

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1314

S. P. 414

In Senate, March 16, 1979

Referred to the Committee on Taxation. Sent down for concurrence and ordered printed.

Presented by Senator Teague of Somerset.

MAY M. ROSS, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

AN ACT Providing for Administrative Modifications to Property Tax Laws  
Administered by the Bureau of Taxation.

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

**Sec. 1. 10 MRSA c. 209** is repealed.

**Sec. 1-A. 30 MRSA § 1201**, as last amended by PL 1975, c. 632, is further amended to read:

**§ 1201. Assessment for fire protection tax**

The county commissioners of Aroostook County are authorized, on behalf of the inhabitants of Connor and Silver Ridge Townships, of Township 8 R.4, Township 10 R.6, Township 14 R.6, Township 15, R.6, Township 16, R.4, Township 16, R.6, Township 17, R.4 and Township 17, R.5, and the county commissioners of Franklin County are authorized, on behalf of ~~Township 3, R.2, BKPWKR (Jerusalem); Township 4, R.2, BKPWKR (Sugarloaf Township)~~ and the Townships of Salem and Freeman, and the county commissioners of Hancock County are authorized, on behalf of the inhabitants of Township 8, S.D., and the unorganized coastal islands of that county, and the county commissioners of Knox County are authorized, on behalf of the inhabitants of the unorganized coastal islands of that county, and the county commissioners of Lincoln County are authorized, on behalf of the

**Sec. 16.** 36 MRSA § 342 is repealed.

**Sec. 17.** 36 MRSA § 381, as last amended by PL 1977, c. 509, § 3, is repealed.

**Sec. 18.** 36 MRSA § 451, sub-§ 3, as enacted by PL 1975, c. 660, § 5, is repealed.

**Sec. 19.** 36 MRSA § 451-B is enacted to read:

**§ 451-B. Annual forest district tax**

**A tax of 4¼ mills on a 100% valuation multiplied by a fraction whose numerator is the previous year's assessed value of the land taxable by the municipality, including dams and power houses, but not including any other structure or building, and whose denominator is the total previous year's assessed value of all property taxable by the municipality is assessed upon all property in the Maine Forestry District in organized municipalities. The valuation, as determined by the State Tax Assessor and set forth in the statement filed by him as provided by section 208, shall be the basis for the computation and apportionment of the tax assessed.**

**Sec. 20.** 36 MRSA § 452, as last amended by PL 1977, c. 48, § 4, is repealed.

**Sec. 21.** 36 MRSA § 502 is amended to read:

**§ 502. Property taxable**

All real estate within the State, all personal property of residents of the State and all personal property within the State of persons not residents of the State is subject to taxation on the first day of each April as provided; and the status of all taxpayers and of such taxable property shall be fixed as of that date. ~~Personal property employed in trade and manufacturers' inventories of raw materials, unfinished and finished goods, shall be taxed on the average amount kept on hand for sale or for processing during the preceding taxable year, or any portion of that period when the business has not been carried on for a year. The taxable year shall be from April 1st to April 1st.~~

**Sec. 22.** 36 MRSA §§ 558, 560, 563 and 564 are repealed.

**Sec. 23.** 36 MRSA § 579, 2nd ¶, 2nd sentence, as amended by PL 1975, c. 765, § 11, is further amended to read:

If such notification is not given, the assessor shall be deemed to have denied taxation hereunder ~~upon expiration of the 60 days~~ **on June 1st.**

**Sec. 24.** 36 MRSA § 579, 5th ¶, as amended by PL 1973, c. 308, § 10, is further amended to read:

If the owner or owners of any parcel of forest land subject to taxation under this subchapter fail to submit the schedules under the foregoing provisions of this section or fail to provide information after notice duly received as provided under this section, such owner or owners shall be deemed to have waived all rights of appeal pursuant to section 583 for the ~~next~~ **that** property tax year except for the determination that the land is subject to taxation under this subchapter.

**Sec. 25.** 36 MRSA § 583, as repealed and replaced by PL 1977, c. 694, § 687, is amended to read:

**§ 583. Abatement**

Assessments made under this subchapter are subject to the abatement procedures provided by section 841 ~~except that appeal under section 843 from abatement decisions shall be to the Land Classification Appeals Board rather than to either a local board of assessment review or the State Board of Assessment Review~~ **Appeal from an abatement decision rendered under section 841 shall be to the Land Classification Appeals Board.**

**Sec. 26.** 36 MRSA § 603, as last amended by PL 1973, c. 592, § 11, is repealed.

**Sec. 27.** 36 MRSA § 603-A is enacted to read:

**§ 603-A. Exceptions**

**1. Personal property taxed in place where situated.** The following personal property shall be taxed in the place where situated:

- A. Liquefied petroleum gas installations together with tanks or other containers used in connection therewith;**
- B. Portable mills;**
- C. All store fixtures, office furniture, furnishings, fixtures and related equipment;**
- D. Professional libraries, apparatus, implements and supplies;**
- E. Coin-operated vending or amusement devices;**
- F. Camper trailers as defined in section 1481; and**
- G. Television and radio transmitting equipment.**

**2. Nonresidents.** Personal property which is within the State and owned by persons residing out of the State shall be taxed either to the owner, or to the person having the same in possession in the place where situated.

**3. Guardianship.** Personal property belonging to minors under guardianship shall be taxed to the guardian in the place where the guardian resides. The personal property of all other persons under guardianship shall be taxed to the guardian in the place where the ward resides.

**4. Partners.** Personal property of partners in business may be taxed to the partners jointly under the partnership name; and in those cases they shall be jointly and severally liable for the tax.

