

MAINE STATE LEGISLATURE

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EIGHTIETH LEGISLATURE

HOUSE

NO. 135

House of Representatives, February 17, 1921.

Referred to Committee on Taxation and 1500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Winter of Auburn.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND TWENTY-ONE

AN ACT to Establish an Uniform Tax on Intangible Personal
Property.

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

Section 1. Personal property of the class hereinafter
2 enumerated belonging to inhabitants of this state, and cor-
3 porations organized under the laws thereof, shall hereafter
4 be exempted from all taxation other than that imposed by
5 this act, on condition, however, that the owner of such per-
6 sonal property shall cause the same to be annually reg-
7 istered in the manner hereinafter provided. For the pur-
8 poses of this act, such property shall be known as intangi-
9 ble property, and shall include obligations for money or

10 other property, money at interest, debts due the person to
11 be taxed more than he is owing, public stocks and securi-
12 ties, shares in moneyed and other corporations within or
13 without the state and annuities payable to the person to
14 be taxed; but nothing in this act shall be so construed as
15 to apply to any property exempted from taxation by the
16 laws of this state.

Sect. 2. Intangible property as above described belong-
2 ing to inhabitants of this state or corporations organized
3 under the laws thereof, and registered under the provisions
4 of this act, shall hereafter be subject to a direct state tax
5 of five mills on each dollar of a fair cash value thereof,
6 to be assessed and collected annually in the manner here-
7 inafter provided.

Sect. 3. Nothing in this act shall be so construed as to
2 affect the method now in use for the taxation of savings
3 banks, trust companies, railroads, street railroads, telephone
4 companies, telegraph companies, express companies, insur-
5 ance companies or loan and building associations.

Sect. 4. The provisions of existing law for the return
2 and taxation of shares of stock in banks and other corpora-
3 tions not otherwise exempt shall remain in force, except
4 that the returns now required to be made with reference
5 thereto to local assessors shall hereafter be made to the
6 state assessors and the rate of taxation on said property
7 shall be as provided in section two of this act and the tax
8 on said stock shall accrue to the state and become subject to
9 the provisions of this act.

Sect. 5. On or before the first day of January, nineteen
2 hundred and twenty-two, and annually on or before the
3 first day of January of each year thereafter, every resident
4 owner of intangible property, including corporations, who
5 desires to avail himself of the benefits of this act, shall
6 render in writing and under oath to the state assessors
7 upon blanks to be furnished by them upon application and
8 in accordance with reasonable rules and regulations to be
9 prescribed and promulgated by them, a true and correct
10 list of all such property owned by him on the day of the
11 making of such return and the fair cash value of each item
12 thereof. In case such return is rendered prior to the first
13 day of January, a supplementary return of all intangible
14 property acquired by such owner between the day of the
15 first return and the first day of January thereafter, shall
16 be made by such owner; otherwise he shall not be entitled
17 to the benefits of this act. The state assessors shall es-
18 tablish and promulgate so far as practicable rules and reg-
19 ulations for valuation of the different classes of intangible
20 property, to which all applicants shall conform in render-
21 ing their returns. A copy of such rules and regulations
22 shall be issued to all applicants for registration.

Sect. 6. In cases where intangible personal property is
2 in the hands of an executor or administrator of a deceased
3 resident of this state on the first day of January of any
4 year hereafter and remains undistributed, the benefits of
5 this act may be claimed and the return of such property
6 made in behalf of the estate by such executor or adminis-

7 trator. In cases where any such property belongs to any resi-
8 dent of the state under guardianship or for whom a con-
9 servator has been appointed by a court of competent juris-
10 diction, the benefits of the act may be claimed and the re-
11 turn made in his behalf by his lawful guardian or conserva-
12 tor. In cases where such property is held in trust by a
13 resident of this state, the benefits of this act may be claimed
14 and the return made by the trustees. In case any such prop-
15 erty shall belong to the estate of a deceased inhabitant of
16 the state for which an executor or administrator shall not
17 have been appointed on the day upon which a return should
18 be made under the provisions of this act, or to a minor,
19 a person non compos or otherwise not sui juris, the bene-
20 fits of this act may be claimed and the return made, in his
21 behalf by his executor, administrator or guardian, as the
22 case may be, within three months after his appointment and
23 qualification.

