

MAINE STATE LEGISLATURE

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ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1970

S. P. 779

In Senate, March 3, 1980

Reported by Senator Clark of Cumberland. From the Committee on Taxation and printed under Joint Rules No. 2.

MAY M. ROSS, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

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Sec. 1. 10 MRSA c. 209, is repealed.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. 2. 30 MRSA § 1201, as last amended by PL 1979, c. 541, Pt. B, §§ 39-40, is amended to read:

§ 1201. Fire Protection

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 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 inhabitants of the unorganized coastal islands of that county, and the county commissioners of Oxford County are authorized on behalf of the inhabitants of Albany and Milton

§ 329. Inability to achieve standards

Upon an initial determination by the Bureau of Taxation that a ~~municipal assessing unit~~ **municipality** has not met the minimum standards set forth in this subchapter, the municipality has the following 2 options:

1. **The municipality may accept the bureau's determination.** Upon such acceptance, the bureau shall consult with the officers of the municipality and require steps by which the municipality shall achieve an equitable level of assessing practices. Such steps shall endeavor to accommodate the preferences of the municipal officers and may include membership, **where applicable**, in a primary assessing district, the joining with a companion municipality in the hiring of a part time, professional assessor or an assessing firm or other arrangements approved by the Bureau of Taxation;

2. **Appeal.** The ~~municipal assessing unit~~ **municipality** deeming itself aggrieved may file a written notice of appeal with the Municipal Valuation Appeals Board in accordance with the provisions of sections 291 through 293.

Sec. 12. **36 MRS**A § 342 is repealed.

Sec. 13. **36 MRS**A § 451, sub-§ 3, as enacted by PL 1975, c. 660, § 5, is repealed.

Sec. 14. **36 MRS**A § 452, as last amended by PL 1977, c. 48, § 4, and I.B. 1977, is repealed.

Sec. 15. **36 MRS**A § 502, 2nd sentence, is repealed.

Sec. 16. **36 MRS**A § 579, as last amended by PL 1977, c. 509, §§ 6-7, is repealed and the following enacted in its place:

§ 579. Schedule, investigation

The owner or owners of forest land subject to valuation under this subchapter shall submit a signed schedule in duplicate, on or before April 1st of the year in which that land first becomes subject to valuation under this subchapter, to the assessor upon a form to be prescribed by the State Tax Assessor, identifying the land to be valued hereunder, listing the number of acres of each forest type, showing the location of each forest type and representing that the land is used primarily for the growth of trees and forest products. Those schedules may be required at such other times as the assessor may designate upon 90-days' written notice.

The assessor shall determine whether the land is subject to valuation and taxation hereunder and shall classify such land as to forest type.

The assessor or the assessor's duly authorized representative may enter and examine the forest lands under this subchapter and may examine into any information submitted by the owner or owners.

Upon notice in writing by certified mail, return receipt requested, or by such other method as provides actual notice, any owner or owners shall appear before

the assessor, at such reasonable time and place as the assessor may designate and answer such questions or interrogatories as the assessor may deem necessary to obtain material information about those lands.

If the owner or owners of any parcel of forest land subject to valuation under this subchapter fails to submit the schedules under the foregoing provisions of this section or fails 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 that property tax year, except for the determination that the land is subject to valuation under this subchapter.

It shall be the obligation of the owner or owners to report to the assessor any change of use or change of forest type of land subject to valuation hereunder.

If the owner or owners fail to report to the assessor a change of use as required by the foregoing paragraph, the assessor may collect such taxes as should have been paid, shall collect the penalty provided in section 581 and shall assess an additional penalty of 25% of the foregoing penalty amount. The assessor may waive the additional penalty for cause.

For the purposes of this section, the acts of owners specified in this section may be taken by an authorized agent of an owner.

Sec. 17. 36 MRSA § 582, sub-§ 5, as enacted by PL 1977, c. 720, § 5, is repealed.

