



**LAWS RELATING**

**TO**

**PROPERTY TAXATION**

**Volume 1**

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**Maine Revised Statutes, Title 36, Parts 1 and 2**

**Excerpts from the Maine Constitution; United States Code, Titles 25 and 42; and Maine Revised Statutes, Title 36, Parts 4, 7, and 9**

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# FOREWORD

This volume contains certain laws relating to property taxation that affect municipal assessors, municipal officials, and the work of the Property Tax Division of Maine Revenue Services.

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The laws included in this volume from Maine Revised Statutes, Title 36 are updated to reflect changes enacted during the Second Regular Session of the 129<sup>th</sup> Legislature. All other references to the Maine Revised Statutes are current through the First Regular Session of the 129<sup>th</sup> Legislature.

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# UNITED STATES CODE

## 25 US CODE INDIANS

### CHAPTER 45 PROTECTION OF INDIANS AND CONSERVATION OF RESOURCES

#### **§5108. Acquisition of lands, water rights or surface rights; appropriation; title to lands; tax exemption**

The Secretary of the Interior is authorized, in his discretion, to acquire, through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments, whether the allottee be living or deceased, for the purpose of providing land for Indians.

For the acquisition of such lands, interests in lands, water rights, and surface rights, and for expenses incident to such acquisition, there is authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, a sum not to exceed \$2,000,000 in any one fiscal year: *Provided*, That no part of such funds shall be used to acquire additional land outside of the exterior boundaries of Navajo Indian Reservation for the Navajo Indians in Arizona, nor in New Mexico, in the event that legislation to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, or similar legislation, becomes law.

The unexpended balances of any appropriations made pursuant to this section shall remain available until expended.

Title to any lands or rights acquired pursuant to this Act or the Act of July 28, 1955 (69 Stat. 392), as amended (25 U.S.C. 608 et seq.) shall be taken in the name of the United States in trust for the Indian tribe or individual Indian for which the land is acquired, and such lands or rights shall be exempt from State and local taxation.

**UNITED STATES CODE**

**42 US CODE  
THE PUBLIC HEALTH AND WELFARE**

**CHAPTER 21  
CIVIL RIGHTS**

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress, except that in any action brought against a judicial officer for an act or omission taken in such officer's judicial capacity, injunctive relief shall not be granted unless a declaratory decree was violated or declaratory relief was unavailable. For the purposes of this section, any Act of Congress applicable exclusively to the District of Columbia shall be considered to be a statute of the District of Columbia.

# CONSTITUTION OF THE STATE OF MAINE

## Article I. Declaration of Rights

**Section 22. Taxes.** No tax or duty shall be imposed without the consent of the people or of their representatives in the Legislature.

## Article III. Distribution of Powers.

**Section 1. Powers distributed.** The powers of this government shall be divided into 3 distinct departments, the legislative, executive and judicial.

**Section 2. To be kept separate.** No person or persons, belonging to one of these departments, shall exercise any of the powers properly belonging to either of the others, except in the cases herein expressly directed or permitted.

## Article IV. Part Third. Legislative Power.

**Section 1. To meet annually; power of Legislature to convene itself at other times; extent of legislative power.** The Legislature shall convene on the first Wednesday of December following the general election in what shall be designated the first regular session of the Legislature; and shall further convene on the first Wednesday after the first Tuesday of January in the subsequent even-numbered year in what shall be designated the second regular session of the Legislature; provided, however, that the business of the second regular session of the Legislature shall be limited to budgetary matters; legislation in the Governor's call; legislation of an emergency nature admitted by the Legislature; legislation referred to committees for study and report by the Legislature in the first regular session; and legislation presented to the Legislature by written petition of the electors under the provisions of Article IV, Part Third, Section 18. The Legislature shall enact appropriate statutory limits on the length of the first regular session and of the second regular session. The Legislature may convene at such other times on the call of the President of the Senate and Speaker of the House, with the consent of a majority of the Members of the Legislature of each political party, all Members of the Legislature having been first polled. The Legislature, with the exceptions hereinafter stated, shall have full power to make and establish all reasonable laws and regulations for the defense and benefit of the people of this State, not repugnant to this Constitution, nor to that of the United States.

**Section 9. Either House may originate bills; revenue bills.** Bills, orders or resolutions, may originate in either House, and may be altered, amended or rejected in the other; but all bills for raising a revenue shall originate in the House of Representatives, but the Senate may propose amendments as in other cases; provided, that they shall not, under color of amendment, introduce any new matter, which does not relate to raising a revenue.

**Section 23. Municipalities reimbursed annually.** The Legislature shall annually reimburse each municipality from state tax sources for not less than 50% of the property tax

## CONSTITUTION OF THE STATE OF MAINE

revenue loss suffered by that municipality during the previous calendar year because of the statutory property tax exemptions or credits enacted after April 1, 1978. The Legislature shall enact appropriate legislation to carry out the intent of this section.

This section shall allow, but not require, reimbursement for statutory property tax exemptions or credits for unextracted minerals.

### **Article VI. Judicial Power.**

**Section 1. Courts.** The judicial power of this State shall be vested in a Supreme Judicial Court, and such other courts as the Legislature shall from time to time establish.

**Section 3. To give opinion when required by Governor or either Branch of the Legislature.** The Justices of the Supreme Judicial Court shall be obliged to give their opinion upon important questions of law, and upon solemn occasions, when required by the Governor, Senate or House of Representatives.

### **Article VIII. Part Second. Municipal Home Rule.**

**Section 1. Power of municipalities to amend their charters.** The inhabitants of any municipality shall have the power to alter and amend their charters on all matters, not prohibited by Constitution or general law, which are local and municipal in character. The Legislature shall prescribe the procedure by which the municipality may so act.

**Section 2. Construction of buildings for industrial use.** For the purposes of fostering, encouraging and assisting the physical location, settlement and resettlement of industrial and manufacturing enterprises within the physical boundaries of any municipality, the registered voters of that municipality may, by majority vote, authorize the issuance of notes or bonds in the name of the municipality for the purpose of purchasing land and interests therein or constructing buildings for industrial use, to be leased or sold by the municipality to any responsible industrial firm or corporation.

### **Article IX. General Provisions.**

**Section 7. Valuation.** While the public expenses shall be assessed on estates, a general valuation shall be taken at least once in 10 years.

**Section 8. Taxation.** All taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.

**1. Intangible property.** The Legislature shall have power to levy a tax upon intangible personal property at such rate as it deems wise and equitable without regard to the rate applied to other classes of property.

## CONSTITUTION OF THE STATE OF MAINE

**2. Assessment of certain lands based on current use; penalty on change to higher use.** The Legislature shall have power to provide for the assessment of the following types of real estate whenever situated in accordance with a valuation based upon the current use thereof and in accordance with such conditions as the Legislature may enact:

- A. Farms and agricultural lands, timberlands and woodlands;
- B. Open space lands which are used for recreation or the enjoyment of scenic natural beauty;
- C. Lands used for game management or wildlife sanctuaries; and
- D. Waterfront land that is used for or that supports commercial fishing activities.

In implementing paragraphs A, B, C and D, the Legislature shall provide that any change of use higher than those set forth in paragraphs A, B, C and D, except when the change is occasioned by a transfer resulting from the exercise or threatened exercise of the power of eminent domain, shall result in the imposition of a minimum penalty equal to the tax which would have been imposed over the 5 years preceding that change of use had that real estate been assessed at its highest and best use, less all taxes paid on that real estate over the preceding 5 years, and interest, upon such reasonable and equitable basis as the Legislature shall determine. Any statutory or constitutional penalty imposed as a result of a change of use, whether imposed before or after the approval of this subsection, shall be determined without regard to the presence of minerals, provided that, when payment of the penalty is made or demanded, whichever occurs first, there is in effect a state excise tax which applies or would apply to the mining of those minerals.

**3. School districts.** The Legislature shall have power to provide that taxes, which it may authorize a School Administrative District or a community school district to levy, may be assessed on real, personal and intangible property in accordance with any cost-sharing formula which it may authorize.

**4. Watercraft.** Beginning with the property tax year 1984, all watercraft as defined by the Legislature shall be exempt from taxation as personal property, provided that certain watercraft as defined by the Legislature shall be subject to an excise tax to be collected and retained by the municipalities.

**5. Historic and scenic preservation.** The Legislature shall have the power to provide that municipalities may reduce taxes on real property if the property owner agrees to maintain the property in accordance with criteria adopted by the governing legislative body of the municipality to maintain the historic integrity of important structures or to provide scenic view easements of significant vistas.

**Section 9. Power of taxation.** The Legislature shall never, in any manner, suspend or surrender the power of taxation.

**Section 21. State mandates.** For the purpose of more fairly apportioning the cost of government and providing local property tax relief, the State may not require a local unit of

## CONSTITUTION OF THE STATE OF MAINE

government to expand or modify that unit's activities so as to necessitate additional expenditures from local revenues unless the State provides annually 90% of the funding for these expenditures from State funds not previously appropriated to that local unit of government. Legislation implementing this section or requiring a specific expenditure as an exception to this requirement may be enacted upon the vote of 2/3 of all members elected to each House. This section must be liberally construed.

**TITLE 36  
TAXATION**

**PART 1  
GENERAL PROVISIONS**

**CHAPTER 7  
UNIFORM ADMINISTRATIVE PROVISIONS**

**§111. Definitions**

As used in this Title, unless the context otherwise indicates, the following terms have the following meanings.

**1. Assessor.** "Assessor" means the State Tax Assessor, except that, in Part 2, Property Taxes, it means the State Tax Assessor with respect to the unorganized territory and the respective municipal assessors or chief assessors of primary assessing areas with respect to the organized areas.

**1-A. Code.** "Code" means the United States Internal Revenue Code of 1986 and amendments to that Code as of April 30, 2021.

**1-B. Bureau.** "Bureau" means the Bureau of Revenue Services, which may be referred to as "Maine Revenue Services."

**1-C. Board.** For purposes of sections 151 and 151-D and section 191, subsection 2, paragraphs C, XX and YY, "board" means the Maine Board of Tax Appeals as established in Title 5, section 12004-B, subsection 10.

**2. Notice.** "Notice" means written notification served personally, sent by certified mail, or sent by first-class mail to the last known address of the person for whom the notification is intended. A person's last known address is the person's address as reported on the person's most recently filed Maine tax return or as otherwise specified by the person in written correspondence on file with the bureau, unless the bureau determines that a different address is the most current address for the person, in which case the bureau must use that address. Notice by first-class mail is deemed to be received 3 days after the mailing, excluding Sundays and legal holidays. If the State Tax Assessor is required by a provision of this Title to give notice by certified mail and attempts to do so but the mailing is returned with the notation "unclaimed" or "refused" or a similar notation, the assessor may then give notice by sending the notification by first-class mail. In the case of a joint income tax return, notice may be a single joint notice except that, if the assessor is notified by either spouse that separate residences have been established, the assessor must mail a joint notice to each spouse. If the person for whom notification is intended is deceased or under a legal disability, and the assessor knows of the existence of a fiduciary relationship with respect to that person, notice must be sent by first-class mail to the last known address of the fiduciary.

**3. Person.** "Person" means an individual, firm, partnership, association, society, club, corporation, financial institution, estate, trust, business trust, receiver, assignee or any other

## TITLE 36 – TAXATION, PART 1

group or combination acting as a unit, the State or Federal Government or any political subdivision or agency of either government.

**4. Return.** "Return" means any document, digital file or electronic data transmission containing information required by this Title to be reported to the State Tax Assessor.

**5. Tax.** "Tax" means the total amount required to be paid, withheld and paid over or collected and paid over with respect to estimated or actual tax liability under this Title, any credit or reimbursement allowed or paid pursuant to this Title that is recoverable by the assessor and any amount assessed by the assessor pursuant to this Title, including any interest or penalties provided by law. For purposes of this chapter, "tax" also means any fee, fine, penalty or other debt owed to the State provided for by law if that fee, fine, penalty or other debt is subject to collection by the assessor pursuant to statute or transferred to the bureau for collection pursuant to section 112-A.

**6. Tax Assessor.** (Repealed)

**7. Taxpayer.** "Taxpayer" means any person required to file a return under this Title or to pay, withhold and pay over or collect and pay over any tax imposed by this Title. For the purposes of sections 171, 175-A and 176-A, "taxpayer" also means any person obligated to the State for the payment of a fee, fine, penalty or other obligation to the State provided for by law, if this obligation is subject to collection by the assessor pursuant to an agreement entered into by the bureau and another agency of the State. "Taxpayer" also means any pass-through entity doing business in the State or having a Maine resident member, including an S corporation, general partnership, limited partnership, limited liability partnership, limited liability company or similar entity, that is not taxed as a C corporation for federal tax purposes.

### §112. State Tax Assessor

**1. General powers and duties.** The assessor shall administer and enforce the tax laws enacted under this Title and under Title 29-A, and may adopt rules and require such information to be reported as necessary. The assessor may investigate, enforce, and prosecute activities defined as crimes in this Title and in Title 17-A, sections 358, 751 and 903. The assessor shall provide, at the time of issuance, to one or more entities that publish a monthly state tax service all rules, bulletins, taxpayer notices or alerts, notices of rulemaking, any other taxpayer information issued by the assessor, and all substantive amendments or modifications of the same, for publication by that entity or entities. When a significant change has occurred in bureau policy or practice or in the interpretation by the bureau of any law, rule or instruction bulletin, the assessor shall, within 60 days of the change, provide to the same publishing entity or entities written notice, suitable for publication, of the change.

**2. Organization.** The assessor may employ deputies, assistants and employees as necessary, subject to the Civil Service Law unless otherwise provided, and distribute the duties given to the assessor or to the bureau among those persons or divisions in that bureau the assessor considers necessary for economy and efficiency in administration. An officer within each division of the bureau must be designated by the assessor as director of that division. The assessor, for enforcement and administrative purposes, may divide the State into a reasonable number of districts in which branch offices may be maintained.



## TITLE 36 – TAXATION, PART 1

The Office of Tax Policy, referred to in this paragraph as "the office," is established within the bureau. The head of the office is the Associate Commissioner for Tax Policy, who reports directly to, and serves at the pleasure of, the Commissioner of Administrative and Financial Services and who must have an advanced degree in economics, statistics, accounting, business, law or public policy. The office is responsible for: providing economic and legal policy analysis on tax issues; oversight of tax legislation review; providing revenue forecasting analysis to the Revenue Forecasting Committee under Title 5, section 1710-E; the preparation of tax expenditure reports; the establishment of policy criteria reflected in bureau rules and advisory rulings; and related public relations.

**2-A. Training program.** The assessor may implement a training program to enhance the technical and service delivery expertise of the bureau's revenue agents and property appraisers. Employees in these classifications who participate in the training program and who demonstrate that they have achieved competencies prescribed by the assessor may progress immediately to the senior position in these classification series.

**3. Examination of witnesses.** The assessor may summon and examine under oath any person whose testimony is considered necessary to the proper discharge of the assessor's duties and may require the production of all books or other documents in the custody or control of that person that relate to any matter that the assessor has authority to investigate or determine. This examination may be conducted by an agent designated by the assessor and is considered an "official proceeding" within the meaning of that term in Title 17-A, section 451. The assessor or that agent may administer all oaths required under this Title and may, in the assessor's discretion, reduce any examination under oath to writing. Any person summoned under this section is entitled to receive at the same time a copy of the Taxpayer Bill of Rights statement required to be prepared under subsection 7-A.

Any justice of the Superior Court and, with respect to the taxes imposed under Part 6, any judge of probate, upon application of the assessor, may compel the attendance of witnesses and the giving of testimony before the assessor in the same manner, to the same extent and subject to the same penalties as if before the court over which that justice or judge presides.

**4. Examination of records and premises.** Whenever necessary to the administration of this Title, the assessor may make, or cause to be made by an employee, an examination or investigation of the place of business, books and other documents and any other relevant personal property of any person who the assessor has reason to believe is liable for any tax imposed by this Title.

At the conclusion of an audit, the assessor or an agent shall conduct an audit conference with the taxpayer and shall give the taxpayer a written summary of the audit findings, including the legal basis for the audit findings and adjustments, along with copies of relevant bureau audit workpapers.

**5. Contract authority.** The assessor is authorized to contract with persons on an independent contract basis for the furnishing of technical services to assist the assessor in the administration of this Title.