**5. Persons unknown.** Personal property owned by persons unknown shall be taxed to the person having the same in possession.

**6. Certain corporations.** The personal property of manufacturing, mining, smelting, agricultural and stock raising corporations, and corporations organized for the purpose of buying, selling and leasing real estate shall be taxed to the corporation or to the persons having possession of the property in the place where situated, except as provided in subsection 1.

Sec. 28. 36 MRSA § 653, as last amended by PL 1977, c. 569, § 3, is repealed.

Sec. 29. 36 MRSA § 653-A is enacted to read:

**§ 653-A. Estates of certain persons**

The following estates are exempt from taxation.

**1. Estates of Indians residing on tribal reservations.**

The estates of Indians who reside on tribal reservation;

**2. Estates up to just value of \$4,000 of legally blind.**

The estates up to the just value of \$4,000 of all persons determined to be legally blind by the Department of Human Services;

**3. Veteran exemptions. Veteran related exemptions:**

**A. The estates up to the just value of \$6,000 of pre-World War II veterans;**

**B. The estates up to the just value of \$4,000 of the World War II and post-World War II veterans;**

**C. The estates up to the just value of \$6,000 of the widows and minor children of pre-World War II veterans;**

**D. The estates up to the just value of \$4,000 of the widows and minor children of World War II and post-World War II veterans;**

**E. The estates up to the just value of \$6,000 of the mothers of pre-World War II veterans;**

**F. The estates up to the just value of \$4,000 of the mothers of World War II and post-World War II veterans;**

**G. The estates of paraplegic veterans up to the just value of \$40,000;**

**H. The estates of paraplegic veterans' widows up to the just value of \$40,000;**

**I. The word "veteran" as used in this subchapter shall mean any person, male or female, who was in active service in the Armed Forces of the United States during any federally recognized war period or the Korean Campaign or the Viet Nam War; and who, if discharged, retired or separated from the armed forces, was discharged, retired or separated under other than dishonorable conditions. A veteran of the Viet Nam War shall have served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964, and before**

~~unorganized townships fund in the township in which the forfeited interest in the public reserved lot is located~~ **unorganized territory education and services fund.**

**Sec. 48. 36 MRSA § 1604, sub-§ 2, first sentence**, as enacted by PL 1977, c. 698, § 8, is amended to read:

The Legislature shall consider the Governor's report and, not later than April 15th of each year, determine the municipal cost component for the ~~current~~ **next** fiscal year.

**Sec. 49. 36 MRSA § 1605, sub-§ 2**, as enacted by PL 1977, c. 698, § 8, is repealed and following enacted in its place:

**2. Disbursements. The treasurer shall withdraw from the fund all sums necessary to pay the expenses attributable to the municipal cost component.**

#### STATEMENT OF FACT

The purposes of this bill are set forth by the section numbers.

**Section 1.** Refers to taxation of bulk sales of inventories which are now exempt.

#### Sections

**1-A & 1-B.** Jerusalem and Sugarloaf now organized. Assessments are a part of unorganized territory educational and services tax.

**Section 2.** Relates recording charges for unorganized territory with that charged municipalities.

**Section 3.** Removes unnecessary restrictions and reconstructed from paragraph F. to paragraph J.

**Section 4.** Enacts new paragraph concerning declaration of value.

**Section 5.** Simplifies previous text.

**Section 6.** Removes contradictory language.

**Section 7.** Removes municipal valuation appeals board from court appeal process.

**Section 8.** Correction of titles.

**Section 9.** Correction of titles.

**Section 10.** Provides specific rule making authority.

**Section 11.** Correction of titles.

**Section 12.** Duplication of section 208.

**Section 13.** Eliminates standards in effect prior to 1979.

**Section 14.** Removes unnecessary restrictions.

- Section 15.** Consolidates provisions in sections 328 and 329.
- Section 16.** Now covered by the unorganized territory educational and services tax.
- Section 17, 18 & 20.** Unnecessary due to repeal of state tax.
- Section 19.** This tax authority previously located in Title 12.
- Section 21.** Inventories now exempt.
- Section 22.** This provision causes unnecessary confusion when a municipality changes its fiscal year. (Rp. T. 36, § 558)  
 Unnecessary due to repeal of bank stock tax. (Rp. T. 36, § 560)  
 Known as "chase law". These sections are redundant in view of the tree growth tax law. (Rp. T. 36, §§ 563 and 564)
- Section 23.** Establishes a fixed expiration date.
- Section 24, 25, 31, 32 & 33.** Correction of previous legislation.
- Sections 26 & 27.** Clarified current legislation. (Rp. T. 36, § 603 enacts T. 36, § 603-A)
- Sections 28 & 29.** Reconstructs current legislation. Consolidates 2 blind exemptions on a just value basis. (Rp. T. 36, § 653, enacts T. 36, § 653-A)
- Section 30.** Unnecessary as exempt properties are now reported annually.
- Section 34.** Current appeal time limit too restrictive.
- Section 35, 36 & 37.** No longer applicable due to recent legislation.
- Section 38.** Replaced by unorganized territory tax provisions.
- Section 39.** No longer necessary.
- Section 40.** Duplication of section 706.
- Section 41.** Correction of previous legislation.
- Section 42.** Unnecessary duplication.
- Section 43.** Corrections due to previous legislation.
- Section 44.** Equalizes recording charges with municipalities.
- Section 45.** Eliminates outdated staggered excise provisions.
- Sections 46, 47, 48, & 49.** Correction of previous legislation.