Sect. 7. The board of state assessors shall annually in
2 the month of February, as of the first day of the month, as-
3 sess upon each resident owner of intangib'e property claim-
4 ing the benefits of this act, including corporations organ-
5 ized under the laws of this state, a tax of three mills on
6 each dollar of a fair cash value thereof, and shall notify
7 each owner so taxed by mail not later than the first day
8 of March thereafter, at the address given by him in his
9 return, of the valuation placed upon the various items of
10 intangib'e property listed by him, and of the aggregate
11 amount of his tax. It shall be the duty of said board, in

12 person or through such agents as they may designate for
13 the purpose, to use all reasonable means to determine the
14 fair cash value of property so returned, but in cases where
15 such value cannot be otherwise determined with the facili-
16 ties at their command, they may accept the owner's valua-
17 tion; provided, however, that such owner and the officers
18 of any corporation so registering shall not have refused
19 to answer, on oath if requested, all reasonable inquiries
20 of said board or their duly authorized agents as to the na-
21 ture and character of such property.

Sect. 8. All taxes assessed under the provisions of this
2 act shall be due and payable to the treasurer of state on
3 the first day of April after their assessment as herein pro-
4 vided and all taxes not so paid, shall bear interest at the
5 rate of ten percent per annum from the date of assessment.

Sect. 9. Every tax lawfully assessed under the provisions
2 of this act shall from the day of its assessment constitute
3 a personal obligation on the part of each and every person
4 and corporation so assessed to the state of Maine, enforce-
5 able by an action of debt in the name of the treasurer of
6 state, at any time after the day on which the same should
7 have been paid under the provisions of section eight. In
8 case of the death or insanity of an individual so taxed
9 after the date of his return, such action shall be maintained
10 against his executor, administrator or guardian, as the case
11 may be. All such actions shall be brought in the county
12 of Kennebec or in the county of such owner's residence, and
13 jurisdiction thereof is hereby conferred upon the supreme

14 judicial court, the superior courts, and the municipal courts
15 in the several counties, provided, however, that in any ac-
16 tion so brought before a superior or municipal court, the
17 amount sought to be recovered is within the general juris-
18 diction of said court as fixed by law.

Sect. 10. Every tax lawfully assessed under the provi-
2 sions of this act shall from the date of its assessment con-
3 stitute a lien upon the property on which it is assessed,
4 which lien shall continue for one year from the date of
5 assessment and shall take precedence over all other liens,
6 mortgages, pledges and claims of any character whatever.
7 In case of any transfer of such property subsequent to the
8 date of assessment, the certificate or receipt of the treas-
9 urer of state that the tax assessed thereon has been paid
10 shall afford full protection to the purchaser against any
11 claim therefor.

Said lien may be enforced by proceedings in equity in
2 the supreme judicial court or the superior court in the
3 county of Kennebec and either of such courts may render
4 all necessary proper decrees to enforce the claim of the
5 state, including decrees for the sale of the property as-
6 sessed at public action for the payment of the tax with in-
7 terest and costs and may issue execution against the person
8 or persons so taxed.

Said lien may also be enforced by sale of the property
2 assessed by the treasurer of state, at any time after the
3 first day of August following its assessment. Notice of

4 such sale shall be given to each resident owner at least thirty
5 days prior to the date thereof by giving to him in hand
6 or leaving at his last and usual place of abode a notice that
7 the property therein described will be sold at public auc-
8 tion to the highest bidder at the office of the treasurer of
9 state on the day therein named in default of the prior pay-
10 ment of such taxes, with interest and expenses of advertis-
11 ing and service. Public notice thereof shall also be given
12 by publication in a newspaper published in the county of
13 the owner's residence, if any; otherwise in an adjoining
14 county. At the time and place named in such notice, such
15 property shall be sold by the treasurer of state at public
16 auction to the highest bidder, provided that the tax assessed
17 thereon, together with interest and expenses, remain un-
18 paid.