## TITLE 36 – TAXATION, PART 1

**5-A. Agreements with other governments.** The assessor may enter into agreements with other governments for assistance in the administration and enforcement of this Title if the disclosure of information to duly authorized officers of those governments is permitted by section 191, subsection 2, paragraph D.

**6. Agent for collection.** The assessor is authorized to name any of the assessor's employees as agents to collect any tax imposed under this Title.

**7. Evaluation of tax systems.** The assessor and the Office of Tax Policy shall investigate and examine the systems and methods of taxation of other states and make careful and constant inquiry into the practical operation and effect of the laws of this State, in comparison with the laws of other states, with the view of ascertaining wherein the tax laws of this State are defective, inefficient, inoperative or inequitable.

**7-A. Taxpayer Bill of Rights.** The assessor shall prepare a statement describing in simple and nontechnical terms the rights of a taxpayer and the obligations of the bureau during an audit. The statement must also explain the procedures by which a taxpayer may appeal any adverse decision of the assessor, including reconsideration under section 151, appeals to the Maine Board of Tax Appeals and judicial appeals. This statement must be distributed by the bureau to any taxpayer contacted with respect to the determination or collection of any tax, excluding the normal mailing of tax forms. This paragraph does not apply to criminal tax investigations conducted by the assessor or by the Attorney General.

**8. Additional duties.** In addition to the duties specified in this Title, the assessor has the following duties:

- A. Collection of the tax on fire insurance companies imposed by Title 25, section 2399; and
- B. (Repealed)
- C. (Repealed)
- D. (Repealed)
- E. Administration of reports and payments required under Title 38, section 3108.

**9. Services provided to another agency of State.** The assessor may undertake, by written agreement with another agency of the State, to provide or assist with revenue collection services for that agency.

**9-A. Review of telecommunications taxation.** (Repealed)

**10. Title.** The State Tax Assessor may be referred to as the "executive director" or the "director."

**11. Report to the Legislature.** (Repealed)

**12. State Tax Assessor to calculate conformity factor.** (Repealed)

## TITLE 36 – TAXATION, PART 1

**13. Set-off agreements.** The assessor may enter into agreements with other taxing jurisdictions to provide for collection of tax debts by means of setoffs as provided in this subsection.

A. The assessor may enter into an agreement with the Federal Government pursuant to the Code, Section 6402(e) to set off against tax refunds payable by the Federal Government and pay to this State taxes owed to this State.

B. The assessor may enter into an agreement with another state or an agency of another state to set off against tax refunds payable by the other state and pay to this State taxes owed to this State.

C. In conjunction with an agreement authorized under paragraph B, the assessor may enter into an agreement that allows the other state to set off against tax refunds payable by this State taxes owed to the other state. The assessor may enter into an agreement authorized by this paragraph only if the other state allows this State to set off against tax refunds owed by the other state taxes owed to this State on substantially similar terms.

D. The assessor may enter into an agreement authorized by paragraph C only if the agreement provides that the other state may not set off against tax refunds payable by this State unless the other state has notified the taxpayer of the taxes due and has given the taxpayer an opportunity for review or appeal of the tax debt. The other state must certify to the assessor that it has notified the taxpayer of the taxes due and has given the taxpayer an opportunity for review or appeal of the tax debt before the setoff is exercised.

E. For purposes of this subsection, "tax" includes monetary restitution ordered to be paid to the bureau as part of a sentence imposed for a violation of this Title or Title 17-A.

### **§112-A. Agreements for transfer from another state agency of debt for collection**

**1. Generally.** Any agency of the State may transfer to the bureau solely for the purposes of collection any fee, fine, penalty or other debt owed to the State provided for by law if the debt is final without further right of administrative or judicial review and if the transfer of the debt is made pursuant to a written agreement entered into by the bureau and that agency.

**2. Transfer of collected proceeds.** After the deduction of the assessor's collection fee authorized by subsection 3, the assessor shall remit collections of the transferred debt to the creditor agency.

**3. Collection fee.** A collection fee calculated pursuant to section 114 for service costs of the assessor in undertaking the collection of transferred debt may be charged to the creditor agency. The fee may be deducted from collected amounts transferred to the creditor agency and deposited in the Bureau of Revenue Services Fund, Internal Services Fund account authorized by section 114. If a creditor agency is either entitled to federal matching funds against all debts collected or required by federal regulations to specially handle debts collected, the assessor shall transfer to that creditor agency the gross proceeds from collections of the transferred debt, and that agency

## TITLE 36 – TAXATION, PART 1

shall promptly reimburse the collection fee to the assessor for deposit in the Bureau of Revenue Services Fund, Internal Services Fund account.

**4. Accounting.** The creditor agency shall credit the account of the debtor with the full amount of the collected debt, including the collection fee retained by, or reimbursed to, the assessor, except that the collection fee may not be credited to the account of an individual required to make restitution as provided in Title 17-A, section 1502, subsection 4.

**5. Priority.** The assessor may proceed with collection of any tax, including transferred debt deemed a tax debt pursuant to section 111, subsection 5, in any order of priority among such tax obligations.

### §113. Audit and collection expenses

**1. Contract audit and collection programs.** The State Controller may transfer from the General Fund and the Highway Fund amounts authorized by the State Tax Assessor equal to the expenses of those contract audit and collection programs for which the fees are contingent on the amount collected. These amounts transferred must be deposited into a dedicated, nonlapsing account to be used solely for the purpose of paying these expenses. Interest earned on balances in the account accrue to the account. The assessor shall notify the State Controller of the amounts to be transferred pursuant to this section. The assessor shall annually report to the joint standing committees of the Legislature having jurisdiction over taxation matters and appropriations and financial affairs the amounts collected and the costs incurred of programs administered pursuant to this section.

**2. Credit card fees.** The State Tax Assessor may subtract from revenues received credit card fees incurred by the assessor in connection with the following:

- A. The collection of delinquent taxes imposed by this Title; and
- B. The collection of property taxes in the unorganized territory.
- C. (Repealed)

**3. Federal offset fees.** The State Tax Assessor may subtract from revenues received fees imposed upon the State by the United States Department of the Treasury for offsetting state income tax obligations against federal income tax refunds pursuant to Section 6402(e) of the Code.

**4. Recording fees.** The State Controller may transfer from the General Fund amounts authorized by the State Tax Assessor equal to the fees imposed upon the State by a register of deeds pursuant to Title 33, section 751. These amounts transferred must be deposited into a dedicated, nonlapsing account to be used solely for the purpose of paying those fees. Interest earned on balances in the account accrue to the account. The assessor shall notify the State Controller of the amounts to be transferred pursuant to this subsection.

**5. Financial institution computer data match costs.** The State Tax Assessor may subtract from revenues received fees authorized under section 176-B for payment to financial institutions for the actual costs incurred in matching taxpayer information against account

## TITLE 36 – TAXATION, PART 1

records, the cost of holding financial institutions harmless for good faith actions under section 176-B and for costs related to the implementation and operation of the financial institution computer data match program provided in section 176-B.

### §114. Internal services provided by the bureau

**1. Internal Services Fund account established.** The bureau shall establish, through the Office of the State Controller, the Bureau of Revenue Services Fund, Internal Services Fund account. The funds deposited in this account include, but are not limited to, appropriations transferred to the account, funds transferred to the account from within the Department of Administrative and Financial Services, funds received from state departments and agencies using the collection services and imaging and scanning services provided by the bureau and earnings by the fund from the Treasurer of State's investment cash pool.

**2. Rate schedule.** The bureau may levy charges according to a rate schedule recommended by the assessor and approved by the Commissioner of Administrative and Financial Services against all departments using the services of the bureau.

**3. Calculation of charges.** Service charges for collections and imaging and scanning services must be calculated to provide for equipment replacement costs, operating costs, necessary capital investment, personal services and necessary working capital for the Bureau of Revenue Services Fund, Internal Services Fund account.

**4. Staff.** The assessor shall appoint staff, as approved by the Legislature and subject to the Civil Service Law, necessary to carry out the purposes of this section.

**5. Departments and agencies to budget funds.** Each department or agency using the services of the bureau must budget adequate funds to pay for the collection services and imaging and scanning services provided by the bureau.

### §115. Payment by credit card

The State Tax Assessor may establish procedures permitting payment of taxes by the use of credit cards. The assessor may contract with one or more entities for the purpose of enabling the assessor to accept and process credit card transactions only if under any such contract the State does not incur any charges or fees from accepting payment by credit card, the State does not have any liability to the credit card company or processor from nonpayment of credit card charges by the taxpayer, any fee associated with payment of taxes by credit card is disclosed to the taxpayer prior to commencement of the transaction and directly charged to the taxpayer and collected by the processor, all credit card payments are electronically transmitted to the State by the processor immediately upon approval of the credit transaction and the processor retains all responsibility for approving or rejecting all proposed credit card payments.

### §135. Record-keeping requirements

**1. Taxpayers.** Persons subject to tax under this Title shall maintain such records as the State Tax Assessor determines necessary for the reasonable administration of this Title. Records pertaining to taxes imposed by chapters 371, 575 and 577 and by Part 8 must be retained as long

## TITLE 36 – TAXATION, PART 1

as is required by applicable federal law and regulation. Records pertaining to the special fuel tax user returns filed pursuant to section 3209, subsection 2 and the International Fuel Tax Agreement pursuant to section 3209, subsection 1-B must be retained for 4 years. Records pertaining to all other taxes imposed by this Title must be retained for a period of at least 6 years. The records must be kept in such a manner as to ensure their security and accessibility for inspection by the assessor or any designated agent engaged in the administration of this Title.

**2. Bureau of Revenue Services.** Returns filed under this Title or microfilm reproductions or digital images of those returns must be preserved for 3 years and thereafter until the State Tax Assessor orders their destruction.

### §141. Assessment

**1. General provisions.** Except as otherwise provided by this Title, an amount of tax that a person declares on a return filed with the State Tax Assessor to be due to the State is deemed to be assessed at the time the return is filed and is payable on or before the date prescribed for filing the return. When a return is filed, the assessor shall examine it and may conduct audits or investigations to determine the correct tax liability. If the assessor determines that the amount of tax shown on the return is less than the correct amount, the assessor shall assess the tax due the State and provide notice to the taxpayer of the assessment. Except as provided in subsection 2, an assessment may not be made after 3 years from the date the return was filed or 3 years from the date prescribed for filing the return, whichever is later. The assessor may make a supplemental assessment within the assessment period prescribed by this section for the same period, periods or partial periods previously assessed if the assessor determines that a previous assessment understates the tax due or otherwise is imperfect or incomplete in any material respect. For purposes of this subsection, the date prescribed for filing the return is determined without regard to any extension of time.

**2. Exceptions.** The following are exceptions to the 3-year time limit specified in subsection 1.

A. An assessment may be made within 6 years from the date the return was filed if the tax liability shown on the return, after adjustments necessary to correct any mathematical errors apparent on the face of the return, is less than 1/2 of the tax liability determined by the assessor. In determining whether the 50% threshold provided by this paragraph is satisfied, the assessor may not consider any portion of the understated tax liability for which the taxpayer has substantial authority supporting its position.

B. An assessment may be made at any time with respect to a time period for which a fraudulent return has been filed.

C. An assessment may be made at any time with respect to a period for which a return has become due but has not been filed. If a person who has failed to file a return does not provide to the assessor, within 60 days of receipt of notice, information that the assessor considers necessary to determine the person's tax liability for that period, the assessor may assess an estimated tax liability based upon the best information otherwise available. In any proceeding for the collection of tax for that period, that estimate is prima facie evidence of the tax liability. The 60-day period provided by this paragraph must be extended for an additional

## TITLE 36 – TAXATION, PART 1

60 days if the taxpayer requests an extension in writing prior to the expiration of the original 60-day period.

D. (Repealed)

E. The time limitations for assessment specified in this section may be extended to any later date to which the assessor and taxpayer agree in writing.

**3. Abatement.** (Repealed)

### **§142. Cancellation and abatement**

The State Tax Assessor may, within 3 years from the date of assessment or whenever a written request has been submitted by a taxpayer within 3 years of the date of assessment, cancel any tax that has been levied illegally. In addition, if justice requires, the assessor may, with the approval of the Governor or the Governor's designee, abate, within 3 years from the date of assessment or whenever a written request has been submitted by a taxpayer within 3 years of the date of assessment, all or any part of any tax assessed by the assessor. The decision of the assessor pursuant to this section not to abate all or any part of any tax assessed under this Title is not subject to review under section 151.

### **§143. Compromise of tax liability**

The State Tax Assessor may compromise a tax liability arising under this Title upon the grounds of doubt as to liability or doubt as to collectability, or both. Upon acceptance by the assessor of an offer in compromise, the liability of the taxpayer in question is conclusively settled and neither the taxpayer nor the assessor may reopen the case except by reason of falsification or concealment of assets by the taxpayer, fraud or mutual mistake of a material fact. The decision of the assessor to reject an offer in compromise is not subject to review under section 151. The assessor's authority to compromise a tax liability pursuant to this section is separate from and in addition to the assessor's authority to cancel or abate a tax liability pursuant to section 142.

The submission of an offer in compromise does not automatically operate to stay the collection of a tax liability, but the assessor may stay collection action if the interests of the State are not jeopardized by that action.

The assessor may adopt rules regarding the procedures to be followed for the submission and consideration of offers in compromise.

### **§144. Application for refund**

**1. Generally.** A taxpayer may request a credit or refund of any tax that is imposed by this Title or administered by the State Tax Assessor within 3 years from the date the return was filed or 3 years from the date the tax was paid, whichever period expires later. Every claim for refund must be submitted to the assessor in writing and must state the specific grounds upon which the claim is founded and the tax period for which the refund is claimed. A claim for refund is deemed to be a request for reconsideration of an assessment under section 151.

## TITLE 36 – TAXATION, PART 1

### 2. Exceptions.

A. Subsection 1 does not apply in the case of sales and use taxes imposed by Part 3, estate taxes imposed by chapter 575 or 577, income taxes imposed by Part 8 and any other tax imposed by this Title for which a specific statutory refund provision exists.

B. For any claim by an individual for credit or a refund of any tax imposed under this Title, the assessor may toll the applicable statute of limitations for a period of up to 3 years on the grounds of mental incapacity of the claimant. The period may be tolled only if the mental incapacity existed at a time when the claim could have been timely filed. The limitations period resumes running when the mental incapacity no longer exists. For the purposes of this paragraph, the term "mental incapacity" means the overall inability to function in society that prevents an individual from protecting the individual's legal rights.

### §145. Declaration of jeopardy

If the State Tax Assessor determines that the collection of any tax will be jeopardized by delay, the assessor, upon giving notice of this determination to the person liable for the tax by personal service or certified mail, may demand an immediate return with respect to any period or immediate payment of any tax declared to be in jeopardy, or both, and may terminate the current reporting period and demand an immediate return and payment with respect to that period. Notwithstanding any other provision of law, taxes declared to be in jeopardy are payable immediately, and the assessor may proceed immediately to collect those taxes by any collection method authorized by this Title. The person liable for the tax may stay collection by requesting reconsideration of the declaration of jeopardy in accordance with section 151 and depositing with the assessor within 30 days from receipt of notice of the determination of jeopardy a bond or other security in the amount of the liability with respect to which the stay of collection is sought. A determination of jeopardy by the assessor is presumed to be correct, and the burden of showing otherwise is on the taxpayer.

### §151. Review of decisions of State Tax Assessor

**1. Petition for reconsideration.** A person who is subject to an assessment by the State Tax Assessor or entitled by law to receive notice of a determination of the assessor and who is aggrieved as a result of that action may request in writing, within 60 days after receipt of notice of the assessment or the determination, reconsideration by the assessor of the assessment or the determination. If a person receives notice of an assessment and does not file a petition for reconsideration within the specified time period, a review is not available in Superior Court or before the board regardless of whether the taxpayer subsequently makes payment and requests a refund.

**2. Reconsideration by division.** If a petition for reconsideration is filed within the specified time period, the assessor shall reconsider the assessment or the determination as provided in this subsection.

A. Upon receipt by the assessor, all petitions for reconsideration must be forwarded for review and response to the division in the bureau from which the determination issued.



