

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

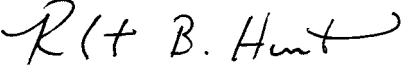
No. 1685

H.P. 1084

House of Representatives, April 18, 2023

**An Act to Increase Acreage Eligibility and Change Requirements
for Filing Plans Under the Maine Tree Growth Tax Law**

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative MATLACK of St. George.
Cosponsored by Representative: ZEIGLER of Montville.

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

2 **Sec. 1. 36 MRSA §574-B**, as amended by PL 2011, c. 618, §2, is further amended
3 to read:

4 **§574-B. Applicability**

5 An owner of a parcel containing forest land may apply at the landowner's election by
6 filing with the assessor the schedule provided for in section 579, except that this subchapter
7 does not apply to any parcel containing less than 10 acres of forest land for property tax
8 years beginning on or before April 1, 2024 and containing less than 25 acres of forest land
9 for property tax years beginning on or after April 1, 2025. For purposes of this subchapter,
10 a parcel is deemed to include a unit of real estate, notwithstanding that it is divided by a
11 road, way, railroad or pipeline, or by a municipal or county line. The election to apply
12 requires the written consent of all owners of an interest in a parcel except for the State. For
13 applications submitted on or after August 1, 2012, the size of the exclusion from
14 classification under this subchapter for each structure located on the parcel and for each
15 residential structure located on the parcel in shoreland areas is determined pursuant to
16 section 574-C.

17 A parcel of land used primarily for growth of trees to be harvested for commercial use
18 is taxed according to this subchapter, as long as the landowner complies with the following
19 requirements:

20 **1. Forest management and harvest plan.** A forest management and harvest plan
21 must be prepared for each parcel and updated every 10 years. The landowner shall file a
22 copy of the plan and a sworn statement with the municipal assessor for a parcel in a
23 municipality or with the State Tax Assessor for a parcel in the unorganized territory that a
24 forest management and harvest plan has been prepared for the parcel;

25 **2. Evidence of compliance with plan.** The landowner must comply with the plan
26 developed under subsection 1, and must submit, every 10 years to the municipal assessor
27 in a municipality or the State Tax Assessor for parcels in the unorganized territory, a copy
28 of the updated plan and a statement from a licensed professional forester that the landowner
29 is managing the parcel according to schedules in the plan required under subsection 1;

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 in a municipality or the State Tax Assessor for land in the unorganized
33 territory one of the following:

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

36 B. A copy of the current forest management and harvest plan of the previous owner
37 and a statement from a licensed professional forester that the land is being managed in
38 accordance with the plan prepared for the previous landowner.

39 The new landowner may not harvest or authorize the harvest of forest products for
40 commercial use until ~~a statement the landowner complies with the filing provisions~~
41 ~~described in paragraph A or B is filed with the assessor.~~ A person owning timber rights on
42 land taxed under this subchapter may not harvest or authorize the harvest of forest products

1 for commercial use until ~~a statement~~ the landowner complies with the filing provisions
2 described in paragraph A or B ~~is filed with the assessor.~~

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

5 For the purposes of this subsection, "transferred to a new owner" means the transfer of the
6 controlling interest in the fee ownership of the land or the controlling interest in the timber
7 rights on the land; ~~and~~

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

18 **5. Confidentiality.** A forest management and harvest plan provided in accordance
19 with this section is confidential and is not a public record as defined in Title 1, section 402,
20 subsection 3.