The purchaser of said property at such sale shall hold the
2 same subject to redemption by the owner, his executor, ad-
3 ministrator, guardian or assignee, for a term of one year
4 from the date of sale upon payment of the amount paid
5 therefor at such sale with interest at ten percent per annum.

Sect. 11. All property subject to registration under the
2 provisions of this act, and not so registered, shall remain
3 liable to taxation under the provisions of section five of
4 chapter ten of the revised statutes, and acts amendatory
5 thereof and additional thereto, except that an exemption
6 from taxation of such property to the amount of one thou-
7 sand dollars in value is hereby granted to each person and

8 corporation. In addition to the liability to taxation im-
9 posed by said chapter ten, any such property not so reg-
10 istered is hereby declared liable to a cumulative tax, and
11 such tax shall be assessed by the local assessors in any
12 year hereafter at a sum equal to the aggregate of the taxes
13 which might have been imposed thereon, or assessed to
14 the owner thereof, during each and every year when such
15 owner might have registered the same under the provisions
16 of this act, but wilfully or negligently failed so to do; the
17 total amount of such cumulative tax, however, not to ex-
18 ceed twenty per cent of the value of such property. The
19 state assessors shall co-operate with the local assessors in
20 the enforcement of this provision and shall diligently in-
21 vestigate all cases of failure to register intangible property
22 under the provisions of this act, and it shall be the duty
23 of the local assessors to promptly assess and diligently en-
24 force all taxes upon taxable property which may be brought
25 to their attention under the provisions of this act. For the
26 purposes of enforcing such taxes, they shall pursue the
27 same remedies and have the same rights as in case of other
28 personal property taxes, and shall cause to be promptly
29 remitted to the treasurer of state such proportion of the
30 amount collected as the state tax for the years represented
31 shall bear to the total tax collected in their municipality.

Sect. 12. Any person claiming to be aggrieved by the
2 assessment of property registered by him or in his behalf
3 under this act, or by any assessment under the preceding
4 section, may appeal from the action of the state or local

5 assessors to the supreme judicial court in the county of his
6 residence, or in the county of Kennebec, by filing written
7 notice of appeal with the clerk of the board of state assess-
8 ors, or clerk of the municipality, as the case may be, within
9 thirty days from the date of notification of the assessment.
10 Such appeal shall be entered at the next term of such court
11 to be he'd after thirty days from the date of filing of such
12 notice, and shall be accompanied by a certified copy of
13 the assessment and of the officer's return, if any. Such
14 appeal shall be in order for trial at the first term, and said
15 court shall have full power to render such judgment in the
16 premises as law and justice may require, with the exception
17 that the judgment of the assessors in matters of valuation,
18 in the absence of fraud and mistake of law, shall be deemed
19 conclusive.

Sect. 13. Upon written request tendered to the board of
2 state assessors by any person taxed under the provisions of
3 this act, within sixty days from the date of assessment, set-
4 ting forth that the tax so assessed is excessive or erroneous,
5 or that the valuation of any of the petitioner's property is
6 excessive, the board of state assessors shall grant the peti-
7 tioner a formal hearing at their office in Augusta, at which
8 he may appear with or without counsel, and be heard rela-
9 tive to the subject matter of his grievance, and if as a re-
10 sult of said hearing, the assessors are persuaded that their
11 action is in any respect erroneous, they shall so certify and
12 file an amended assessment which shall be in all respects
13 enforceable like the original assessment.

