

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 452

S.P. 130

In Senate, January 29, 2019

**An Act To Change the Penalty When Land under the Maine Tree
Growth Tax Law Is Transferred**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator MOORE of Washington.
Cosponsored by Representative PERRY of Calais.

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. Transfer of land**

4 **1. Notification by owner.** An owner of land classified under this subchapter that
5 intends to transfer all or a portion of the land shall provide the following notifications.

6 A. The owner shall notify an intended purchaser that the land is subject to a
7 withdrawal penalty if the intended transferee fails to make the notification required
8 under subsection 2 or the use of the land is changed by the transferee so that the land
9 no longer qualifies for classification under this subchapter.

10 B. The owner shall notify the assessor of the intent to transfer the land.

11 **2. Notification by intended transferee.** An intended transferee of land subject to
12 classification under this subchapter who intends to maintain the classification of the land
13 under this subchapter shall notify the assessor of that intent prior to completion of the
14 sale.

15 **3. Assessment of penalty.** If land or a portion of land subject to the notification
16 requirements under subsection 1 is transferred, unless the intended transferee of the land
17 notifies the assessor under subsection 2 that the transferee intends to maintain eligibility
18 of the land for classification under this subchapter, the land or portion of the land must be
19 considered withdrawn by the transferor from classification under section 581 prior to
20 completion of the transfer and the penalty assessed under section 581 against the
21 transferor of the land.

22 **SUMMARY**

23 This bill provides that if land classified under the Maine Tree Growth Tax Law is to
24 be transferred, the owner must notify the assessor of the intended transfer and the
25 intended transferee of a potential withdrawal penalty. If land is transferred, a withdrawal
26 penalty must be assessed against the transferor unless the intended transferee notifies the
27 assessor of intent to maintain eligibility of the land for tree growth classification.