Sec. 18. 36 MRSA § 582-A is enacted to read:

§ 582-A. Payment for tax pending review

Any person who petitions for reconsideration of an order of the State Tax Assessor under section 576 or 576-A or seeks abatement of any assessment under this subchapter or seeks review of any matter arising under this subchapter shall pay on or before the due date all taxes assessed on land subject to valuation under this subchapter, notwithstanding the pendency of a petition for reconsideration, abatement or review.

Sec. 19. 36 MRSA § 583, first sentence, as repealed and replaced by PL 1979, c. 520, § 2, is amended to read:

Assessments made under this subchapter and denials of applications for valuation under this subchapter are subject to the abatement procedures provided by section 841.

Sec. 20. 36 MRSA § 841-B is enacted to read:

§ 841-B. Land Classification Appeals Board; purpose; composition

The Land Classification Appeals Board is established to hear appeals from decisions of municipal tax assessors, chief assessors and the State Tax Assessor acting as assessor of the unorganized territory relating to the Maine Tree Growth Tax Law or the Farm and Open Space Tax Law. The board shall be composed of 4 voting members: The Commissioner of Conservation or his designee; the

Commissioner of Agriculture or his designee; the person who, pursuant to section 584, is currently serving on the Forest Land Valuation Advisory Council as the landowner member; and the person who, pursuant to section 584, is currently serving on the Forest Land Valuation Advisory Council as the municipal officer. The Commissioner of Finance and Administration or his designee shall serve in an advisory capacity as a nonvoting member and as chairman of the board. In the case of a tie vote, the Commissioner of Finance and Administration or his designee shall vote to break the tie. The landowner member and the municipal officer shall be compensated by the Bureau of Taxation at \$25 per day plus actual expenses. All other members shall be compensated by the agency they represent for actual expenses incurred in the performance of their duties under this section.

Sec. 21. 36 MRSA § 841-C is enacted to read:

§ 841-C. Hearing

An appeal to the Land Classification Appeals Board is commenced by filing with board a written application for review. The time within which the application for review must be filed is 30 days from receipt of the assessor's decision or 30 days from the date an abatement is deemed to be denied.

On receipt of an application for review by the Land Classification Appeals Board, the chairman shall designate a time and place for hearing and make such other arrangements for the hearing as may be necessary. The board may summons witnesses, administer oaths, order the production of books, records, papers, instruments and any additional evidence it deems necessary in order to make a decision. The board may affirm, reject or amend determinations of assessors, chief assessors and the State Tax Assessor, made pursuant to the Maine Tree Growth Tax Law or the Farm and Open Space Tax Law. The board may order a refund in whole or in part of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid. If the board fails to give written notice of its decision within 90 days of the filing of such an appeal, the appeal shall be deemed to be denied and the applicant may appeal further as provided, unless the applicant consents in writing to further delay.

Sec. 22. 36 MRSA § 844, first sentence, as last amended by PL 1977, c. 509, § 19, is further amended to read:

Except where the municipality has adopted a board of assessment review or has been designated as a primary assessing area, if the assessors refuse to make the abatement asked for, the applicant may apply to the county commissioners, ~~at their next meeting occurring after notice of the decision from which such appeal is being taken or after the application shall be deemed to have been denied, and~~ **within 30 days after notice of the decisions from which the appeal is being taken, or within 30 days after the application shall be deemed to be denied.** ~~¶~~ If they think that he is over-assessed, he shall be granted such reasonable abatement as they think proper, and if he has paid the tax, he shall be reimbursed out of the municipal treasury, with costs in either case.

purposes of valuation and assessment, the following initial letters mean as follows: The letter "T." when used alone means Township; the letter "R." when used alone means Range; the letter "N." when used alone means North; "E." means East; "S." means South; "W." means West; the letters "N.W." means North West; "N.E." means North East; "S.W." means South West; and "S.E." means South East.