Sect. 14. Any person who inadvertently and without
2 fault or negligence fails to register intangible property
3 owned by him, as provided in this act, within the time pro-
4 vided therefor, may within thirty days after the expiration
5 of such time, make special application to the board of state
6 assessors, in writing, asking for the privilege of special
7 registration of such property owned by him, and setting
8 forth the reasons for his omission to seasonably avail him-
9 self of the provisions of this act. If satisfied that the fail-
10 ure on the part of the applicant to so register such property
11 was not wilful or negligent, the state assessors may permit
12 such applicant to register with the same effect as if his
13 action had been reasonable, upon the payment of a fee of
14 two dollars. A special assessment of all property so reg-
15 istered may be made by said assessors not later than April
16 first of each year, with the same effect as if contained in
17 the original assessment.

Sect. 15. All returns made by any person or corporation
2 availing themselves of the benefits of this act, and all in-
3 formation as to individual ownership secured by the board
4 of state assessors or any of its agents, or by the attorney
5 general or any of his assistants or agents, shall be held
6 confidential and inviolate and not disclosed to any person
7 except a public official or court having a duty in the prem-
8 ises. This privilege of secrecy, however, shall be forfeited
9 in case the owner shall fail to pay any tax lawfully as-
10 sessed against him under the provisions of this act. Any

11 person violating the provisions of this section shall be liable
12 to pay a fine not exceeding five hundred dollars and to be
13 imprisoned not exceeding six months, and in addition there-
14 to, shall be liable in a civil action to any person aggrieved
15 for double the damages actually sustained.

Sect. 16. Any person who shall knowingly or wilfully
2 make a false statement under oath in his return to the
3 state assessors, or knowingly or wilfully make any false
4 statement under oath in any proceeding under this act,
5 shall be deemed guilty of perjury and may be convicted and
6 punished accordingly.

Sect. 17. The board of state assessors and the state treas-
2 urer shall be entitled at all time in the administration of
3 this act to the assistance of the attorney general in all legal
4 questions arising thereunder, and in the bringing of actions
5 for the enforcement of any tax assessed hereunder; and
6 the board of state assessors and the attorney general, may
7 appoint such assistants and agents for the purpose of en-
8 forcing this act as the governor and council on their recom-
9 mendation may direct, the compensation of such assistants
10 and agents to be fixed by the governor and council. The
11 compensation and expenses of such assistants and assistants
12 appointed specially for the purpose of enforcing this act,
13 together with all other expense incurred by any state agency
14 in the necessary administration of this act, to be paid from
15 the funds received under this act, and a sufficient amount
16 to provide therefor is hereby appropriated.

Sect. 18. All forms for use under the provisions of this
2 act, together with printed copies of all rules and regula-
3 tions adopted by the board of state assessors under the pro-
4 visions hereof, and printed copies of this act, shall be pre-
5 pared and kept ready for distribution by them at all times
6 to such residents of the state as may demand them; and
7 the board shall in addition thereto take such reasonable
8 steps as in their judgment may be necessary to acquaint
9 the general public with the practical operation of this act
10 and the steps to be pursued to obtain the benefits thereof.

Sect. 19. Section thirteen of chapter ten of the revised
2 statutes is hereby amended by inserting after the word
3 "section" in the second line of said section, the following,
4 to wit: 'and except intangible property duly registered with
5 the board of state assessors as provided by law,' so that
6 said section as amended shall read as follows:

'Sect. 13. All personal property within or without the
2 state, except in cases enumerated in the following section,
3 and except intangible property duly registered with the
4 board of state assessors as provided by law, shall be assessed
5 to the owner in the town where he is an inhabitant on the
6 first day of each April.'

Sect. 20. Section twenty-six of said chapter ten is hereby
2 amended by adding at the end of said section the following,
3 to wit: 'The provisions of this section shall not apply to
4 intangible property registered for taxation with the board

5 of state assessors as provided by law,' so that said section
6 as amended shall read as follows:

'Sect. 26. The buildings, lands and other property of
2 manufacturing, mining and smelting corporations, not ex-
3 empt from taxation, and all stock used in factories, shall
4 be taxed to the corporation, or to the person having pos-
5 session of its property or stock, in the town or place where
6 the buildings and lands are situated and where the property
7 is kept, or where the stock is manufactured; and the build-
8 ings and lands and other property of agricultural and stock
9 raising corporations shall be taxed to the corporation, or
10 to the person having possession of its property, in the town
11 where the buildings and lands are situated and where the
12 personal property is kept; and there shall be a lien for
13 one year on such property and stock for payment of such
14 tax; and it may be sold for payment thereof, as in other
15 cases; and shares of the capital stock of such corporations
16 sha'l not be taxed to the owners. The provisions of this
17 section shall not apply to intangible property registered for
18 taxation with the board of state assessors as provided by
19 law.'

