

MAINE STATE LEGISLATURE

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MAJORITY

L.D. 1103

2 Date: 0/7/2013

(Filing No. S-249)

3 LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

4 Reproduced and distributed under the direction of the Secretary of the Senate.

5 STATE OF MAINE

6 SENATE

7 126TH LEGISLATURE

8 FIRST REGULAR SESSION

9 COMMITTEE AMENDMENT "A" to S.P. 385, L.D. 1103, Bill, "An Act To
10 Encourage Development in the Logging Industry"

11 Amend the bill by striking out everything after the enacting clause and inserting the
12 following:

13 **Sec. 1. 12 MRSA §8883-B, sub-§2, ¶A**, as enacted by PL 2003, c. 452, Pt. F,
14 §44 and affected by Pt. X, §2, is amended to read:

15 A. The name, address and phone number of the landowner, any designated agent
16 and, ~~if known, any harvester or harvesters.~~ The notification must indicate if the
17 landowner or a harvester employed by or under contract to the landowner uses
18 bonded labor under the federal H2 bonded labor program under 20 Code of Federal
19 Regulations, Section 655.200 et seq. (2013). If at any time during the 2-year
20 notification cycle a landowner or a harvester employed by or under contract to the
21 landowner uses bonded labor under the federal H2 bonded labor program or the
22 landowner fails to provide the information required under this paragraph and the land
23 being harvested is taxed under the Maine Tree Growth Tax Law, the director of the
24 division shall notify the State Tax Assessor and the assessor of the jurisdiction in
25 which the parcel is located that the land or a portion of the land no longer meets the
26 requirements of Title 36, chapter 105, subchapter 2-A and must be suspended in
27 accordance with Title 36, section 574-B, subsection 4;

28 **Sec. 2. 36 MRSA §574-B, sub-§3**, as amended by PL 2011, c. 618, §2, is further
29 amended to read:

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

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

COMMITTEE AMENDMENT

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

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

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

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

13 **Sec. 3. 36 MRSA §574-B, sub-§4**, as enacted by PL 2011, c. 618, §2, is amended
14 to read:

15 **4. Attestation.** Beginning August 1, 2012, when a landowner is required to provide
16 to the assessor evidence that a forest management and harvest plan has been prepared for
17 the parcel or updated pursuant to subsection 1, or when a landowner is required to
18 provide evidence of compliance pursuant to subsection 2, the landowner must provide an
19 attestation that the landowner's primary use for the forest land classified pursuant to this
20 subchapter is to grow trees to be harvested for commercial use or that the forest land is
21 land described in section 573, subsection 3, ~~paragraphs~~ paragraph A, B, C or E. The
22 existence of multiple uses on an enrolled parcel does not render it inapplicable for tax
23 treatment under this subchapter, as long as the enrolled parcel remains primarily used for
24 the growth of trees to be harvested for commercial use; and

25 **Sec. 4. 36 MRSA §574-B, sub-§5** is enacted to read:

26 **5. Use of bonded labor.** No part of the parcel of land is harvested using bonded
27 labor under the federal H2 bonded labor program under 20 Code of Federal Regulations,
28 Section 655.200 et seq. (2013) and the landowner files the notification required under
29 Title 12, section 8883-B, subsection 1. An assessor that receives notification from the
30 Department of Agriculture, Conservation and Forestry, Division of Forestry that a
31 landowner reports the use of bonded labor or has failed to file the notification required
32 under Title 12, section 8883-B, subsection 1 shall, after notification to the landowner by
33 Maine Revenue Services, suspend the parcel from classification. Land suspended under
34 this subsection must be taxed at just value for the property tax year for which the
35 classification is suspended.

36 **Sec. 5. 36 MRSA §2729** is enacted to read:

37 **§2729. Use of bonded labor**

38 A parcel of land subject to tax under this chapter may not benefit from the General
39 Fund contribution to the support of forest fire protection activities if the land is harvested
40 during the property tax year using bonded labor under the federal H2 bonded labor
41 program under 20 Code of Federal Regulations, Section 655.200 et seq. (2013) or the
42 landowner has failed to file the notification required under Title 12, section 8883-B,

1 subsection 1. Upon the receipt of notification from the Department of Agriculture,
2 Conservation and Forestry, Division of Forestry that a landowner reports the use of
3 bonded labor or has failed to file the notification required under Title 12, section 8883-B,
4 subsection 1, the assessor shall assess an additional tax equal to 150% of the amount per
5 acre computed under section 2723-A.'

6 **SUMMARY**

7 This amendment, which is the majority report of the Joint Standing Committee on
8 Labor, Commerce, Research and Economic Development, requires a landowner to notify
9 the Department of Agriculture, Conservation and Forestry, Division of Forestry if forest
10 land is harvested using bonded labor under the federal H2 bonded labor program. If a
11 landowner or a harvester employed by or under contract to the landowner uses bonded
12 labor under the federal H2 bonded labor program or the landowner fails to provide the
13 required notification, the land must be suspended from the Maine Tree Growth Tax Law
14 for the year in which bonded labor is used and a penalty must be assessed under the
15 commercial forestry excise tax to compensate the State for the General Fund contribution
16 to the cost of forest fire protection activities.

FISCAL NOTE REQUIRED
(See attached)



126th MAINE LEGISLATURE

LD 1103

LR 1218(02)

An Act To Encourage Development in the Logging Industry

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-249)
 Committee: Labor, Commerce, Research and Economic Development
 Fiscal Note Required: Yes

Fiscal Note

State Mandate - Unfunded
 Potential current biennium savings - General Fund

State Mandates

Required Activity

A municipality will be required to suspend property from the Maine Tree Growth Tax Law and make the necessary administrative adjustments to its tax records if a property owner or harvester employed by or under contract to the property owner uses bonded labor or fails to provide certain notification.

Unit Affected

Municipality

Local Cost

Insignificant
 statewide

The required local activities in this bill may represent a State mandate pursuant to the Constitution of Maine. Unless General Fund appropriations are provided to fund at least 90% of the additional costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, municipalities may not be required to implement these changes.

Fiscal Detail and Notes

Any property suspended from the Maine Tree Growth Tax Law would reduce the amount of reimbursement the State pays to municipalities for property that is enrolled in the program.

Additional costs to the Department of Agriculture, Conservation and Forestry associated with the provisions of this legislation can be absorbed within existing budgeted resources.