The letters "W.E.L.S." means West of the East Line of the State; "B.K.P." means Bingham's Kennebec Purchase; "B.P.P." means Bingham's Penobscot Purchase; "N.B.P.P." means North of Bingham's Penobscot Purchase; "W.B.K.P." means West of Bingham's Kennebec Purchase; "N.B.K.P." means North of Bingham's Kennebec Purchase; "W.K.R." means West of the Kennebec River; "E.K.R." means East of the Kennebec River; "E.C.R." means East of the Canada Road; "W.C.R." means West of the Canada road; "N.W.P." means North of Waldo Patent; "T.S." means Titcomb Survey; "E.D." means East Division; "M.D." means Middle Division; "N.D." means North Division; and "S.D." means South Division.

STATEMENT OF FACT

This bill replaces L. D. 1314 and makes the following changes in the property tax law.

Section 1 repeals that part of the law which requires property tax payment prior to a bulk sale of inventory since inventories are now exempt from property taxation.

Sections 2 and 3 remove Jerusalem and Sugarloaf from the fire protection and public services taxes. These taxes are to provide public services and fire protection to the nonforestland in the unorganized townships. Organized municipalities are not assessed these taxes. Jerusalem and Sugarloaf are now organized municipalities. These sections also delete certain provisions and clarifies other provisions to conform the law to the Unorganized Territory, Educational and Services Tax.

Sections 4 and 31 provide a \$3 fee, instead of a \$1 fee, for recording and discharging a tax lien for the unorganized townships. Organized municipalities are required to pay a \$3 fee. There is no reason for a different fee for essentially the same function. Increasing the fee will produce approximately \$1,600 more in revenues for the register of deeds.

Section 5 deletes an incorrect sentence.

Sections 6, 7, 20 and 21 reallocate the sections of law dealing with the Land Classification Appeals Board procedure and adds clarifying language. Section 20 adds a municipal official to the Land Classification Appeals Board and provides that the Commissioner of Finance and Administration, or his designee, shall vote in case of a tie.

Section 8 changes obsolete references of the "director" of the Bureau of Taxation to the "State Tax Assessor," deletes an unnecessary reference, and clarifies the certification requirement for a professional assessor in a municipal assessing unit.

Sections 9, 10 and 11 clarify language dealing with municipal assessing units and primary assessing areas.

Sections 12, 13, 14, 26, 27, 28, 29, 32, 41 and 42 correct sections of the tax law dealing with the Unorganized Territory, Educational and Services Tax, repealing sections now included in the Unorganized Territory Tax District, correcting references and reallocating sections of that law to a more appropriate place in the statutes.

Section 15 repeals that part of the property tax law which describes the method of establishing the value of inventories since inventories are now exempt from property taxation.

Section 16 is part of a consolidation of the appeals procedures. It also makes minor language changes. This section also deletes the requirement that the municipal officials file a list of all tree growth land with the registry of deeds. This deletion will require a purchaser to go to the town office, instead of the registry of deeds, to determine the tree growth classification of a parcel of land. The State will still file a list of all tree growth land in the unorganized territory with the registry of deeds.

Sections 17 and 18 reallocate a section of law and rewords it to delete incorrect references and clarify the language.

Section 19 adds language to clarify the abatement procedure in the Tree Growth Tax Law to include denials of applications in that procedure as well as abatements of assessment.

Section 22 provides a more reasonable time period for certain appeals to the county commissioners concerning an abatement denied by the assessors.

Section 23 repeals an obsolete section of the law.

Sections 24 and 25 repeal the Farm and Open Space Law appeals procedure and provides uniform treatment of appeals under Title 36, section 841.

Sections 30 and 33 establish the procedure for notice of delinquent taxes in case the owner of the property is unknown.

Sections 34, 35, 36, 37, 38, 39 and 40 amend the excise tax laws to correct an omission of trucks and truck tractors, enacted in 1979, and to delete obsolete provisions dealing with the implementation of staggered excise tax payments. That implementation is now complete.