Sect. 21. Section twenty-seven of said chapter ten is here-
2 by amended by adding at the end of said section the follow-
3 ing, to wit: 'The provisions of this section shall not app'y
4 to intangible property registered for taxation with the board
5 of state assessors as provided by law,' so that said section
6 as amended shall read as follows:

‘Sect. 27. The buildings, lands and all other property, 2 real and personal, including all reserve funds, accumula- 3 tions and undivided profits of corporations organized for 4 the purpose of buying, selling and leasing real estate, shall 5 be taxed to the corporation or the persons having posses- 6 sion of such property, in the place where such land and 7 other property are situated, and there shall be a lien for 8 one year on such property for the payment of such tax, 9 and the same may be sold for payment thereof as in other 10 cases; and shares of the capital stock of such corporations 11 shall not be taxed to the owners thereof. The provisions 12 of this section shall not apply to intangible property reg- 13 istered for taxation with the board of state assessors as 14 provided by law.’

Sect. 22. Section thirty of said chapter ten is hereby 2 amended by adding at the end of the last sentence thereof 3 the following, to wit: ‘nor shall anything therein contained 4 be held to authorize the taxation of any intangible property 5 registered for taxation with the board of state assessors 6 as provided by law,’ so that said section as amended shall 7 read as follows:

‘Sect. 30. All real property in the state owned by any 2 bank incorporated by this state, or by any national bank 3 or banking association, or by any corporation organized 4 under the laws of this state for the purpose of doing a 5 loan, trust or banking business and having a capital di- 6 vided into shares, shall be taxed in the place where the

7 property is situated, to said bank, banking association or
8 corporation, for state, county and municipal taxes, accord-
9 ing to its value, like other real estate; but the stock of such
10 banks, banking associations and other corporations shall
11 be taxed to the owners thereof where they reside, if known
12 to be residents of the state; but taxation of shares in such
13 banks shall not be at a greater rate than is assessed upon
14 other money capital in the hands of citizens. This section
15 does not apply to building and loan association, nor shall
16 anything therein contained be held to authorize the taxa-
17 tion of any intangible property registered for taxation with
18 the board of state assessors as provided by law.'

Sect. 23. Section thirty-one of said chapter ten is hereby
2 amended by adding at the end of said section the fo'lowing,
3 to wit: 'The provisions of this section shall not apply to
4 intangible property registered for taxation with the board
5 of state assessors as provided by law,' so that said section
6 as amended shall read as follows:

'Sect. 31. Stock of any bank or other corporation, except
2 a manufacturing corporation, an agricultural and stock
3 raising corporation or corporation mentioned in section
4 twenty-seven, held by persons out of the state, or unknown,
5 which has not been certified according to section twenty-
6 six of chapter fifty-one, in any town in the state, and is
7 not there assessed; and the stock of any bank or such other
8 corporation appearing by the books thereof to be held by
9 persons residing out of the state, or whose residence is

10 unknown to the assessors, shall unless exempt be assessed
11 in the town where such bank or other corporation is located,
12 or transacts its ordinary business; and such town has a lien
13 on such stock and all dividends thereon, from the date of
14 such assessment, until such tax and all costs and expenses
15 arising in the collection thereof are paid. No assignment,
16 sale, transfer or attachment passes any property in such
17 stock unless the vendee first pays such tax and cost. The
18 provisions of this section shall not app'y to intangible
19 property registered for taxation with the board of state as-
20 sessors as provided by law.'

Sect. 24. Paragraph thirteen of section six of chapter ten
2 of the revised statutes is hereby repea'ed.