** When land taxed under this subchapter is transferred to a new owner, within one year of the date of transfer, the new landowner must file with the

1 municipal assessor or the State Tax Assessor for land in the unorganized territory one of
2 the following:

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

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

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

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

14 For the purposes of this subsection, "transferred to a new owner" means the transfer of
15 the controlling interest in the fee ownership of the land or the controlling interest in the
16 timber rights on the land.

17 **Sec. 6. 36 MRSA §574-B**, as amended by PL 2009, c. 434, §15, is further
18 amended by adding at the end a new paragraph to read:

19 Parcels of land subject to section 573, subsection 3, paragraph B are exempt from the
20 requirements under this section.'

21 Amend the amendment by inserting after section 1 the following:

22 **'Sec. 7. 36 MRSA §2724, sub-§2**, as amended by PL 1993, c. 452, §15, is further
23 amended to read:

24 **2. Commercial forest land.** "Commercial forest land" means land that is classified
25 or that is eligible for classification as forest land pursuant to the Maine Tree Growth Tax
26 Law, chapter 105, subchapter ~~H-A~~ 2-A, except that "commercial forest land" does not
27 include land described in section 573, subsection 3, paragraph B ~~or C~~ when all
28 commercial harvesting of forest products is prohibited. In determining whether land not
29 classified under the Maine Tree Growth Tax Law is eligible for classification under that
30 law, all facts and circumstances must be considered, including whether the landowner is
31 engaged in the forest products business and the land is being used in that business or there
32 is a forest management plan for commercial use of the land or a particular parcel of land
33 has been harvested for commercial purposes within the preceding 5 years.'

34 Amend the amendment by inserting after section 2 the following:

35 **'Sec. 3. Application; waiver of penalty.** Those sections of this Act that amend
36 the Maine Revised Statutes, Title 36, section 573, subsection 3, paragraph B, Title 36,
37 section 2724, subsection 2 and Title 36, section 574-B and repeal Title 36, section 573,
38 subsection 3, paragraph C apply to parcels of land enrolled in the Maine Tree Growth Tax
39 Law program pursuant to Title 36, chapter 105, subchapter 2-A on or after January 1,
40 2014. Notwithstanding Title 36, section 581, subsection 3, a parcel of land that is no
41 longer eligible for participation in the Maine Tree Growth Tax Law program due to

1 changes made in this Act may not be assessed a penalty for withdrawal from the program
2 due to those changes.'

3 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
4 or section number to read consecutively.

5 **SUMMARY**

6 Currently, under the Maine Tree Growth Tax Law program, land that has a deed
7 restriction, restrictive covenant or organizational charter in place that prevents
8 commercial harvesting of trees or requires a primary use of land other than commercial
9 harvesting is ineligible for enrollment in the program, unless that deed restriction,
10 restrictive covenant or organizational charter was in effect prior to January 1, 1982.

11 This amendment prohibits land that has a deed restriction, restrictive covenant or
12 organizational charter in place that prevents commercial harvesting of trees or requires a
13 primary use of land other than commercial harvesting from being enrolled in the program
14 unless that land is used for commercial purposes that do not require the cutting of trees,
15 such as maple syrup, nursery products used for ornamental purposes, wreaths, bough
16 material or cones or other seed products. An owner of land that becomes ineligible for
17 participation due to this change is not subject to penalties for withdrawal.

18 **SPONSORED BY:** 

19 (Senator JACKSON)

20 **COUNTY: Aroostook**

FISCAL NOTE REQUIRED
(See attached)

ROFS



Approved: 03/20/12 *MRC*

125th MAINE LEGISLATURE

LD 1470

LR 1636(05)

An Act To Ensure Harvesting of Timber on Land Taxed under the Maine Tree Growth Tax Law

Fiscal Note for Senate Amendment "B" to Committee Amendment "A" S 473

Sponsor: Sen. Jackson of Aroostook

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

The amendment provides that land that has a deed restriction, restrictive covenant or organizational charter in place that prevents commercial harvesting of trees or requires a commercial use other than commercial harvesting may be enrolled in the Tree Growth Tax Law program if that land is used for commercial purposes that do not require the cutting of trees, such as maple syrup, nursery products used for ornamental purposes, wreaths, bough material or cones or other seed products. The amendment applies to all properties beginning January 1, 2014, and an owner of land that becomes ineligible for participation due to this change is not subject to penalties for withdrawal. Any costs to Maine Revenue Services can be absorbed within existing budgeted resources.