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B. Within 90 days of receipt of the petition for reconsideration by the responding division, the division shall approve or deny, in whole or in part, the relief requested. Prior to rendering its decision and during the 90 days, the division may attempt to resolve issues with the petitioner through informal discussion and settlement negotiations with the objective of narrowing the issues for an appeals conference or court review, and may concede or settle individual issues based on the facts and the law, including the hazards of litigation. By mutual consent of the division and the petitioner, the 90 days may be extended for good cause, such as to allow further factual investigation or litigation of an issue by that or another taxpayer pending in court.

C. If the matter between the division and the petitioner is not resolved within the 90-day period, and any extension thereof, the petitioner may consider the petition for reconsideration denied. The petitioner may not consider the petition for reconsideration denied after either the reconsidered decision has been received by the petitioner or the expiration of 9 years following the filing of the petition for reconsideration, whichever occurs first. A petition for reconsideration considered denied pursuant to this paragraph constitutes final agency action. A petitioner elects to consider the petition for reconsideration denied pursuant to this paragraph by:

- (1) For a small claim request, filing a petition for review in Superior Court. For purposes of this subparagraph, "small claim request" has the same meaning as in paragraph E; or
- (2) For all other requests:
  - (a) Filing a statement of appeal with the board; or
  - (b) Filing a petition for review in Superior Court.

D. A reconsideration by the division is not an adjudicatory proceeding within the meaning of that term in the Maine Administrative Procedure Act.

E. A reconsidered decision rendered on any request other than a small claim request constitutes the assessor's final determination, subject to review either by the board or directly by the Superior Court. A reconsidered decision rendered on a small claim request constitutes the assessor's final determination and final agency action and is subject to de novo review by the Superior Court. For purposes of this paragraph, "small claim request" means a petition for reconsideration when the amount of tax or refund request in controversy is less than \$1,000.

F. A person who wishes to appeal a reconsidered decision under this section:

- (1) To the board must file a written statement of appeal with the board within 60 days after receipt of the reconsidered decision; or
- (2) Directly to the Superior Court must file a petition for review in the Superior Court within 60 days after receipt of the reconsidered decision.

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If a person does not file a request for review with the board or the Superior Court within the time period specified in this paragraph, the reconsidered decision becomes final and no further review is available.

G. Upon receipt of a statement of appeal or petition for review filed by a person pursuant to paragraph F, the board or Superior Court shall conduct a de novo hearing and make a de novo determination of the merits of the case. The board or Superior Court shall enter those orders and decrees as the case may require. The burden of proof is on the person, except as otherwise provided by law.

### §151-A. Additional safeguards

**1. Recording of interviews.** The State Tax Assessor, upon advance request, shall allow a taxpayer to make an audio recording of any in-person interview concerning the determination and collection of any tax. The recording must be made at the taxpayer's own expense and with that person's own equipment.

The State Tax Assessor may record the interview if the State Tax Assessor:

- A. Informs the taxpayer of the recording prior to the interview; and
- B. Upon request of the taxpayer, provides the taxpayer with a transcript or copy of the recording, but only if the taxpayer provides reimbursement for the cost of the transcription and reproduction of the transcript or copy.

**2. Representative of taxpayer.** The taxpayer may bring to any interview with the State Tax Assessor or to any proceeding pursuant to section 151-D any attorney, certified public accountant, enrolled agent, enrolled actuary, or any other person permitted to represent the taxpayer. If the taxpayer does not bring anyone to the interview or proceeding but clearly states at any time during the interview or proceeding that the taxpayer wishes to consult with an attorney, certified public accountant, enrolled agent, enrolled actuary or any other person permitted to represent the taxpayer, the State Tax Assessor shall suspend the interview or the board shall suspend the proceeding. The suspension must occur even if the taxpayer has answered one or more questions before that point in the interview or proceeding. The interview must be rescheduled to be held within 10 working days.

### §151-B. Independent Appeals Office (Repealed)

### §151-C. Taxpayer advocate

**1. Appointment.** The Commissioner of Administrative and Financial Services shall hire the taxpayer advocate as an employee of the bureau. The taxpayer advocate need not be an attorney.

**2. Duties and responsibilities.** The duties and responsibilities of the taxpayer advocate are to:

- A. Assist taxpayers in resolving problems with the bureau;

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- B. Identify areas in which taxpayers have problems in dealings with the bureau;
- C. Propose changes in the administrative practices of the bureau to mitigate problems identified under paragraph B; and
- D. Identify legislative changes that may be appropriate to mitigate problems identified under paragraph B.

**3. Annual report.** Beginning in 2012, the taxpayer advocate shall prepare and submit by August 1st an annual report of activities of the taxpayer advocate to the Governor, the assessor and the joint standing committee of the Legislature having jurisdiction over taxation matters.

**4. Investigation.** The taxpayer advocate may investigate complaints affecting taxpayers generally or any particular taxpayer or group of taxpayers and, when appropriate, make recommendations to the assessor with respect to these complaints. The assessor shall provide a formal response to all recommendations submitted to the assessor by the taxpayer advocate within 3 months after submission to the assessor.

**5. Response.** The assessor shall establish procedures to provide for a formal response to all recommendations submitted to the assessor by the taxpayer advocate.

### §151-D. Maine Board of Tax Appeals

**1. Board established.** The Maine Board of Tax Appeals, established in Title 5, section 12004-B, subsection 10, is established as an independent board within the Department of Administrative and Financial Services and is not subject to the supervision or control of the bureau. The purpose of the board is to provide taxpayers with a fair system of resolving controversies with the bureau and to ensure due process.

**2. Members; appointment.** The board consists of 3 members appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over taxation matters and confirmation by the Legislature. No more than 2 members of the board may be members of the same political party. The Governor shall designate one board member to serve as chair. The Governor may remove any member of the board for cause.

**3. Qualifications.** The members of the board must be residents of this State and must be selected on the basis of their knowledge of and experience in taxation. A member of the board may not hold any elective office or any public office involving assessment of taxes or administration of any of the tax laws of this State. At least one member must be an attorney. No more than 2 members may be attorneys.

**4. Terms.** Members of the board are appointed for terms of 3 years. A member may not serve more than 2 consecutive terms, plus any initial term of less than 3 years. A vacancy must be filled by the Governor for the unexpired term subject to review by the joint standing committee of the Legislature having jurisdiction over taxation matters and confirmation by the Legislature during the next legislative session.

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**5. Quorum.** Two members of the board constitute a quorum. A vacancy in the board does not impair the power of the remaining members to exercise all the powers of the board.

**6. Compensation.** A member of the board is entitled to a per diem of \$100. Board members receive reimbursement for their actual, necessary cash expenses while on official business of the board.

**7. Powers and duties.** The board has all powers as are necessary to carry out its functions. The board may be represented by legal counsel. The board may delegate any duties as necessary.

**8. Appeals office.** The board shall establish and maintain an office, referred to in this section as "the appeals office," in the City of Augusta to assist the board in carrying out the purposes of this section. The board may meet and conduct business at any place within the State.

**9. Chief Appeals Officer; appeals office.** The Commissioner of Administrative and Financial Services shall appoint the Chief Appeals Officer to assist the board and manage the appeals office. The Chief Appeals Officer must be a citizen of the United States and have substantial knowledge of tax law. The Chief Appeals Officer is an unclassified employee at salary range 33. The Chief Appeals Officer serves at the pleasure of the commissioner. The Chief Appeals Officer shall:

A. Subject to policies and procedures established by the board, manage the work of the appeals office and hire personnel, including subordinate appeals officers and other professional, technical and support personnel;

B. Assist the board in the development and implementation of rules, policies, and procedures to carry out the provisions of this section and section 151 and comply with all applicable laws;

C. Prepare a proposed biennial budget for the board, including supplemental budget requests as necessary, for submission to and approval by the Commissioner of Administrative and Financial Services;

D. Attend all board meetings and maintain proper records of all transactions of the board; and

E. Perform other duties as the board and the Commissioner of Administrative and Financial Services may assign.

**10. Appeals procedures.** Appeals of tax matters arising under this chapter are conducted in accordance with this subsection.

A. If requested by a petitioner within 20 days of filing a statement of appeal, the appeals office shall hold an appeals conference to receive additional information and to hear arguments regarding the protested assessment or determination. The board shall set a rate of no more than \$150 as a processing fee for each petition that proceeds to an appeals conference. These fees must be credited to a special revenue account to be used to defray expenses in carrying out this section. Any balance of these fees in the special revenue account

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does not lapse but is carried forward as a continuing account to be expended for the same purposes in the following years.

B. The appeals office shall provide a petitioner with at least 10 working days' notice of the date, time, and place of an appeals conference. The appeals conference may be held with fewer than 10 working days' notice if a mutually convenient date, time, and place can be arranged.

C. An appeals officer shall preside over an appeals conference. The appeals officer has the authority to administer oaths, take testimony, hold hearings, summon witnesses, and subpoena records, files, and documents the appeals officer considers necessary for carrying out the responsibilities of the board.

D. If a petitioner does not timely request an appeals conference, the appeals officer shall determine the matter based on written submissions by the petitioner and the division within the bureau making the original determination.

E. Both a petitioner and the assessor may submit to the appeals officer, whether or not an appeals conference has been requested, written testimony in the form of an affidavit, documentary evidence and written legal argument and written factual argument. In addition, if an appeals conference is held, both the petitioner and the assessor may present oral testimony and oral legal argument. The appeals officer need not observe the rules of evidence observed by courts, but shall observe the rules of privilege recognized by law. If the appeals officer considers it appropriate, the appeals officer may encourage the petitioner and the assessor to resolve disputed issues through settlement or stipulation. The appeals officer may limit the issues to be heard or vary any procedure adopted for the conduct of the appeals conference if the parties agree to that limitation.

F. Except when otherwise provided by law, a petitioner has the burden of proving, by a preponderance of the evidence, that the assessor has erred in applying or interpreting the relevant law.

G. The appeals officer shall exercise independent judgment. The appeals officer may not have any ex parte communications with or on behalf of any party, including the petitioner, the assessor or any other employee of the Department of Administrative and Financial Services except those employees in the appeals office; however, the appeals officer may have ex parte communication limited to questions that involve ministerial or administrative matters that do not address the substance of the issues or position taken by the petitioner or the assessor.

H. The appeals officer shall prepare a recommended final decision on the appeal for consideration by the board based upon the evidence and argument presented to the appeals officer by parties to the proceeding. The decision must be in written form and must state findings of fact and conclusions of law. The appeals officer shall deliver copies of the recommended final decision to the board.

I. The board shall consider the recommended final decision on a timely basis. The board may not have any ex parte communication with or on behalf of any party, including the petitioner, the assessor or any other employee of the Department of Administrative and Financial Services except those employees in the appeals office; however, the board may have ex parte

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communication limited to questions that involve ministerial or administrative matters that do not address the substance of the issue or position taken by the petitioner or assessor. After considering the recommended final decision, the board may:

- (1) Adopt the recommended final decision as delivered by the appeals officer;
- (2) Modify the recommended final decision;
- (3) Send the recommended final decision back to the same appeals officer, if possible, for the taking of further evidence, for additional consideration of issues, for reconsideration of the application of law or rules or for such other proceedings or considerations as the board may specify; or
- (4) Reject the recommended final decision in whole or in part and decide the appeal itself on the basis of the existing record.

A determination by the board is not an adjudicatory proceeding within the meaning of that term in the Maine Administrative Procedure Act. The decision, as adopted, modified, or rejected by the board or appeals officer pursuant to this paragraph is the final administrative decision on the appeal and is subject to de novo review by the Superior Court. Either the taxpayer or the assessor may appeal the decision to the Superior Court and may raise on appeal in the Superior Court any facts, arguments or issues that relate to the final administrative decision, regardless of whether the facts, arguments or issues were raised during the proceeding being appealed, if the facts, arguments or issues are not barred by any other provision of law. The court shall make its own determination as to all questions of fact or law, regardless of whether the questions of fact or law were raised before the division within the bureau making the original determination or before the board. The burden of proof is on the taxpayer.

A person who wishes to appeal a decision adopted under this paragraph to the Superior Court must file a petition for review within 60 days after receipt of the board's decision. If a person does not file a request for review with the Superior Court within the time period specified in this paragraph, the decision becomes final and no further review is available.

Subject to any applicable requirements of the Maine Administrative Procedure Act, the board shall adopt rules to accomplish the purposes of this section. Those rules may define terms, prescribe forms and make suitable order of procedure to ensure the speedy, efficient, just and inexpensive disposition of all proceedings under this section. Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

Beginning in 2014 and annually thereafter, the board shall prepare and submit a report by January 1st on the activities of the board to the Governor, the assessor and the joint standing committee of the Legislature having jurisdiction over taxation matters.

### **§152. Payment of contested taxes**

A taxpayer may pay any tax, make any deposit, or file any bond at any time without forfeiting any right to apply for a refund or an abatement or to seek review of the validity of the tax. No such

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tax, bond or deposit need be paid, filed, or made under protest or under duress to entitle the taxpayer to apply for a refund or an abatement or to seek review of the validity of the tax.

### §153. Time of filing or paying

**1. Mail.** If any document or payment required or permitted by this Title to be filed or paid is transmitted by the United States Postal Service to the person with whom or to whom the filing or payment is to be made, the date of the United States Postal Service postmark stamped on the envelope is deemed to be the date of filing or payment if that document or payment was deposited in the mail, postage prepaid and properly addressed to the person with whom or to whom the filing or payment is to be made. If the document or payment is not received by that person or if the postmark date is illegible, omitted or claimed to be erroneous, the document or payment is deemed to have been filed or paid on the mailing date if the sender establishes by competent evidence that the document or payment was deposited with the United States Postal Service, postage prepaid and properly addressed, and, in the case of nonreceipt, files a duplicate document or makes payment, as the case may be, within 15 days after receipt of written notification by the addressee of the addressee's nonreceipt of the document or payment. A record authenticated by the United States Postal Service of mailing by registered mail, certified mail or certificate of mailing constitutes competent evidence of such mailing. Any reference in this section to the United States Postal Service is deemed to include a reference to any delivery service designated by the United States Secretary of the Treasury pursuant to section 7502(f)(2) of the Code, and any reference in this section to a postmark of the United States Postal Service is deemed to include a reference to any date recorded or marked as described in section 7502(f)(2)(C) of the Code by any such designated delivery service.

**2. Weekends and holidays.** When the last day, including any extension of time, prescribed under this Title for the performance of an act falls on Saturday, Sunday or a legal holiday in this State, the performance of that act is timely if it occurs on the next succeeding day which is not a Saturday, Sunday or legal holiday in this State.

### §171. Demand letter

**1. Taxes imposed by this Title.** If any tax imposed by this Title is not paid on or before its due date and no further administrative or judicial review of the assessment is available under section 151, the assessor, within 3 years after administrative and judicial review have been exhausted, may give the taxpayer notice of the amount to be paid, specifically designating the tax, interest and penalty due, and demand payment of that amount within 10 days of that taxpayer's receipt of notice. The notice must be given by personal service or sent by certified mail. The notice must include a warning that, upon failure of that taxpayer to pay as demanded, the assessor may proceed to collect the amount due by any collection method authorized by this Title. The notice must also describe the procedures applicable to the levy and sale of property under section 176-A, the alternatives available to the taxpayer that could forestall levy on property, including installment agreements, and the provisions of this Title relating to redemption of property and the release of the lien on property created by virtue of the levy. If the taxpayer has filed a petition for relief under the United States Bankruptcy Code, the running of the 3-year period of limitation imposed by this section is stayed until the bankruptcy case is closed or a discharge is granted, whichever occurs first.

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**2. Other debts owed to State.** In the case of a fee, fine, penalty or other obligation first owed to the State on or after January 1, 1988 and authorized to be collected by the bureau, the assessor, within 3 years after the obligation is first placed with the bureau for collection, may give the taxpayer notice of the amount to be paid, including any interest and penalties provided by law, and demand payment of that amount within 10 days of that taxpayer's receipt of notice. The notice must be given by personal service or sent by certified mail. The notice must include a warning that, upon failure of that taxpayer to pay as demanded, the assessor may proceed to collect the amount due by any collection method authorized by section 175-A or 176-A. The notice must describe the procedures applicable to the levy and sale of property under section 176-A, the alternatives available to the taxpayer that could forestall levy on property, including installment agreements, and the provisions of this Title relating to redemption of property and the release of the lien on property created by virtue of the levy.

