



131st MAINE LEGISLATURE

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Legislative Document

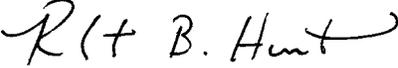
No. 341

H.P. 215

House of Representatives, January 30, 2023

An Act to Amend the Maine Tree Growth Tax Law to Encourage Housing Construction

Reference to the Joint Select Committee on Housing suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative DUCHARME of Madison.

Cosponsored by Representatives: ARATA of New Gloucester, CARMICHAEL of Greenbush, DUNPHY of Embden, LANDRY of Farmington, THORNE of Carmel, Senator: FARRIN of Somerset.

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

2 **Sec. 1. 36 MRSA §581, sub-§3**, as amended by PL 2021, c. 630, Pt. C, §5, is further
3 amended to read:

4 **3. Penalty.** If Except as provided in subsection 3-A, if land is withdrawn from taxation
5 under this subchapter, the assessor shall impose a penalty upon the owner. The penalty is
6 the greater of:

7 A. An amount equal to the taxes that would have been assessed on the land on the first
8 day of April for the 5 tax years, or any lesser number of tax years starting with the year
9 in which the land was first classified, preceding the withdrawal had that land been
10 assessed in each of those years at its just value on the date of withdrawal less all taxes
11 paid on that land over the preceding 5 years, or any lesser number of tax years starting
12 with the year in which the land was first classified, and increased by interest at the
13 prevailing municipal rate from the date or dates on which those amounts would have
14 been payable; and

15 B. An amount computed by multiplying the amount, if any, by which the just value of
16 the land on the date of withdrawal exceeds the 100% valuation of the land pursuant to
17 this subchapter on the preceding April 1st by the following rates.

18 (1) If the land was subject to valuation under this subchapter for 10 years or fewer
19 prior to the date of withdrawal, the rate is 30%.

20 (2) If the land was subject to valuation under this subchapter for more than 10
21 years prior to the date of withdrawal, the rate is 30% reduced by one percentage
22 point for each full year beyond 10 years that the land was subject to valuation under
23 this subchapter prior to the date of withdrawal, except that the minimum rate is
24 20%.

25 For purposes of this subsection and subsection 3-A, just value at the time of withdrawal is
26 the assessed just value of comparable property in the municipality adjusted by the
27 municipality's certified assessment ratio.

28 **Sec. 2. 36 MRSA §581, sub-§3-A** is enacted to read:

29 **3-A. Penalty; use of land for single-family housing construction.** If land is
30 withdrawn from taxation under this subchapter and a portion of the land will be used for
31 construction of single-family residential housing and the conditions required for building
32 construction are met within 2 years of withdrawal, the assessor shall impose a penalty upon
33 the owner that is the lesser of the amounts calculated under subsection 3, paragraphs A and
34 B. If single-family residential housing on the land is not completed within 2 years of
35 withdrawal or the conditions required for building construction are not met, the penalty
36 must be calculated under subsection 3 and a supplemental penalty may be assessed.

37 **SUMMARY**

38 This bill reduces the penalty for withdrawal of land from classification under the Maine
39 Tree Growth Tax Law if the land is used for the construction of single-family residential
40 housing and the conditions required for building construction are met within 2 years of
41 withdrawal.