

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Allow Tree Growth Land Transfer to Family Members

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

Sec. 1. 36 MRSA §581-H is enacted to read:

§ 581-H. Withdrawal and transfer to family member

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Family member" means a sibling, spouse, child, parent, grandparent or grandchild of the owner of the parcel.

B. "Portion" means a plot of land no greater than 5 acres in area.

C. "Transfer" means the transfer of a controlling interest in the fee ownership of the land or the controlling interest in the timber rights on the land.

2. Transfer without penalty. Notwithstanding the penalties for withdrawal specified in section 581, if a portion of a parcel of land subject to this subchapter is withdrawn from taxation under this subchapter and transferred immediately to a family member, a penalty may not be assessed against the transferor or the transferee. The transfer allowed by this subsection may be exercised only once per family.

3. Exception. This section does not apply if the transfer of a portion of land causes the total parcel subject to taxation under this chapter to fall below the 10-acre minimum requirement.

SUMMARY

This bill allows a 5-acre or smaller plot of land to be withdrawn from taxation under the Maine Tree Growth Tax Law and transferred once to a family member without penalty for withdrawal.