### §172. Denial, suspension, or revocation of license

If any tax liability imposed under this Title that has become final, other than a liability for a tax imposed under Part 2, remains unpaid in an amount exceeding \$1,000 for a period greater than 15 days after the taxpayer has received notice of that finality by personal service or certified mail, and the taxpayer fails to cooperate with the bureau in establishing and remaining in compliance with a reasonable plan for liquidating that liability, the State Tax Assessor shall certify the liability and lack of cooperation:

**1. Liquor licensee.** If the taxpayer is a liquor licensee, to the Department of Administrative and Financial Services, which shall construe that liability and lack of cooperation to be a ground for denying, suspending or revoking the taxpayer's liquor license in accordance with Title 28-A, section 707 and chapter 33;

**2. Motor vehicle dealer.** If the taxpayer is a licensed motor vehicle dealer, to the Secretary of State, who shall construe that liability and lack of cooperation to be a ground for denying, suspending or revoking the taxpayer's motor vehicle dealer license in accordance with Title 29-A, section 903; or

**3. Adult use marijuana licensed establishment.** If the taxpayer is a marijuana establishment, as defined in Title 28-B, section 102, subsection 29, to the Department of Administrative and Financial Services, which shall construe that liability and lack of cooperation to be a ground for denying, suspending or revoking the taxpayer's marijuana establishment license in accordance with Title 28-B, chapter 1, subchapter 8.

### §173. Collection by warrant

**1. Request and issuance of warrant.** If the taxpayer does not make payment as demanded pursuant to section 171, the State Tax Assessor may file in the office of the clerk of the Superior Court of any county a certificate addressed to the clerk of that court specifying the amount of tax, interest and penalty that was demanded, the name and address of the taxpayer as it appears on the records of the State Tax Assessor, the facts whereby the amount has become due and the notice given and requesting that a warrant be issued against the taxpayer in the amount of the tax, penalty and interest set forth in the certificate and with costs. If the State Tax Assessor reasonably believes that the taxpayer may abscond within the 10-day period provided by section 171, the



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assessor may, without giving notice to or making demand upon the taxpayer, request immediate issuance of a warrant. Immediately upon the filing of the certificate, the clerk of the Superior Court shall issue a warrant in favor of the State against the taxpayer in the amount of tax, interest and penalty set forth in the certificate and with costs.

**2. Effect of warrant.** The warrant has the force and effect of an execution issued upon a judgment in a civil action for taxes and may be served in the county where the taxpayer may be found by the sheriff of that county or the sheriff's deputies or by any agent of the State Tax Assessor authorized under section 112, subsection 6 to collect any tax imposed by this Title. In the execution of the warrant and collection of taxes pursuant to this Title, including supplementary disclosure proceedings for that purpose under Title 14, chapter 502, an agent of the State Tax Assessor has the powers of a sheriff and is entitled to collect from the debtor the same fees and charges permitted to a sheriff. Any such fees and charges collected by that agent must be remitted promptly to the State.

Warrants are returnable within 5 years of issuance. New warrants may be issued for collection of sums remaining unsatisfied, upon the filing of the certificate described in subsection 1, within 2 years from the return day of the last preceding warrant.

### §174. Collection by civil action

**1. Generally.** If a taxpayer fails to pay a tax imposed by this Title on or before the due date of that tax, the State Tax Assessor, through the Attorney General, may commence a civil action within 6 years after receipt by the taxpayer of the demand notice required by section 171 in a court of competent jurisdiction in this State in the name of the State for the recovery of that tax. In this action, the certificate of the assessor showing the amount of the delinquency is prima facie evidence of the levy of the tax, of the delinquency and of the compliance by the assessor with this Title in relation to the assessment of the tax.

**2. Other jurisdictions.** The Attorney General may bring civil actions in the courts of other states in the name of this State or any of its tax-collecting agencies to collect taxes legally due this State or those agencies.

**3. Comity.** The courts of this State shall recognize and enforce liabilities for taxes lawfully imposed by another state to the same extent that the laws of that other state permit the enforcement in its courts of tax liabilities arising under this Title. The duly authorized officer of any such state may sue for the collection of such a tax in the courts of this State. A certificate by the Secretary of State of such other state that an officer suing for the collection of such a tax is duly authorized to collect the tax shall be conclusive proof of that authority.

**4. Stay of running of period of limitation.** The running of the period of limitation for commencement of a civil action for the recovery of any tax pursuant to this section is stayed for the period of time, plus 120 days, during which the tax collection action is stayed by the bankruptcy proceeding under the United States Bankruptcy Code.

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### §175. Applicants for license or renewal of license

**1. Information provided to State Tax Assessor.** Every department, board, commission, division, authority, district or other agency of the State issuing or renewing a license or other certificate of authority to conduct a profession, trade or business shall annually, on or before April 1st, provide to the State Tax Assessor, in such form as the assessor may prescribe, a list of all licenses or certificates of authority issued or renewed by that agency during the preceding calendar year. The list provided to the State Tax Assessor must contain the name, address, Social Security or federal identification number of the licensees and such other identifying information as the State Tax Assessor may adopt by rule. Notwithstanding other provisions of law, all persons seeking a license or certificate of authority or a renewal shall provide and the responsible agency shall collect the information required by the State Tax Assessor under this section. Failure by persons to provide a licensing or certifying agency that information results in an automatic denial of any request for a license or certificate of authority or a renewal.

**2. Failure to file or pay taxes; determination to prevent renewal, reissuance or other extension of license or certificate.** If the assessor determines that a person who holds a license or certificate of authority issued by this State to conduct a profession, trade or business has failed to file a return at the time required under this Title or to pay a tax liability due under this Title that has been demanded, other than taxes due pursuant to Part 2, and the person continues to fail to file or pay after at least 2 specific written notices, each giving 30 days to respond, have been sent by first-class mail, then the assessor shall notify the person by certified mail or personal service that continued failure to file the required tax return or to pay the overdue tax liability may result in loss of the person's license or certificate of authority. If the person continues for a period in excess of 30 days from notice of possible denial of renewal or reissuance of a license or certificate of authority to fail to file or show reason why the person is not required to file or if the person continues not to pay, the assessor shall notify the person by certified mail or personal service of the assessor's determination to prevent renewal, reissuance or extension of the license or certificate of authority by the issuing agency. A review of this determination is available by requesting reconsideration as provided in section 151. Either by failure to proceed to the next step of appeal or by exhaustion of the steps of appeal, the determination to prevent renewal or reissuance of the license or certificate of authority becomes final unless otherwise determined on appeal. In any event, the license or certificate of authority remains in effect until all appeals have been taken to their final conclusion.

**3. Refusal to renew, reissue or otherwise extend license or certificate.** Notwithstanding any other provision of law, any issuing agency that is notified by the State Tax Assessor of the assessor's final determination to prevent renewal or reissuance of a license or certificate of authority under subsection 2 shall refuse to reissue, renew or otherwise extend the license or certificate of authority. Notwithstanding Title 5, sections 10003 and 10005, an action by an issuing agency pursuant to this subsection is not subject to the requirements of Title 5, chapter 375, subchapters IV and VI, and no hearing by the issuing agency or in District Court is required. A refusal by an agency to reissue, renew or otherwise extend the license or certificate of authority is deemed a final determination within the meaning of Title 5, section 10002.

**4. Subsequent reissuance, renewal or other extension of license or certificate.** The agency may reissue, renew or otherwise extend the license or certificate of authority in accordance with the agency's statutes and rules after the agency receives a certificate issued by the State Tax

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Assessor that the person is in good standing with respect to all returns due or with respect to any tax due as of the date of issuance of the certificate. An agency may waive any applicable requirement for reissuance, renewal or other extension if it determines that the imposition of that requirement places an undue burden on the person and that a waiver of the requirement is consistent with the public interest.

**5. Financial institutions excluded.** This section does not apply to any registration, permit, order, or approval issued pursuant to Title 9-B.

**6. Certificate of good standing.** The assessor must issue a certificate of good standing to the person conditioned upon the person's agreement to complete obligations under this Title. If the person fails to complete obligations under this Title in accordance with that agreement, the assessor may notify the person and the issuing agency of the assessor's determination to revoke the license or certificate of authority. A review of this determination is available by requesting reconsideration as provided in section 151. Either by failure to proceed to the next step of appeal or by exhaustion of the steps of appeal, the determination to revoke the license or certificate of authority becomes final unless otherwise determined on appeal. The issuing agency, on receipt of notice that the determination to revoke the license or certificate of authority has become final, shall revoke the license or certificate of authority within 30 days. The assessor and the licensee may agree to nonbinding mediation for an agreement to complete obligations under this Title.

### §175-A. Tax lien

**1. Filing.** Before August 1, 2017, if any tax imposed by this Title or imposed by any other provision of law and authorized to be collected by the bureau is not paid when due and no further administrative or judicial review of the assessment is available pursuant to law, the assessor may file in the registry of deeds of any county, with respect to real property, or in the office of the Secretary of State, with respect to property of a type a security interest in which may be perfected by a filing in such office under Title 11, Article 9-A, a notice of lien specifying the amount of the tax, interest, penalty and costs due, the name and last known address of the person liable for the amount and, in the case of a tax imposed by this Title, the fact that the assessor has complied with all the provisions of this Title in the assessment of the tax. The lien arises at the time the assessment becomes final and constitutes a lien upon all property, whether real or personal, then owned or thereafter acquired by that person in the period before the expiration of the lien. The lien imposed by this section is not valid against any mortgagee, pledgee, purchaser, judgment creditor or holder of a properly recorded security interest until notice of the lien has been filed by the assessor, with respect to real property, in the registry of deeds of the county where such property is located and, with respect to personal property, in the office in which a financing statement for such personal property is normally filed. Notwithstanding this subsection, a tax lien upon personal property does not extend to those types of personal property not subject to perfection of a security interest by means of the filing in the office of the Secretary of State. The lien is prior to any mortgage or security interest recorded, filed, or otherwise perfected after the notice, other than a purchase money security interest perfected in accordance with Title 11, Article 9-A. In the case of any mortgage or security interest properly recorded or filed prior to the notice of lien that secures future advances by the mortgagee or secured party, the lien is junior to all advances made within 45 days after filing of the notice of lien, or made without knowledge of the lien or pursuant to a commitment entered into without knowledge of the lien. Subject to the limitations in this section, the lien provided in this subsection has the same force, effect and priority as a judgment lien and

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continues for 10 years from the date of recording unless sooner released or otherwise discharged. The lien may, within the 10-year period, or within 10 years from the date of the last extension of the lien in the manner provided in this subsection, be extended by filing for record in the appropriate office a copy of the notice and, from the time of filing, that lien must be extended for 10 years unless sooner released or otherwise discharged.

This subsection applies to assessments made before August 1, 2017.

**1-A. Filing of tax lien.** Beginning August 1, 2017, if any tax imposed by this Title or any tax imposed by any other provision of law and authorized to be collected by the bureau is not paid when due and no further administrative or judicial review of the assessment is available pursuant to law, the amount of the assessment, including the tax, interest, penalties and costs, is a lien in favor of the assessor. The lien arises at the time the assessment is made and constitutes a lien upon all property, whether real or personal, owned by the person liable for the assessment at the time the lien arises or acquired by that person in the period after the lien arises until the expiration of the lien. The assessor may file in the registry of deeds of any county, with respect to real property, or in the office of the Secretary of State, with respect to property of a type for which a security interest may be perfected by a filing in such office under Title 11, Article 9-A, a notice of lien specifying the amount of the tax, interest, penalties and costs due, the name and last known address of the person liable for the amount and, in the case of a tax imposed by this Title, the fact that the assessor has complied with all the provisions of this Title in the assessment of the tax. Filing of the lien by the assessor constitutes notice of lien for, and secures payment of, both the original assessment and all subsequent assessments of tax against the same person, until such time as the lien is released or otherwise discharged as provided for in this section. The lien imposed by this section is not valid against any mortgagee, pledgee, purchaser, judgment creditor or holder of a properly recorded security interest until notice of the lien has been filed by the assessor, with respect to real property, in the registry of deeds of the county where such property is located and, with respect to personal property, in the office in which a financing statement for such personal property is normally filed. Notwithstanding this subsection, a tax lien upon personal property does not extend to those types of personal property not subject to perfection of a security interest by means of the filing in the office of the Secretary of State. The lien is prior to any mortgage or security interest recorded, filed or otherwise perfected after the notice, other than a purchase-money security interest perfected in accordance with Title 11, Article 9-A and except as provided in Part 2. In the case of any mortgage or security interest properly recorded or filed prior to the notice of lien that secures future advances by the mortgagee or secured party, the lien is junior to all advances made within 45 days after filing of the notice of lien, or made without knowledge of the lien or pursuant to a commitment entered into without knowledge of the lien. Subject to the limitations in this section, the lien provided in this subsection has the same force, effect and priority as a judgment lien and continues for 10 years from the date of recording unless sooner released or otherwise discharged. The lien may, within the 10-year period, or within 10 years from the date of the last extension of the lien in the manner provided in this subsection, be extended by filing for record in the appropriate office a copy of the notice and, from the time of filing, that lien must be extended for 10 years unless sooner released or otherwise discharged. If the lien is extended within the 10-year period, or within 10 years from the date of the last extension of the lien as provided for in this subsection, the extended lien relates back to the date the lien was first filed.

This subsection applies to assessments made on or after August 1, 2017.

## TITLE 36 – TAXATION, PART 1

**2. Release.** The assessor shall issue to the taxpayer a certificate of release of the lien or release all or any portion of the property subject to any lien provided for in this Part or subordinate the lien to other liens if:

- A. The assessor finds that the liability for the amount demanded, together with costs, has been satisfied or has become unenforceable by reason of lapse of time;
- B. A bond is furnished to the assessor with surety approved by the assessor in a sum sufficient to equal the amount demanded, together with costs, and conditioned upon payment of any judgment rendered in proceedings regularly instituted by the assessor to enforce collection of the bond at law or of any amount agreed upon in writing by the assessor to constitute the full amount of the liability;
- C. The assessor determines at any time that the interest of this State in the property has no value; or
- D. The assessor determines that the taxes are sufficiently secured by a lien on other property of the taxpayer or that the release or subordination of the lien will not endanger or jeopardize the collection of the taxes.

**3. Enforcement.** The lien provided for by subsection 1 or 1-A may be enforced at any time after the tax liability with respect to which the lien arose becomes collectible under section 173, subsection 1 by a civil action brought by the Attorney General in the name of the State in the Superior Court of the county in which the property is located to subject any property, of whatever nature, in which the taxpayer has any right, title or interest, to the payment of such tax or liability. The court shall, after the parties have been duly notified of the action, proceed to adjudicate all matters involved in the action and finally determine the merits of all claims to and liens upon the property and, in all cases where a claim or interest of the State therein is established, may decree a sale of the property by the proper officer of the court and a distribution of the proceeds of such sale according to the findings of the court. If the property is sold to satisfy a lien held by the State, the State may bid at the sale such sum, not exceeding the amount of that lien plus expenses of sale, as the assessor directs.

**4. Recording fees part of tax liability.** Fees paid by the assessor to registrars of deeds for recording notices of lien pursuant to subsection 1 or 1-A and notices of release of a lien pursuant to subsection 2 may be added to the tax liability that gave rise to the lien and, in the case of a tax imposed by this Title, may be collected by all the methods provided for in chapter 7. In the case of other obligations owed to the State and authorized to be collected by the bureau, the fees may be collected by any collection method authorized by this section or section 176-A.

**5. Inheritance tax.** Notwithstanding the other provisions of this Title, a lien for inheritance tax resulting from the operation of former section 3404 with regard to real property of a decedent who died prior to July 1, 1986 is released.

### **§176. Levy (Repealed)**

## TITLE 36 – TAXATION, PART 1

### §176-A. Levy upon property

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

A. "Delinquent," when used to refer to a tax imposed by this Title, means a tax liability reported by a taxpayer or a tax assessed by the assessor that is not paid by its due date and to which no further administrative or judicial review is available pursuant to section 151. "Delinquent" may also refer to any other obligation owed to the State and authorized to be collected by the bureau or to a taxpayer liable for delinquent taxes.

