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An Act To Avoid Unnecessary Removal of Land from the Maine Tree Growth Tax Law Program

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, land that meets all other eligibility criteria for assessment under the Maine Tree Growth Tax Law may be withdrawn from the program if the landowner fails to file certain statements at the end of a 10-year period in which the land has been previously assessed under the law; and

Whereas, landowners must pay a significant penalty for land withdrawn from assessment under the Maine Tree Growth Tax Law; and

Whereas, the tax year for property tax purposes begins April 1st; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §581, sub-§1, as repealed and replaced by PL 2007, c. 627, §16, is amended to read:

1. Assessor determination; owner request. ~~If Subject to the suspension process provided in subsection 1-A, if the assessor determines that land subject to this subchapter no longer meets the requirements of this subchapter, the assessor must withdraw the land from taxation under this subchapter. Before withdrawing a parcel from taxation under this subchapter, if the sole reason the land does not meet the requirements of this subchapter is that the owner failed to file the sworn statement required under section 574-B, the assessor shall provide the owner with written notice by regular mail of the deadline to file the sworn statement and permit the owner at least 60 days to respond to that notice. An owner of land subject to taxation under this subchapter may at any time request withdrawal of that land from taxation under this subchapter by certifying in writing to the assessor that the land is no longer to be classified under this subchapter.~~

Sec. 2. 36 MRSA §581, sub-§1-A is enacted to read:

1-A. Suspension period. Before withdrawing a parcel from taxation under this subchapter, if the sole reason the parcel does not meet the requirements of this subchapter is that the owner failed to file the sworn statement required under section 574-B, subsection 1 or the statement from a licensed professional forester under section 574-B, subsection 2, the assessor shall provide the owner with written notice of the original due date for filing the required statements and notify the owner that the parcel will be suspended from taxation under this subchapter and that a penalty may be assessed under subsection 3.

- A. Eligibility of the parcel for taxation under this subchapter must be suspended for one year after the original due date for filing the statements required under section 574-B.
- B. During the one-year suspension period under paragraph A, the parcel must be taxed as if it were not eligible for taxation under this subchapter; however, no penalty may be assessed.
- C. If the owner provides the required statements before the end of the one-year suspension period under paragraph A, the parcel must be returned to classification under this subchapter.
- D. If the owner does not provide the required statements before the end of the one-year suspension period under paragraph A, a penalty must be assessed as otherwise provided in this section as if the parcel were withdrawn on the original due date of the statements required under section 574-B and the parcel may not be returned to classification under this subchapter.
- E. If, during the one-year suspension period under paragraph A, the parcel becomes ineligible under this subsection for reasons other than failure to file the statements required under section 574-B, the parcel must be immediately withdrawn and a penalty assessed as if the suspension period had not applied.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill provides a grace period that imposes a temporary suspension from taxation under the Maine Tree Growth Tax Law for landowners who fail to file the required statements every 10 years but are otherwise in compliance with the law. Current law requires the tax assessor to withdraw the land from taxation under the program and impose prescribed penalties after notifying the landowner and providing a period of 60 days for the landowner to respond to that notice. This bill provides that the parcel for taxation under the Maine Tree Growth Tax Law is suspended from the program for one year after the original due date of the required statements and that the parcel is taxed as if it were not eligible for taxation under the program but without applying the penalty provision. The bill allows the land to be returned to classification under the Maine Tree Growth Tax Law if the landowner provides the required statements before the end of the one-year suspension period. It requires that the penalty be assessed as if the parcel were withdrawn on the original due date of the required statements if the landowner fails to file the required statements and the land is no longer classified under the Maine Tree Growth Tax Law. The bill requires that if, during the suspension period, the parcel becomes ineligible for taxation under the Maine Tree Growth Tax Law for reasons other than failure to file the required statements, the parcel must be immediately withdrawn and a penalty assessed as if the suspension period had not applied.