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## **An Act To Amend the Gifting of Land Exemption under the Subdivision Laws**

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

**Sec. 1. 30-A MRS §4401, sub-§4, ¶D-4**, as enacted by PL 2001, c. 359, §3, is amended to read:

D-4. A division accomplished by gift to a person related to the donor of an interest in property ~~held by the donor for a continuous period of 5 years prior to the division by gift~~ does not create a lot or lots for the purposes of this definition, unless the intent of the transferor is to avoid the objectives of this subchapter. If the real estate exempt under this paragraph is transferred within 5 years to another person not related to the donor of the exempt real estate as provided in this paragraph or is transferred to another person not related to the donor of the exempt real estate within 10 years of the date the exempt real estate was acquired by the donor of the exempt real estate, then the previously exempt division creates a lot or lots for the purposes of this subsection. "Person related to the donor" means a spouse, parent, grandparent, brother, sister, child or grandchild related by blood, marriage or adoption. A gift under this paragraph ~~cannot~~ be given for consideration that is more than 1/2 the assessed value of the real estate.

### **SUMMARY**

This bill amends the subdivision law exemption for gifts to relatives by removing the requirement that the donor of the gifted property must have held the property for a continuous period of 5 years prior to the division by gift. The bill also provides that if property that is exempt from the subdivision law pursuant to the gifts to relatives exemption is transferred within 10 years of when the property was acquired by the donor, a lot is created for purposes of the subdivision law.