B. "Levy" means an administrative power to collect delinquent taxes through the means prescribed by this section, or the exercise of that power. The power to levy includes the power of distraint by any lawful means, the power to sell the property and the power to release the levy when it is no longer necessary or appropriate to further the process of collecting delinquent taxes. Exercise of the levy power creates a lien and makes the assessor a judgment creditor.

Except with respect to intangible personal property, a levy extends only to property possessed and obligations existing at the time the levy is made. A levy with respect to intangible personal property has the effect set forth in subsection 2, paragraph E.

B-1. "Notice" means written notification served personally or sent by certified mail, except with respect to notice to a person who has consented in writing to some other means of notification.

C. "Property" means any right, title and interest held in property by a delinquent taxpayer, whether real or personal, tangible, or intangible, located within this State.

D. (Repealed)

**2. Levy upon property for payment of delinquent tax.** The procedure for the levy upon property for payment of delinquent tax is as follows.

A. (Repealed)

B. If a person liable to pay any delinquent tax neglects or refuses to pay that tax within 10 days after receipt of notice pursuant to section 171, the State Tax Assessor may collect the tax and an additional amount sufficient to cover the expenses of the levy, by levy upon all property belonging to that person except as provided in subsection 5. If the assessor makes a determination of jeopardy pursuant to section 145, having given notice of that determination and made demand for immediate payment of that tax, the assessor may proceed immediately without regard to the 10-day period provided in section 171 to collect by levy the tax and an additional amount sufficient to cover the expenses of the levy.

C. If any property upon which levy has been made is not sufficient to satisfy the claim of the State, the assessor may, thereafter and as often as necessary, proceed to levy upon any other

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property of the person against whom the claim exists liable to levy until the amount due together with all expenses is fully paid.

D. The assessor shall promptly release a levy made pursuant to this section when the liability giving rise to the levy is satisfied or becomes unenforceable due to lapse of time and shall then promptly notify the person upon whom the levy is made that the levy has been released.

E. The effect of a levy on salary or wages payable to or received by a taxpayer is continuous from the date the levy is first made until the liability giving rise to the levy is satisfied. Except as otherwise provided by this paragraph, a levy on any other intangible personal property or rights to intangible personal property remains in effect until one year after the date that notice of levy under subsection 3, paragraph A is received by the person in possession of or liable to the taxpayer with respect to intangible personal property, including property that is first possessed or liabilities that arise after the date of receipt of the notice of levy. In the case of a levy upon property held by a financial institution described in subsection 3, paragraph A, the levy extends only to accounts in existence on the date the notice of levy is received by the financial institution, but includes deposits made or collected in those accounts after the notice of levy is received. A levy on intangible personal property or rights to intangible personal property, ownership of which is disputed on the date that notice the levy is received, remains in effect until one year after the dispute is resolved.

**3. Surrender of property or discharge of obligation; exceptions; personal liability; penalty.** A surrender of property or discharge of obligation is governed by this subsection.

A. Except as otherwise provided in paragraph B, any person who is in possession of, or obligated with respect to, property or rights to property subject to levy upon which a levy has been made shall, upon demand of the assessor, surrender the property or rights or discharge the obligation to the assessor within 21 days after receipt of the notice of levy, except that part of the property or rights that is, at the time of the demand, subject to an attachment or execution under judicial process. It is a defense to the liability imposed by this subsection that the person who fails to comply with the terms of a notice of levy or that person's bailor has a valid claim against the delinquent taxpayer that accrued prior to receipt of the notice of levy or a valid security interest or lien upon the property of the taxpayer that was perfected prior to receipt of the notice of levy; but this defense is available only to the extent of that claim, security interest or lien.

Any financial institution chartered under state or federal law, including, but not limited to, trust companies, savings banks, savings and loan associations, national banks and credit unions, shall surrender to the assessor any deposits, including any interest in the financial institution that would otherwise be required to be surrendered under this subsection only after 21 days after receipt of the notice of levy, but not later than 30 days after receipt of the notice of levy. Except as provided in subsection 5, paragraph D, with respect to a levy on salary or wages, any person in possession of, or obligated with respect to, property subject to a continuing levy against intangible personal property, which property is first possessed or which obligation first arises subsequent to receipt of a notice of levy by that person, shall, upon demand of the assessor, surrender the property or rights, or discharge the obligation to the assessor within 30 days after the property is first possessed or the obligation first arises.

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B. A levy with respect to a life insurance or endowment contract is governed by this paragraph.

(1) A levy on an organization with respect to a life insurance or endowment contract issued by that organization, without necessity for the surrender of the contract document, constitutes a demand by the assessor for payment of the amount described in subparagraph (2) and the exercise of the right of the person against whom the tax is assessed to the advance of that amount. The organization shall pay over the amount no later than 90 days after receipt of the notice of levy. Notice must include a certification by the assessor that a copy of the notice has been mailed to the person against whom the tax is assessed at that person's last known address.

(2) A levy under this paragraph is deemed to be satisfied if the organization pays over to the assessor the amount that the organization could have advanced to the person against whom the tax is assessed on the date prescribed in subparagraph (1) for the satisfaction of the levy, increased by the amount of any advance, including contractual interest, made to the person on or after the date the organization received notice or otherwise had knowledge of the existence of the lien with respect to which the levy is made, other than an advance, including contractual interest, made automatically to maintain the contract in force under an agreement entered into before the organization received such notice or had such knowledge.

(3) The satisfaction of a levy under subparagraph (2) is without prejudice to any civil action for the enforcement of any lien imposed by section 175-A with respect to the contract.

C. Any person who fails or refuses to surrender any property or rights to property, subject to levy, upon demand by the assessor:

(1) Is liable in person and estate to the State in a sum equal to the value of the property not so surrendered, but not exceeding the amount of taxes for the collection of which the levy has been made, together with costs and interest at the rate determined pursuant to section 186 on the sum from the date of the levy. Any amount, other than costs, recovered under this paragraph must be credited against the tax liability for the collection of which the levy was made; and

(2) Without reasonable cause, is liable for a penalty equal to 50% of the amount recoverable under subparagraph (1). A part of the penalty may not be credited against the tax liability for the collection of which the levy was made.

The assessor may collect the liability established by this paragraph by assessment and collection in the manner described in this Part.

D. Any person in possession of, or obligated with respect to, property subject to levy upon which a levy has been made, who, upon demand by the assessor, surrenders that property or rights to that property, or discharges the obligation to the assessor, or who pays a liability under paragraph C, subparagraph (1) is discharged from any obligation or liability to the delinquent taxpayer with respect to the property arising from the surrender or payment. In



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the case of a levy satisfied pursuant to paragraph B, the organization is discharged from any obligation or liability to any beneficiary arising from the surrender or payment.

**4. Books or records relating to property subject to levy.** If a levy has been made or is about to be made on any property, any person having custody or control of any books or records containing evidence or statements relating to the property subject to levy shall, upon demand of the assessor, exhibit those books and records to the assessor. Failure to comply with such an order is a Class E crime.

**5. Exempt property.** This subsection governs property exempt from levy.

A. The following property is exempt from levy:

- (1) Items of wearing apparel and schoolbooks necessary for the taxpayer or the members of the taxpayer's family;
- (2) If the taxpayer is the head of a family, the fuel, provisions, furniture and personal effects in the taxpayer's household, arms for personal use, livestock and poultry of the taxpayer, the total value of which does not exceed \$1,500;
- (3) Books and tools necessary for the trade, business or profession of the taxpayer, the value of which, in the aggregate, does not exceed \$1,000;
- (4) Any amount payable to the taxpayer with respect to the taxpayer's unemployment, including any portion payable with respect to dependents, under an unemployment compensation law of the United States or any state;
- (5) Mail, addressed to any person, that has not been delivered to the addressee;
- (6) Annuity or pension payments under the federal Railroad Retirement Act of 1974, 45 United States Code, Chapter 9, Subchapter IV, benefits under the federal Railroad Unemployment Insurance Act, 45 United States Code, Chapter 11, special pension payments received by a person whose name has been entered on the Army, Navy, Air Force and Coast Guard Medal of Honor Roll, 38 United States Code, Chapter 15, Subchapter IV and annuities based on retired or retainer pay under 10 United States Code, Chapter 73 (1982);
- (7) If the taxpayer is required by judgment of a court of competent jurisdiction, entered prior to the date of levy, to contribute to the support of minor children, as much of the taxpayer's salary, wages or other income as is necessary to comply with that judgment;
- (8) Any amount payable to or received by a taxpayer as wages or salary for personal services, during any period, to the extent that the total of the amounts payable to or received by the taxpayer during that period does not exceed the applicable exempt amount determined under paragraph D; and

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(9) The principal residence of the taxpayer, unless the assessor has made a determination of jeopardy pursuant to section 145 or the assessor personally approves in writing the levy of that property.

B. The officer seizing property of the type described in paragraph A shall appraise and set aside to the owner the amount of the property declared to be exempt. If the taxpayer objects at the time of the seizure to the valuation fixed by the officer making the seizure, the assessor shall summon 3 disinterested individuals who shall make the valuation.

C. Notwithstanding any other law, no property or rights to property are exempt from levy other than the property specifically made exempt by paragraph A.

D. A levy upon salary and wages must specify the amount of percentage to be surrendered and delivered to the assessor by the taxpayer's employer for each pay period, consistent with the provisions of this paragraph. Salaries and wages are exempt from levy to the extent of 75% of the taxpayer's disposable earnings for any pay period, or an amount equal to the federal minimum hourly wage multiplied by 30, multiplied by the number of weeks in the pay period, whichever is less. A levy on salaries and wages is continuous from the date on which the notice of levy is received until the delinquency is discharged and applies to all pay periods commencing after that date. The assessor shall notify the taxpayer's employer as soon as practicable upon discharge of the delinquency that the levy has been discontinued.

**6. Seizure of property; notice; sale.** Seizure, notice of seizure, and sale of seized property are governed by this subsection.

A. As soon as practicable after seizure of property, the assessor shall give notice to the owner of the property, or, in the case of personal property, the possessor of the property, or leave notice at the owner's or possessor's usual place of abode or business, if any, within the State. If the owner or possessor cannot be readily located, or has no dwelling or place of business within the State, the notice may be sent by first-class mail. In the case of real property, the notice must be filed in the registry of deeds in the county where the property is located. The notice must specify the sum demanded and contain:

- (1) In the case of personal property, an account of the property seized; and
- (2) In the case of real property, a description with reasonable certainty of the property seized.

In the case of levy on a motor vehicle that is the subject of a Certificate of Title issued by the Secretary of State, a copy of the notice must be filed with the Secretary of State, who shall note the levy in the records of ownership of the motor vehicle in question. In the case of levy on that type of personal property, a security interest in which may be perfected by filing in the office of the Secretary of State, a copy of the notice must be filed in the office of the Secretary of State, who shall file the notice of levy as a financing statement.

B. The assessor, as soon as practicable after the seizure of property, shall cause a notice to be published in a newspaper of general circulation within the county where the seizure is made, or, if there is no such newspaper, post the notice at the city or town hall nearest the

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place where the seizure is made and in at least 2 other public places. In the case of real property, the notice must be sent by certified mail to all persons holding an interest of record, including, without limitation, recorded leases and security interest of all types, in the property as reflected at the time the notice of levy is recorded by the indices of the registry of deeds in the county where the property is located. In the case of a motor vehicle subject to a certificate of title issued by the Secretary of State, notice must be sent by certified mail to all persons holding a security interest of record in the motor vehicle as set forth in the records of the Secretary of State. In the case of personal property that is the subject of a security interest perfected by filing in the office of the Secretary of State, notice must be sent by certified mail to all secured parties claiming an interest in the property seized as reflected at the time the notice of levy is recorded in the records maintained by the Secretary of State pursuant to Title 11. The notice must specify the property to be sold, subject to the liabilities of prior encumbrances, if any, and the time, place, manner, and conditions of the sale. If levy is made without regard to the 10-day period provided in section 171, public notice of sale of the property seized may not be made within the 10-day period unless subsection 7 applies. It is a Class E crime to intentionally remove or deface the posted notice of sale prior to the scheduled sale date, unless the property has been redeemed or the sale is for some other reason canceled. The assessor or any law enforcement officer may enter onto the land if necessary to carry out the purposes of this section.

C. If any property liable to levy is not divisible to enable the assessor by sale of a part of the property to raise the whole amount of the tax and expenses, the whole property must be sold.

D. The time of sale may be not less than 10 days nor more than 40 days from the time of giving notice under paragraph B. The sale may be adjourned from time to time, but adjournments may not be for a period to exceed a total of 30 days. Notice of any adjournments of the sale must be posted in the public places within the county where the notice prescribed in paragraph B was posted.

E. Before the sale, the assessor shall determine a minimum price for which the property must be sold. If no person offers the amount of the minimum price for the property, the property is declared to be purchased at that price for the State; otherwise the property is declared to be sold to the highest bidder. In determining the minimum price, the assessor shall take into account the expense of making the levy and sale.

(1) The assessor may by rule prescribe the manner and other conditions of the sale of property seized by levy or purchased by the sale.

(2) If payment in full is required at the time of acceptance of a bid and is not paid at that time, the assessor shall forthwith proceed to again sell the property in the manner provided in this subsection. If the conditions of the sale permit part of the payment to be deferred, and if a deferred part is not paid within the prescribed period:

(a) Suit may be instituted against the purchaser for the purchase price or the part of the price that has not been paid, together with interest from the date of the sale;  
or

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(b) In the discretion of the assessor, the sale may be declared by the assessor to be void for failure to make full payment of the purchase price and the property may again be advertised and sold as provided in this subsection. In the event of a readvertisement and sale, any new purchaser receives the property, or rights to the property, free and clear of any claim or right to the former defaulting purchaser, of any nature whatsoever, and the amount paid on the bid price by the defaulting purchaser is forfeited.

(3) Only the right, title and interest of the delinquent taxpayer in and to the property seized may be offered for sale, and the interest must be offered subject to any prior outstanding mortgage, encumbrances, or other liens in favor of 3rd parties that are valid as against the delinquent taxpayer and are superior to the lien of the State. All seized properties must be offered for sale "as is" and "where is" and without recourse against the State. No guarantee or warranty, express or implied, may be made by the officer offering the property for sale, as to the validity of title, quality, quantity, weight, size or condition of any of the property or its fitness for any use or purpose. No claim may be considered for allowance or adjustment or for rescision of the sale based upon failure of the property to conform with any representation, express or implied.

**7. Disposition of hard to keep property; notice to owner; public sale.** If the assessor determines that any property seized is liable to perish or become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense, the assessor shall appraise the value of the property and, if the owner of the property can be readily found, shall give the owner notice of determination of the appraised value of the property. The property must be returned to the owner if within such time as may be specified in the notice the owner either pays to the assessor an amount equal to the appraised value, or gives bond in such form with such sureties, and in such amount as the assessor prescribes, to pay the appraised amount at such time as the assessor determines to be appropriate in the circumstances.

If the owner does not pay the amount or furnish bond in accordance with this section, the assessor shall, as soon as practicable, make public sale of the property in accordance with any rules prescribed by the assessor.

**8. Junior encumbrances; priority of encumbrances.** Priority of encumbrances is governed by this subsection.

A. A deed to real property executed pursuant to subsection 11 discharges the property from all liens and encumbrances over which the levy had priority.

B. The filing of the notice of levy provided in subsection 6, paragraph A perfects the lien of the State created under subsection 1, paragraph B with respect to the types of property covered by such a filing under subsection 6, paragraph A. A levy and lien not covered by the filing provisions of subsection 6, paragraph A is perfected by possession by the assessor or by demand upon a 3rd party holding the property under subsection 3, paragraphs A or B, whichever occurs first. The priority of the lien perfected by a filing under subsection 6, paragraph A is determined pursuant to section 175-A as if the notice of levy had been filed as a notice of lien. The lien of any other levy has priority over any interest that is perfected after the lien of the State is perfected by possession or demand.

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**9. Redemption of property.** A right of redemption exists according to this subsection.

A. Any person whose property has been levied upon and any person having a valid lien upon such property has the right to pay the amount due, together with the expenses of the proceeding, if any, to the assessor at any time prior to the sale of the property. Upon payment, the assessor shall restore the property to the taxpayer, and all further proceedings in connection with the levy must cease from the time of that payment.