21 **Sec. 2. 36 MRS §575-A,** as repealed and replaced by PL 2011, c. 619, §1 and
22 amended by c. 657, Pt. W, §§5 and 7 and PL 2013, c. 405, Pt. A, §23, is amended to read:

23 **§575-A. Determining compliance with forest management and harvest plan**

24 **1. Assistance to assessor.** Upon request of a municipal assessor or the State Tax
25 Assessor and in accordance with section 579, the Director of the Bureau of Forestry within
26 the Department of Agriculture, Conservation and Forestry may provide assistance in
27 evaluating a forest management and harvest plan to determine whether the plan meets the
28 definition of a forest management and harvest plan in section 573, subsection 3-A. Upon
29 request of a municipal assessor or the State Tax Assessor, the Director of the Bureau of
30 Forestry may provide assistance in determining whether a harvest or other silvicultural
31 activity conducted on land enrolled under this subchapter complies with the forest
32 management and harvest plan prepared for that parcel of land. When assistance is requested
33 under this section and section 579, the Director of the Bureau of Forestry or the director's
34 designee may enter and examine forest land for the purpose of determining compliance
35 with the forest management and harvest plan. A request for assistance and evaluation must
36 be completed within 6 months after the request. Upon the completion of the evaluation and
37 in consultation with the Director of the Bureau of Forestry, the municipal assessor or the
38 State Tax Assessor may find the plan sufficient to meet the requirement of this subchapter
39 or may find the plan insufficient to meet the requirement of this subchapter and commence
40 the withdrawal procedure in section 581.

41 **Sec. 3. 36 MRS §579, 3rd ¶,** as amended by PL 2003, c. 30, §1, PL 2011, c. 657,
42 Pt. W, §§5 and 7 and PL 2013, c. 405, Pt. A, §23, is further amended to read:

43 The assessor or the assessor's duly authorized representative may enter and examine
44 the forest lands under this subchapter and may examine any information submitted by the

1 owner or owners. A copy of the forest management and harvest plan required under section
2 574-B must be available to the assessor to review upon request and to the Director of the
3 Bureau of Forestry within the Department of Agriculture, Conservation and Forestry or the
4 director's designee to review upon request when the assessor seeks assistance in accordance
5 with section 575-A. For the purposes of this paragraph, "to review" means to see or possess
6 a copy of a plan for a reasonable amount of time to verify that the plan exists or to facilitate
7 an evaluation as to whether the plan is appropriate and is being followed. Upon completion
8 of the review, the plan must be returned to the owner or an agent of the owner. A forest
9 management and harvest plan provided in accordance with this section is confidential and
10 is not a public record as defined in Title 1, section 402, subsection 3.

11 **Sec. 4. 36 MRSA §581, sub-§7-A** is enacted to read:

12 7-A. Notice of compliance. A penalty may not be assessed upon the withdrawal of
13 land from taxation under this subchapter in the property tax year following an increase in
14 the minimum acreage limits established in section 574-B.

15 **Sec. 5. 36 MRSA §581-A**, as amended by PL 2001, c. 305, §1 and affected by §2,
16 is further amended to read:

17 **§581-A. Sale of portion of parcel of forest land**

18 Sale of a portion of a parcel of forest land subject to taxation under this subchapter does
19 not affect the taxation under this subchapter of the resulting parcels, unless ~~any is less than~~
20 10 the number of forested acres in area is less than the minimum number of forested acres
21 established in section 574-B. Each resulting parcel must be taxed to the owners under this
22 subchapter until the parcel is withdrawn from taxation under this subchapter, in which case
23 the penalties provided for in sections 579 and 581 apply only to the owner of that parcel.
24 If the forested acres in the area on a parcel resulting from that sale is less than 10 forested
25 acres in area the minimum number of forested acres established in section 574-B, that
26 parcel must be considered withdrawn from taxation under this subchapter as a result of the
27 sale and the penalty assessed against the transferor of the resulting parcel of less than ~~10~~
28 the minimum number of forested acres established in section 574-B.

29 **SUMMARY**

30 This bill amends the Maine Tree Growth Tax Law by increasing the acreage eligibility
31 requirement from 10 to 25 acres of forested land beginning April 1, 2025. The bill
32 authorizes municipal assessors and the State Tax Assessor to retain copies of required forest
33 management and harvest plans and with assistance from the Director of the Bureau of
34 Forestry within the Department of Agriculture, Conservation and Forestry to determine the
35 sufficiency of a plan to meet the requirements of the law. Forest management and harvest
36 plans retained by a municipal assessor or the State Tax Assessor are confidential and not
37 public records.