B. The owners of any property sold as provided in subsection 6, their heirs, executors or administrators, or any person having any interest in or lien on the sold property, or any person in their behalf, are permitted to redeem the property sold at any time within 90 days after the sale of the property. The property may be redeemed upon payment to the assessor, for the use of the purchaser, or the heirs or assigns of the purchaser, of the amount paid by the purchaser and interest on that amount at the rate of interest established pursuant to section 186, together with the expenses of the proceeding.

**10. Certificates of sale; execution of deeds.** The assessor shall give the purchaser of property, sold as provided in subsection 6, a certificate of sale upon payment in full of the purchase price. In the case of real property, the certificate must set forth the real property purchased, for whose taxes the property was sold, the name of the purchaser and the price paid for the property.

A. In the case of any real property sold as provided in subsection 6 and not redeemed in the manner and within the time provided in subsection 9, the assessor shall execute to the purchaser of the real property, upon surrender of the certificate of sale by the purchaser, a deed of the real property stating the facts set forth in the certificate.

B. If real property is declared purchased by the State at a sale pursuant to subsection 6, the assessor shall, at the proper time, execute a deed for the property, and without delay cause the deed to be duly recorded in the proper registry of deeds.

**11. Effect of certificates of sale and deeds.** Certificates of sale and deeds have the following effects.

A. In cases of sale of property, other than real property, pursuant to subsections 6 and 7, the certificate of sale:

(1) Is prima facie evidence of the right of the assessor to make the sale and conclusive evidence of the regularity of proceedings in making the sale;

(2) Transfers to the purchaser of all right, title, and interest of the delinquent party in and to the property sold subject to the applicable redemption period and subject to all senior liens determined under subsection 8, paragraph B. In the case of personal property, the assessor shall provide a final validation stamp following the expiration of the redemption period if the property is not redeemed;

(3) If the property consists of stocks, constitutes notice, when received, to any corporation, company or association of the transfer, and gives authority to the

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corporation, company or association to record the transfer in the same manner as if the stocks were transferred or assigned by the party holding them in lieu of any original or prior certificate, which is void, whether or not the certificate is canceled;

(4) If the subject of sale is securities or other evidences of debt, constitutes a valid receipt to the person holding the securities or evidences of debt, against any person holding or claiming to hold possession of the securities or other evidences of debt; and

(5) If the property consists of a motor vehicle, constitutes notice, when received, to the Secretary of State, or to any public official charged with the registration of title to motor vehicles in any other state, of the transfer and gives authority to the Secretary of State or other official to record the transfer in the same manner as if the certificate of title to the motor vehicle were transferred or assigned by the party holding the certificate in lieu of any original or prior certificate, which is void, whether or not the certificate is canceled.

B. In the case of the sale of real property pursuant to subsection 6, the deed of sale given pursuant to subsection 10, paragraph A, is prima facie evidence of the facts stated in the deed. If the proceedings of the assessor are substantially in accordance with the law, the deed operates as a conveyance of all the right, title and interest the delinquent party had in the real property sold at the time the lien of the State attached to the property, subject to all senior liens determined under subsection 8, paragraph B.

C. A certificate of sale of personal property given or a deed to real property executed pursuant to this section discharges the property from all liens, encumbrances and title over which the lien of the State, with respect to which the levy was made, had priority.

**12. Records of sales and redemption of real property.** The assessor shall keep records of all sales of property under subsections 6 and 7 and of all redemptions of that property. Each record must include the tax for which the sale was made, the dates of seizure and sale, the name of the party assessed and all proceedings in making the sale, the amount of expenses, the names of the purchasers and the date of the deed. A copy of a record, or any part of a record, certified by the assessor is evidence in any court of the truth of the facts stated in that record.

**13. Expenses of levy and sale.** The assessor shall determine the expenses to be allowed in all cases of levy and sale. The assessor may pay the expenses from the revenue account intended to benefit by the receipts of the levy.

**14. Disposition of money realized under this section.** Any money realized by proceedings under this section by seizure, surrender under subsection 3, except pursuant to subsection 3, paragraph C, subparagraph (2), or sale of seized property, or by sale of property redeemed by the State must be applied in the following order of priority:

A. Against the expenses of the proceedings under this section;

B. The amount, if any, remaining after payment of senior claims and expenses is then applied against the liability for which the levy was made or the sale was conducted; and

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C. Upon application and satisfactory proof in support of the application, credited or refunded by the assessor to the person or persons legally entitled to any remaining surplus proceeds.

**15. Actions permitted.** Any person, other than the taxpayer whose delinquency occasioned the levy:

A. Who claims an interest in property that has wrongfully been levied upon may apply to the assessor for a stay of proceedings under this section at any time before the property has been sold but within 5 days after receiving notice of levy. An action for a stay is governed by Title 5, section 11004; or

B. Who claims pecuniary loss because property was wrongfully levied upon and sold, may bring a civil action against the assessor in the Superior Court. A recovery in such an action may not exceed the proceeds of the sale.

Except as provided in this subsection, a suit contesting or restraining the collection of taxes pursuant to this section may not be maintained in any court of this State by any person. Any award must be paid from the revenue account to which the money was originally credited.

**16. Time for collection of taxes.** Taxes imposed by this Title must be collected by levy within 10 years after the assessment of the tax becomes final or before the expiration of the period of collection agreed upon in writing by the assessor and the taxpayer. Other obligations owed to the State and authorized to be collected by the bureau must be collected by levy within 10 years from the time the obligation arises. The period agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. A levy action ordered by the assessor before the expiration of the 10-year period continues beyond the expiration of the 10-year period for a period of 6 months from the date the levy is first made or until the liability out of which the levy arose is satisfied or becomes unenforceable, whichever occurs first. The running of the 10-year period is stayed during the time that a consensual payment plan between the taxpayer and the assessor is in effect. When a taxpayer files for protection under the United States Bankruptcy Code, the assessor's right to collect the tax due by levy continues until 6 years after the date of discharge or dismissal of the bankruptcy proceeding or until 10 years after the assessment of the tax becomes final, whichever occurs later.

### **§176-B. Access to financial records of individuals who owe Maine taxes**

**1. Definitions.** For the purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Customer" means any person who has an account, including, but not limited to, a deposit, loan, mortgage, or credit card account, with any financial institution and for which the financial institution is obligated to maintain records.

B. "Financial institution" means a trust company, savings bank, industrial bank, commercial bank, savings and loan association or credit union organized under the laws of this State or otherwise authorized to do business in this State.

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C. "Match" means an automated comparison by name and social security number or federal employer identification number of a list of taxpayers provided to a financial institution by the bureau and a list of customers of any financial institution.

**2. Computer data match.** Upon written request from the State Tax Assessor to a financial institution in this State with the technological capacity to perform a match, the financial institution shall perform a match using the list of taxpayer social security numbers or federal employer identification numbers provided by the bureau. The bureau is responsible for making its computer data compatible with the data of the financial institution with which a match is sought. The bureau's data, at a minimum, must include the name and social security number or federal employer identification number of and, when known, the amount of taxes owed by each taxpayer. The bureau may not request a financial institution to perform a match under this section more often than once every calendar quarter.

**3. Compilation of match list.** After completing a match requested by the bureau under subsection 2, a financial institution shall compile for the bureau a list of those customers whose social security numbers or federal employer identification numbers match the list of social security numbers or federal employer identification numbers of taxpayers provided by the bureau. The list must contain the following information, if available to the financial institution through its matching procedure, for each account identified:

- A. The taxpayer's name;
- B. The taxpayer's social security number or federal employer identification number;
- C. The financial institution account number; and
- D. The account type, account balance and any known encumbrances.

**4. Notice to bureau.** A financial institution that has compiled a match list under subsection 3 shall send the list to the bureau at the address designated by the bureau.

**5. Notice to customer.** The financial institution may not provide notice in any form to a customer contained in a match list submitted to the bureau under subsection 4. Notwithstanding any other provision of law, failure to provide notice to a customer does not constitute a violation of the financial institution's duty of good faith to its customers.

**6. Reasonable fee.** To cover the costs of carrying out the requirements of this section, a financial institution may assess a reasonable fee to the bureau not to exceed the actual costs incurred by the financial institution.

**7. Confidentiality.** The list of taxpayers under subsection 3, with their social security numbers or federal employer identification numbers and the amount of the tax debt provided by the bureau to a financial institution, is confidential. The information may be used only for the purpose of carrying out the requirements of this section. Any person who willfully violates this subsection commits a Class E crime.



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**8. Immunity from liability; hold harmless.** A financial institution is immune from any liability for its good faith actions to comply with this section. The bureau shall defend and hold harmless, including compensation for attorney's fees, a financial institution that acts in good faith to carry out the requirements of this section.

### §177. Trust fund status of certain collections

**1. Generally.** All sales and use taxes collected by a person pursuant to Part 3, all taxes collected by a person under color of Part 3 that have not been properly returned or credited to the persons from whom they were collected, all taxes collected by or imposed on a person pursuant to chapter 451 or 459, all fees collected pursuant to chapter 719 and all taxes collected by a person pursuant to chapter 827 constitute a special fund in trust for the State Tax Assessor. The liability for the taxes or fees and the interest or penalty on taxes or fees is enforceable by assessment and collection, in the manner prescribed in this Part, against the person and against any officer, director, member, agent or employee of that person who, in that capacity, is responsible for the control or management of the funds or finances of that person or is responsible for the payment of that person's taxes. An assessment against a responsible individual pursuant to this section must be made within 6 years from the date on which the return on which the taxes were required to be reported was filed. An assessment pursuant to this section may be made at any time with respect to a time period for which a return has become due but has not been filed.

**2. Responsible individual.** Each person required to collect taxes that are designated by subsection 1 as trust funds shall inform the State Tax Assessor, at the time an audit of that person's trust fund obligation is performed by the assessor, of the name and position of each individual who generally is responsible for the control or management of that person's funds or finances and, if different, each individual who is specifically responsible for the collection and paying over of those trust funds.

**3. Notice to segregate.** Whenever the State Tax Assessor finds that the payment of the trust funds established under subsection 1 will be jeopardized by delay, neglect or misappropriation or whenever any person fails to make payment of taxes or file returns as required by Part 3, or by chapter 451, 459 or 827, the assessor may direct that person to segregate the trust funds from and not to commingle them with any other funds or assets of that person. All taxes that are collected after receipt of the notice of the segregation requirement must be paid on account to the assessor until the taxes are due. The assessor shall establish in the segregation notice the manner in which the taxes are to be paid. The segregation requirement remains in effect until a notice of cancellation is given by the assessor.

**4. Revocation for nonsegregation.** If any person who is a retailer under Part 3 or a fuel supplier, retailer, distributor or importer subject to Part 5 fails to make the required payments on account to the State Tax Assessor, the assessor may revoke any registration certificate that has been issued to that person. The revocation is reviewable in accordance with section 151.

**5. Stay of running of period of limitation.** The running of the period of limitation for assessment of trust fund taxes against a responsible officer, director, member, agent or employee of a person that has collected those taxes is stayed for the period of time, plus 120 days, during which an assessment against that person is subject to administrative or judicial review.

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**6. Sale or cessation of business; purchaser liable for tax.** If a person liable for any trust fund taxes incurred in the course of operating a business sells the business or stock of goods or quits the business, the person shall make a final return and payment within 15 days after the date of selling or quitting the business. The successor, successors or assignees, if any, shall withhold a sufficient amount of the purchase money to cover the amount of those taxes, along with applicable interest and penalties, until such time as the former owner produces a receipt from the State Tax Assessor showing that the taxes have been paid, or a certificate from the assessor stating that no trust fund taxes, interest or penalties are due. The liability of a purchaser is limited to the amount of the purchase price. A purchaser who fails to withhold a sufficient amount of the purchase price is jointly and severally liable for the payment of the taxes, penalties and interest accrued and unpaid on account of the operation of the business by the former owner, owners or assignors and the assessor may make an assessment against the purchaser at any time within 6 years from the date of the sale, transfer or assignment.

### **§178. Priority of tax**

Whenever the estate of a deceased person liable for any tax is insufficient to pay all the debts owed by the decedent or whenever the estate and effects of an absconding, concealed or absent person liable for any tax are levied upon by process of law, the tax, together with interest attaching thereto, must be first settled. This section may not be construed to give the State a preference over any recorded lien that attached prior to the date when the tax became due.

### **§182. Injunctions**

**1. Generally.** The State Tax Assessor may, through the Attorney General, file an action in Superior Court applying for an order to enjoin from doing business any person who has:

- A. Failed to register with the assessor when the person is required to register by any provision of Part 3, chapter 358 or Part 5 or by any rule adopted pursuant to this Title, as long as the assessor has provided written notice and the person continues to fail to register 15 days after receiving notice from the assessor of such failure;
- B. Failed to file with the assessor any overdue return required by Part 3, chapter 358 or Part 5 within 15 days after receiving notice from the assessor of such failure;
- C. Failed to pay any tax required by Part 3, chapter 358 or Part 5 when the tax is shown to be due on a return filed by that person, or that is otherwise conceded by that person to be due, or has been determined by the assessor to be due and that determination has become final;
- D. Knowingly filed a false return required by Part 3, chapter 358 or Part 5; or
- E. Failed to deduct and withhold, or truthfully account for or pay over or make returns of, income taxes in violation of the provisions of chapter 827.

**2. Payroll processors.** (Repealed)

**3. Venue; form and content of complaint.** The complaint may be filed in the Superior Court in any county where the defendant has a regular place of business or in Kennebec County if

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the defendant has no regular place of business. The complaint must set forth the name and the address of the defendant as stated in the defendant's last return filed with the assessor or, if no such return was filed, the defendant's last known address; the breach of the law or rule committed by the defendant; and the assessor's prayer for relief. The complaint need not be verified.

**4. Procedure.** The Superior Court shall fix a time and place for hearing and cause notice of the time and place of the hearing to be given to the defendant. The defendant shall serve upon the assessor a copy of any answer to the complaint at least 3 days before the day of the hearing. The Superior Court may enter and change such orders and decrees from time to time as the nature of the case may require and, if necessary, may appoint a receiver.

**5. Other remedies no defense.** The existence of other civil or criminal remedies is not a defense to a proceeding brought pursuant to this section.

### §183. Criminal offenses; statute of limitations

Notwithstanding Title 17-A, section 8, prosecution of any crime defined in this Title must be commenced within 6 years after it has been committed.

#### §183-A. Subsequent offenses

**1. Prior conviction; Class D crimes.** A person who commits a Class D crime under this Title who has a prior conviction for a Class B, Class C or Class D crime under this Title commits a Class C crime.

**2. Prior conviction; Class C crimes.** A person who commits a Class C crime under this Title who has a prior conviction for a Class B, Class C or Class D crime under this Title commits a Class B crime.

**3. Allegation of prior conviction when sentence enhanced.** Title 17-A, section 9-A governs the use of prior convictions when determining a sentence under this section.

### §184. Criminal offenses

**1. Failure to collect, account for or pay over tax.** A person who is required under this Title to collect, truthfully account for and pay over any tax imposed by this Title and who intentionally fails to collect or truthfully account for or pay over that tax at the time required by law or rule, in addition to any other penalties provided by law, commits a Class D crime

**2. Subsequent offense.** (Repealed)

**3. "Person" defined.** For purposes of this section, the word "person" includes, in addition to its defined meaning in section 111, subsection 3, an officer, director, member, agent or employee of another person who, in that capacity, is responsible for the control or management of the funds and finances of that person or is responsible for either the collection or payment of that retailer's taxes.

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### §184-A. Intentional evasion of tax

1. **Tax amount of \$2,000 or less.** A person who intentionally attempts in any manner to evade or defeat any tax in an amount of \$2,000 or less imposed by this Title or the payment of the assessed tax, in addition to any other penalties provided by law, commits a Class D crime.

1-A. **Tax amount of \$2000 or less, subsequent offense.** (Repealed)

2. **Tax amount over \$2,000.** A person who intentionally attempts in any manner to evade or defeat any tax in an amount over \$2,000 imposed by this Title or the payment of the assessed tax, in addition to any other penalties provided by law, commits a Class C crime.

2-A. **Tax amount over \$2,000, subsequent offense.** (Repealed)

3. **Date of prior conviction.** (Repealed)

### §185. Set-off

1. **Obligation owed to taxpayer.** The State or a department, agency or official acting in an official capacity may assign to the State Tax Assessor, in payment of any liquidated tax liability of a taxpayer under this Title, an obligation owed to that taxpayer by the State or that department, agency or official.

2. **Liquidated tax liability.** Payments to a person pursuant to a contract with agencies and departments of the legislative, executive and judicial branches of State Government are automatically assigned to the State Tax Assessor if that person has a liquidated tax liability to the State under this Title, but only to the extent of the liquidated tax liability.

3. **Setoff of lottery winnings against debts.** The State Tax Assessor shall periodically notify the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, referred to in this subsection as "the bureau," of all persons who have a liquidated tax liability to the State under this Title. Prior to paying any lottery winnings that must be paid directly by the bureau, the bureau shall determine whether the lottery winner is on the list of persons who have a liquidated tax liability to the State under this Title. If the winner is on the list of persons who have a liquidated tax liability to the State under this Title, the bureau shall suspend payment of the winnings and provide notice to the winner of its intention to set off the winnings against the tax debt. The bureau may assign the winnings due to the winner to the State Tax Assessor in payment of any liquidated tax liability of the winner under this Title. Any remaining winnings must be paid to the winner by the bureau.

4. **Restitution.** For purposes of this section, "liquidated tax liability" includes monetary restitution ordered to be paid to the bureau as part of a sentence imposed for a violation of this Title or Title 17-A.

### §185-A. Setoff of refunds to debts owed to other agencies of the State

1. **Generally.** An agency of the State, including the University of Maine System and the Maine Community College System, that is authorized to collect from a person a liquidated debt

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greater than \$25, referred to in this section as "the creditor agency," may notify the State Tax Assessor in writing of the identity of the person and the amount of the debt. The assessor shall then set aside, to the extent of that debt, any amount due to the person under this Title, except for amounts due to that person under Part 2 of this Title. A liquidated child support debt that the Department of Health and Human Services has contracted to collect, pursuant to Title 19-A, section 2103 or 2301, subsection 2, is eligible for setoff pursuant to this section.

**2. Notice and hearing.** At the time a setoff is made pursuant to this section, the assessor shall provide notice to the person of the setoff and of the person's right to request, within 60 days of receipt of notice of the setoff, a hearing before the creditor agency. The hearing must be held in accordance with the Maine Administrative Procedure Act and is limited to the issues of whether the person whose debt was set off is the same person who is indebted to the creditor agency, whether the debt became liquidated and whether any post-liquidation event has affected the liability.

**3. Transfer of proceeds.** After providing the notice required by subsection 2, the assessor shall transfer the set-off refund amount to the creditor agency. The assessor shall provide the creditor agency with information sufficient to identify each person whose refund is set off pursuant to this section. If the person is an individual, the information must include the individual's name, last known address, and social security number.

**4. Finalization of setoff; release of refund to person.** If the person fails to make a timely request for hearing under subsection 2 or a hearing is held before the creditor agency and a liquidated debt is determined to be due to that agency, the setoff is final except as determined by further appeal. The creditor agency shall release to the person any set-off refund amount determined after hearing not to be a liquidated debt due to the agency within 90 days of the determination or as otherwise provided by the agency in an adopted rule.

**5. Appeal.** The decision of the creditor agency seeking setoff in a hearing pursuant to subsection 2 constitutes final agency action appealable under the Maine Administrative Procedure Act.

**6. Accounting.** The creditor agency shall credit the account of a person whose refund has been set off with the full amount transferred to the agency by the assessor pursuant to this section.

**7. Priority.** If claims under this section from more than one agency are received by the assessor with respect to one person, the assessor shall set off against the refund due that person as many claims of the agencies as possible in the following order of priority:

- A. Liquidated child support debts owed to the Department of Health and Human Services;
- B. Court-ordered restitution obligations;
- C. Fines and fees owed to any of the courts; and
- D. All other claims in the order of their receipt by the assessor.

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**8. Disclosure of information.** In any civil or criminal action in which a fine, order to pay or money judgment is entered in favor of the State or any agency or department of the State, or in any action in which counsel is assigned for an indigent party, the court may require the person so indebted to the State, agency or department, or the party for whom counsel has been assigned, to provide financial information under oath and on such forms as may be prepared by the Judicial Department, together with any other information reasonably related to fulfilling the purposes of this section. In the case of an individual debtor, the required information may include the individual's social security number. The Judicial Department may disclose social security numbers and financial information obtained in accordance with this subsection to agencies or departments of the State and to private collection agencies working under contract for the State for the purpose of collection of the amounts owed. A person who has access to or receives social security numbers or other financial information under this subsection shall maintain the confidentiality of the information and use it only for the purposes for which it was disclosed.

### **§186. Interest**

A person who fails to pay any tax, other than a tax imposed pursuant to chapter 105, on or before the last date prescribed for payment is liable for interest on the tax, calculated from that date and compounded monthly. The rate of interest for any calendar year equals the highest prime rate as published in the Wall Street Journal on the first day of September of the preceding calendar year or, if the first day of September falls on a weekend or holiday, on the next succeeding business day, rounded up to the next whole percent plus 3 percentage points. The rate of interest for any calendar year beginning on or after January 1, 2018 equals the prime rate as published in the Wall Street Journal on the first day of September of the preceding calendar year or, if the first day of September falls on a weekend or holiday, on the next succeeding business day, rounded up to the next whole percent plus one percentage point. For purposes of this section, the last date prescribed for payment of tax must be determined without regard to any extension of time permitted for filing a return. A tax that is upheld on administrative or judicial review bears interest from the date on which payment would have been due in the absence of review. Any amount that has been erroneously refunded and is recoverable by the assessor bears interest at the rate determined pursuant to this section from the date of payment of the refund. A credit or reimbursement that has been allowed or paid pursuant to this Title and is recoverable by the assessor bears interest at the rate determined pursuant to this section from the date it was allowed or paid. Interest accrues automatically, without being assessed by the assessor, and is recoverable by the assessor in the same manner as if it were a tax assessed under this Title. If the failure to pay a tax when required is explained to the satisfaction of the assessor, the assessor may abate or waive the payment of all or any part of that interest.

Except as otherwise provided in this Title, and except for taxes imposed pursuant to chapter 105, interest at the rate determined pursuant to this section must be paid on overpayments of tax from the date the return listing the overpayment was filed or the date payment was made, whichever is later.

### **§186-A. Additional interest**

Notwithstanding section 186, for the period from July 1, 2004 to December 31, 2004, the interest rate calculated pursuant to section 186 for calendar year 2004 is increased by one percentage point.

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### §187. Penalties (Repealed)

#### §187-A. Preparer penalty

If any part of any understatement of liability with respect to any return or claim for refund is due to a willful attempt in any manner to understate the liability for a tax by a person who prepares those returns or claims for compensation, or whose employees do so, that person shall pay a penalty of \$500 with respect to each return or claim.

#### §187-B. Penalties

**1. Failure to file return.** A person who fails to make and file any return required under this Title at or before the time the return becomes due is liable for one of the following penalties if the person's tax liability shown on that return or otherwise determined to be due is greater than \$25.

A. If the return is filed before or within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, or if the return is not filed but the tax due is assessed by the assessor before the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is \$25 or 10% of the tax due, whichever is greater.

B. If the return is not filed within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is \$25 or 25% of the tax due, whichever is greater. The period provided by this paragraph must be extended for up to 90 days if the taxpayer requests an extension in writing prior to the expiration of the original 60-day period.

C. If the return is not filed and the assessor makes a determination of jeopardy pursuant to section 145, the penalty is 25% of the tax due.

This subsection does not apply to a return required pursuant to chapter 459 that is administered pursuant to the International Fuel Tax Agreement.

**1-A. Failure to file information return.** (Repealed)

**2. Failure to pay.** The following penalties apply.

A. Any person who fails to pay, on or before the due date, any amount shown as tax on any return required under this Title is liable for a penalty of 1% of the unpaid tax for each month or fraction of a month during which the failure continues, to a maximum in the aggregate of 25% of the unpaid tax.

A-1. Any person who fails to make and file any return required under this Title at or before the time the return becomes due against whom the assessor has made an assessment of tax pursuant to section 141 and who has not paid the tax on or before the date specified in that assessment is liable for a penalty of 1% of the unpaid tax for each month or fraction of a month during which the tax remains unpaid, calculated retroactively from the original due date of the unfiled return, to a maximum in the aggregate of 25% of the unpaid tax.

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B. Any person who fails to pay a tax assessment for which no further administrative or judicial review is available pursuant to section 151 and the Maine Administrative Procedure Act is liable for a penalty in the amount of 25% of the amount of the tax due if the payment of the tax is not made within 10 days of the person's receipt of notice of demand for payment as provided by this Title. This penalty must be explained in the notice of demand and is final when levied.

This subsection does not apply to taxes due pursuant to chapter 459 and administered pursuant to the terms of the International Fuel Tax Agreement.

### **3. Negligence; fraud.** (Repealed)

**3-A. Negligence; fraud.** A person who files a return under this Title that results in an underpayment of tax, any portion of which is attributable to negligence or intentional disregard of this Title or rules adopted pursuant to this Title, but is not attributable to fraud with intent to evade the tax, is liable for a penalty in the amount of \$25 or 25% of that portion of the underpayment, whichever is greater. A person who files a return under this Title that results in an underpayment of tax, any portion of which is attributable to fraud with intent to evade the tax, is liable for a penalty in the amount of \$75 or 75% of that portion of the underpayment, whichever is greater. For the purposes of this section, "negligence" means any failure to make a reasonable attempt to comply with the provisions of this Title.

### **4. Substantial understatement.** (Repealed)

**4-A. Substantial understatement.** A person who files a return under this Title that results in an underpayment of tax, any portion of which is attributable to a substantial understatement of tax, without negligence or intentional disregard of this Title or rules adopted pursuant to this Title and without fraud with intent to evade the tax, is liable for a penalty of \$5 or 1% of that portion of the underpayment, whichever is greater, for each month or fraction of a month during which the failure to pay that portion of the underpayment continues, up to a maximum in the aggregate of \$25 or 25% of the underpayment, whichever is greater.

There is a substantial understatement of tax if the amount of the understatement on the return or returns for the period covered by the assessment exceeds 10% of the total tax required to be shown on the return or returns for that period or \$1,000, whichever is greater. For purposes of determining whether an understatement is substantial and calculating the amount of a substantial understatement that is subject to penalty under this subsection, the amount of an understatement is reduced by that portion of the understatement that is attributable to the tax treatment of any item by the taxpayer if there is or was substantial authority for that treatment.

**4-B. Excessive refund.** A person who files a claim for refund or reimbursement under Part 5 that is the basis for the receipt of a refund or reimbursement that substantially exceeds the amount to which the person is legally entitled is liable for a penalty of \$5 or 1% of the excess amount, whichever is greater, for each month or fraction of a month during which the failure to repay that portion of the refund or reimbursement continues, to a maximum in the aggregate of \$25 or 25% of the overpayment, whichever is greater. For purposes of this subsection, a refund or reimbursement substantially exceeds the amount to which the person is legally entitled if the



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amount of the refund or reimbursement exceeds the amount to which the person is legally entitled by more than 10% of the corrected amount or \$1,000, whichever is greater. For purposes of this subsection, the amount by which a refund or reimbursement exceeds the amount to which the person is legally entitled and the excess amount that is subject to penalty under this subsection must be reduced by any portion of the excessive claim for which the person has substantial authority supporting its position.

**5. Insufficient funds.** Any person who makes payment of an amount due under this Title by means of a check or electronic funds transfer that is returned unpaid by the bank on which it is drawn because of insufficient funds or the closing or nonexistence of the account on which it is drawn is liable for a penalty of \$20 or 1% of the payment amount, whichever is greater.

**5-A. Electronic funds transfers.** Any person required by the assessor to remit taxes by electronic funds transfer that fails to remit electronically is liable for a penalty of the lesser of 5% of the tax due or \$5,000. For purposes of this section, a person fails to remit electronically when:

A. Two or more required payments in any consecutive 6-month period are either not made or are made by the person by means other than electronic funds transfer and the person has been notified in writing by the assessor of that person's noncompliance and of the fact that the penalty imposed by this section may be imposed; or

B. The person makes 2 or more required electronic payments in any consecutive 6-month period that do not comply with the specifications set forth in a rule issued by the assessor pursuant to section 193.

**5-B. Electronic data submission.** Any person required by the State Tax Assessor to file returns by electronic data submission that fails to file electronically is liable for a penalty of \$50. For purposes of this subsection, a person fails to file electronically when:

A. Two or more required returns in any consecutive 6-month period either are not filed or are filed by the person by means other than electronic data submission and the person has been notified in writing by the State Tax Assessor of that person's noncompliance and of the fact that the penalty authorized by this subsection may be imposed; or

B. The person files 2 or more required electronic returns in any consecutive 6-month period that do not comply with the specifications set forth in rules adopted by the State Tax Assessor pursuant to section 193.

**6. Penalties not exclusive.** Each penalty provided under this section is in addition to any interest and other penalties provided under this section and other law, except as otherwise provided in this section. Interest may not accrue on the penalty. This section does not apply to any filing or payment responsibility pursuant to Part 2 except that this section does apply to a filing or payment responsibility pursuant to the state telecommunications excise tax imposed under section 457. The penalties imposed under subsections 1 and 2 accrue automatically, without being assessed by the State Tax Assessor. Each penalty imposed under this section is recoverable by the assessor in the same manner as if it were a tax assessed under this Title.

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**7. Reasonable cause.** The assessor shall waive or abate or, in the case of those penalties that do not accrue automatically under subsection 6, refrain from imposing any penalty imposed by subsection 1, 2, 4-A, 4-B, 5-A or 5-B or by the terms of the International Fuel Tax Agreement if grounds constituting reasonable cause are established by the taxpayer or if the assessor determines that grounds constituting reasonable cause are otherwise apparent. Reasonable cause includes, but is not limited to, the following circumstances:

- A. The failure to file or pay resulted directly from erroneous information provided by the Bureau of Revenue Services;
- B. The failure to file or pay resulted directly from the death or serious illness of the taxpayer or a member of the taxpayer's immediate family;
- C. The failure to file or pay resulted directly from a natural disaster;
- D. A return that was due monthly was filed and paid less than one month late and all the taxpayer's returns and payments during the preceding 12 months were timely;
- E. A return that was due other than monthly was filed and paid less than one month late and all the taxpayer's returns and payments during the preceding 3 years were timely;
- F. The taxpayer has supplied substantial authority justifying the failure to file or pay; or
- G. The amount subject to a penalty imposed by subsection 1, 2, 4-A or 5-A is de minimis when considered in relation to the amount otherwise properly paid, the reason for the failure to file or pay and the taxpayer's compliance history.

Absent a determination by the assessor that grounds constituting reasonable cause are otherwise apparent, the burden of establishing grounds for waiver or abatement is on the taxpayer.

For purposes of this section, the term "person" includes an individual, corporation or partnership or any officer or employee of a corporation, including a dissolved corporation, or a member or employee of a partnership who, as the officer, employee or member, is under a duty to perform the act in respect of which a violation occurs.

### **§188. Remedies not exclusive**

Each remedy provided in this Title is not exclusive and is in addition to all other remedies prescribed in this Title for the enforcement and collection of any tax imposed by this Title.

### **§189. Taxes as additional**

Unless otherwise specifically provided, any tax imposed under this Title shall be in addition to all other taxes legally imposed upon the subject of the tax by any other law of the State now or hereafter in force.

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### §190. Effect of repeal

The repeal of an Act or resolve, or part thereof, imposing a tax or taxes shall have no effect upon the reporting, collecting, or refunding of taxes accrued to the date of that repeal. The procedures relating to the reporting, collecting, or refunding of taxes in effect at the date of the repeal shall remain in full force and effect until the liabilities incurred pursuant to the Act or resolve, or part thereof, are satisfied.

### §191. Confidentiality of tax records

**1. Basic prohibition.** It is unlawful for any public official or any employee or agent of the bureau to inspect willfully any return or examine information contained on any return, for any purpose other than the conduct of official duties. Except as otherwise provided by law, it is unlawful for any person who, pursuant to this Title, has been permitted to receive or view any portion of the original or a copy of any report, return or other information provided pursuant to this Title to divulge or make known in any manner any information set forth in any of those documents or obtained from examination or inspection under this Title of the premises or property of any taxpayer. This prohibition applies to both state tax information and federal tax information filed as part of a state tax return.

**2. Exemptions.** This section may not be construed to prohibit the following:

A. The delivery to a taxpayer or the taxpayer's duly authorized representative of a certified copy of any return, report or other information filed by the taxpayer pursuant to this Title;

A-1. The disclosure to an authorized representative of the Maine Potato Board of information obtained by the assessor in the administration of chapter 710;

B. The publication of statistics so classified to prevent the identification of particular reports or returns and the items thereof;

C. The inspection by the Attorney General of information filed by any taxpayer who has requested review of any tax under this Title or against whom an action or proceeding for collection of tax has been instituted; or the production in court or to the board on behalf of the State Tax Assessor, or any other party to an action or proceeding under this Title, of so much and no more of the information as is pertinent to the action or proceeding;

D. The disclosure of information to duly authorized officers of the United States and of other states, districts, and territories of the United States and of Canada and its provinces for use in administration and enforcement of this Title or of the tax laws of those jurisdictions. With respect to enforcement of the tax laws of other jurisdictions, the information may not be given to the duly authorized officer unless the officer's government permits a substantially similar disclosure of information to the taxing officials of this State and provides for the confidentiality of information in a manner substantially similar to the manner provided in this section;

E. The provision of information, pursuant to a contract for administrative services, to a person retained on an independent contract basis or the authorized employees of that person

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or the provision of information to state employees outside the Bureau of Revenue Services for the purpose of acquiring assistance in the administration of this Title and the return to employees of the Bureau of Revenue Services of the information provided and additional information generated as a product of the administrative services provided;

F. The transmission of information among employees of the Bureau of Revenue Services for the purposes of enforcing and administering the tax laws of this State and the delivery by a register of deeds to the State Tax Assessor or delivery by the State Tax Assessor to the appropriate municipal assessor or to the Maine Land Use Planning Commission or the Department of Health and Human Services of "declarations of value" in accordance with section 4641-D. The State Tax Assessor may require entities requesting information pursuant to this paragraph other than municipal assessors to provide resources sufficient to cover the cost of providing the forms;

G. The disclosure to the Attorney General of information related to a person who is the subject of a criminal investigation or prosecution, and the subsequent disclosure of that information by the Attorney General to a district attorney, an assistant district attorney or a state, county or local law enforcement agency that is participating in the criminal investigation or prosecution of that person. A request from the Attorney General for information related to a person who is the subject of a criminal investigation or prosecution must be submitted to the State Tax Assessor in writing and must include:

- (1) The name and address of the person to whom the requested information relates;
- (2) The taxable period or periods to which the requested information relates;
- (3) The statutory authority under which the criminal investigation or prosecution is being conducted; and
- (4) The specific reason the requested information is, or may be, relevant to the criminal investigation or prosecution.

The Attorney General or a district attorney, assistant district attorney or law enforcement agency to which the Attorney General has disclosed tax information related to a person who is the subject of a criminal investigation or prosecution shall retain physical control of that information until the conclusion of the criminal investigation or prosecution for which the information was requested, after which the information must be returned immediately to the assessor;

H. The disclosure by the State Tax Assessor of the fact that a person is or is not registered under this Title or disclosure of both the fact that a registration under this Title has been revoked and the reasons for revocation;

I. The disclosure of information acquired pursuant to Part 2 and chapter 367, except for information identified as confidential within those provisions;

J. The disclosure to a state agency seeking setoff of a liquidated debt against a tax refund pursuant to section 185-A of information necessary to effectuate the intent of that section;

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K. The disclosure by a municipal assessor, or by the State Tax Assessor with regard to the unorganized territory, of information contained on a declaration of value filed pursuant to section 4641-D or the Internet publication by the State Tax Assessor of information, other than taxpayer identification numbers, obtained from declarations of value filed pursuant to section 4641-D, except that, upon request by an individual who is certified by the Secretary of State as a participant in the Address Confidentiality Program pursuant to Title 5, section 90-B, the municipal assessor shall redact the name of that individual on the declaration of value form prior to disclosure;

L. The listing of gasoline distributors possessing a certificate under section 2904 and the number of taxable gallons sold by each gasoline distributor in this State each month;

M. The disclosure by employees of the Bureau of Revenue Services, in connection with their official duties relating to any examination, collection activity, civil or criminal tax investigation or any other offense under this Title, of return information to the limited extent that disclosure is necessary in obtaining information, which is not otherwise available, with respect to the correct determination of tax, liability for tax or the amount to be collected or with respect to the enforcement of this Title;

N. The disclosure by the State Tax Assessor of computerized individual income tax data, without identification by taxpayer name, number, or address, to a research agency of the Legislature;

O. The disclosure to an authorized representative of the Department of Health and Human Services of an individual's residence, employer, income and assets for child support enforcement purposes as required by the Social Security Act, 42 United States Code, Chapter 7, subchapter IV, Part D (1966), when a request containing the payor's social security number is made by the department;

P. The public disclosure by the State Tax Assessor of the name, last known business address and title of the professional license or certificate of any person whose license or certificate of authority to conduct a profession, trade or business in this State has not been renewed, reissued or otherwise extended by order of the assessor pursuant to section 175. This disclosure may be made only after no further administrative or judicial review of the order is available under section 151 or the Maine Administrative Procedure Act;

Q. The listing of persons possessing certificates under section 3204 and the number of taxable gallons sold by each person possessing a certificate in this State each month;

R. The disclosure to the Department of Health and Human Services and to the Department of Administrative and Financial Services, Division of Financial and Personnel Services of information relating to the administration and collection of the taxes imposed by chapter 358, chapter 373, chapter 375 and chapter 377 for the purposes of administration of those taxes and the financial accounting and revenue forecasting of those taxes;

S. (Repealed)

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T. The disclosure to an authorized representative of the Department of Health and Human Services of information in the possession of the bureau identifying the location of an interest-bearing account in the name and social security number of a delinquent payor of child support as requested by the Department of Health and Human Services;

U. The disclosure by employees of the Bureau of Revenue Services to designated representatives of the Secretary of State of information required by the Secretary of State for the administration of the special fuel tax imposed by chapter 459;

V. The disclosure by employees of the Bureau of Revenue Services, to designated representatives of the Department of Labor, of all information required by the State Tax Assessor and the Commissioner of Labor for the administration of the taxes imposed by Part 8 and by Title 26, chapter 13 and the Competitive Skills Scholarship Fund contribution imposed by Title 26, section 1166 and of all information required by the Director of the Bureau of Labor Standards within the Department of Labor for the enforcement of Title 26, section 872;

W. The disclosure by the State Tax Assessor to the State Auditor when necessary to the performance of the State Auditor's official duties;

X. (Repealed)

Y. The disclosure by the State Tax Assessor, upon request in writing of any individual against whom an assessment has been made pursuant to section 177, subsection 1, of the following information:

- (1) Information regarding the underlying tax liability to the extent necessary to apprise the individual of the basis of the assessment;
- (2) The name of any other individual against whom an assessment has been made for the same underlying tax debt; and
- (3) The general nature of any steps taken by the assessor to collect the underlying tax debt from any other individuals and the amount collected;

Z. The disclosure to the Treasurer of State when necessary for the performance of the Treasurer of State's official duties as administrator under Title 33, chapter 45 of the following information:

- (1) The current mailing address for a taxpayer for purposes of returning unclaimed or abandoned property to the rightful owner or heir; and
- (2) The names and mailing addresses of all Maine corporate income tax filers in an electronic medium prescribed by the State Tax Assessor;

AA. The disclosure by employees of the bureau to designated representatives of the Finance Authority of Maine necessary for the administration of section 6656, subsection 3 and section

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6758, subsection 4 and of information required to ensure that recipients of certain benefits under Title 20-A, chapter 417-E are eligible to receive such benefits;

BB. The disclosure to an authorized representative of the Department of Health and Human Services, Office of Child Care and Head Start of taxpayer information directly relating to the certification of investments eligible for or the eligibility of a taxpayer for the quality child care investment credit provided by section 5219-Q;

CC. The disclosure to an authorized representative of the Department of Professional and Financial Regulation of information necessary for the administration of Title 10, chapter 222;

DD. The delivery of a certified copy of any return, report or other information provided or filed pursuant to this Title by a partnership, corporation, trust or estate or any report of any examination of a return filed by a partnership, corporation, trust or estate to any person:

- (1) Who signed the return;
- (2) Who is the personal representative or executor of the estate filing the return;
- (3) Who was a member of the partnership filing the return during any part of the period covered by the return;
- (4) Who is a trustee of the trust filing the return;
- (5) Who was a shareholder during any part of the period covered by the return filed by an S corporation;
- (6) Who is an officer, or a bona fide shareholder of record owning 1% or more of the outstanding stock, of the corporation filing the return;
- (7) Who is the person authorized to act for the corporation if the corporation has been dissolved; or
- (8) Who is the duly authorized representative of any of the persons described in subparagraphs (1) to (7).

The exception under this paragraph does not include the disclosure of confidential information of a particular partner, shareholder, beneficiary or trustee or other person receiving income from one of the entities described in subparagraphs (1) to (8) unless otherwise authorized;

DD. **(REALLOCATED TO T. 36, §191, sub-§2, ¶HH)**

DD. **(REALLOCATED TO T. 36, §191, sub-§2, ¶II)**

EE. The disclosure by the State Tax Assessor of the fact that a person has or has not been issued a certificate of exemption pursuant to section 1760, 2013 or 2557, a resale certificate pursuant to section 1754-B, subsection 2-B or 2-C;

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FF. The disclosure to the Department of the Secretary of State, Bureau of Motor Vehicles of whether the person seeking registration of a vehicle has paid the tax imposed by Part 3 with respect to that vehicle;

GG. The disclosure to the Department of Inland Fisheries and Wildlife, Division of Licensing and Registration of whether the person seeking registration of a snowmobile, all-terrain vehicle or watercraft has paid the tax imposed by Part 3 with respect to that snowmobile, all-terrain vehicle or watercraft;

**HH. (REALLOCATED FROM T. 36, §191, sub-§2, ¶DD)**

**II. (REALLOCATED FROM T. 36, §191, sub-§2, ¶DD)** The disclosure to an authorized representative of the Maine Milk Commission of information on the quantity of packaged milk handled in the State and subject to the milk handling fee established in section 4902 and other information obtained by the assessor in the administration of chapter 721;

JJ. The disclosure to the State Purchasing Agent of a person's sales tax standing as necessary to enforce Title 5, section 1825-B, subsection 14;

KK. The disclosure of information necessary to administer the setoff of liquidated tax debts pursuant to section 185;

**LL. (REALLOCATED FROM T. 36, §191, sub-§2, ¶KK)** The disclosure to any state agency of information relating to the administration and collection of any debt transferred to the bureau for collection pursuant to section 112-A;

**MM. (REALLOCATED FROM T. 36, §191, sub-§2, ¶KK)** The disclosure to an authorized representative of the Department of Economic and Community Development of information required for the administration of the visual media production credit under section 5219-Y, the employment tax increment financing program under chapter 917, the visual media production reimbursement program under chapter 919-A or the Pine Tree Development Zone program under Title 30-A, chapter 206, subchapter 4;

**NN. (REALLOCATED FROM T. 36, §191, sub-§2, ¶KK)** The disclosure to an authorized representative of the Wild Blueberry Commission of Maine of information required for or submitted to the assessor in connection with the administration of the tax imposed under chapter 701;

OO. The disclosure to duly authorized officers of the Federal Government and of other state governments of information necessary to administer a set-off agreement pursuant to section 112, subsection 13. The information may not be disclosed unless the officer's government permits a substantially similar disclosure of information to the taxing officials of this State and protects the confidentiality of the information in a manner substantially similar to that provided by this section;

PP. The disclosure to the Department of Agriculture, Conservation and Forestry of information contained on the commercial forestry excise tax return filed pursuant to section



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2726, such as the landowner name, address and acreage, to facilitate the administration of chapter 367;

**QQ. (REALLOCATED FROM T. 36, §191, sub-§2, ¶PP)** The disclosure of registration, reporting and payment information to the Department of Environmental Protection necessary for the administration of Title 38, chapter 33;

**RR.** (Repealed)

**SS.** The disclosure of information to the Finance Authority of Maine necessary for the administration of the new markets capital investment credit in sections 2533 and 5219-HH;

**TT. (REALLOCATED FROM T. 36, §191, sub-§2, ¶RR)** The disclosure to tax officials of other states, and to clearinghouses and other administrative entities acting on behalf of participating states, of information necessary for the administration of a multistate agreement entered into pursuant to section 2532;

**UU. (REALLOCATED FROM T. 36, §191, sub-§2, ¶RR)** The production in court on behalf of the assessor or any other party to an action or proceeding under this Title, or the production pursuant to a discovery request under the Maine Rules of Civil Procedure or a request under the freedom of access laws, of any reconsideration decision or advisory ruling issued on or after July 1, 2012, in redacted format so as not to reveal information from which the taxpayer may be identified, except that federal returns and federal return information provided to the State by the Internal Revenue Service may not be disclosed except as permitted by federal law. A person requesting the production of any such document shall pay, at the time the request is made, all direct and indirect costs associated with the redacting of information from which the taxpayer or other interested party may be identified, plus an additional fee of \$100 per request;

**VV. (REALLOCATED FROM T. 36, §191, sub-§2, ¶SS)**

**WW.** (Repealed)

**XX.** The disclosure of information by the assessor to the board, except that such disclosure is limited to information that is pertinent to an appeal or other action or proceeding before the board;

**YY.** The inspection and disclosure of information by the board to the extent necessary to conduct appeals procedures pursuant to this Title and issue a decision on an appeal to the parties. The board may make available to the public redacted decisions that do not disclose the identity of a taxpayer or any information made confidential by state or federal statute;

**ZZ.** The disclosure by the State Tax Assessor to a qualified Pine Tree Development Zone business that has filed a claim for reimbursement under section 2016 of information related to any insufficiency of the claim, including records of a contractor or subcontractor that assigned the claim for reimbursement to the qualified Pine Tree Development Zone business and records of the vendors of the contractor or subcontractor;

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AAA. The disclosure of information by the State Tax Assessor or the Associate Commissioner for Tax Policy to the Office of Program Evaluation and Government Accountability under Title 3, section 991 for the review and evaluation of tax expenditures pursuant to Title 3, chapter 37;

BBB. The disclosure to an authorized representative of the Department of Professional and Financial Regulation, Bureau of Insurance of information necessary for the administration of taxes pursuant to chapter 357 and the credit for disability income protection plans in the workplace provided by section 5219-OO. Information disclosed pursuant to this paragraph may not be further disclosed by the Bureau of Insurance unless the disclosure is allowed pursuant to this section and Title 24-A, section 216;

CCC. The disclosure of information to the Revenue Forecasting Committee or its staff under Title 5, section 1710-J, by or at the direction of the Associate Commissioner for Tax Policy when pertinent to the associate commissioner's duties of providing revenue forecasting analysis to the committee. The information may be disclosed only in oral or paper form and only after notice to the State Tax Assessor of the intended disclosure. The associate commissioner shall apprise the committee members of the provisions regarding confidentiality of such information, of the continuing confidential nature of the disclosed information and the provision in Title 5, section 1710-J, allowing discussion of the information by the committee meeting in executive session not open to the public;

DDD. The disclosure to the joint standing committee of the Legislature having jurisdiction over taxation matters pursuant to section 5219-QQ, subsection 4, paragraph B of the revenue loss due to refundable credits attributable to each taxpayer claiming the tax credit for major business headquarters expansions provided under that section, regardless of the number of persons eligible for the credit. For purposes of this paragraph, "revenue loss" has the same meaning as in section 5219-QQ, subsection 4, paragraph B.

EEE. **(REALLOCATED FROM T. 36, §191, sub-§2, ¶DDD)** The disclosure by employees of the bureau to an authorized representative of the Maine Commission on Indigent Legal Services for determining the eligibility for indigent legal services and the ability to reimburse expenses incurred for assigned counsel and contract counsel under Title 4, chapter 37.

FFF. The disclosure of information to the Department of Economic and Community Development necessary for the administration of the tax credit for major shipbuilding facility investments pursuant to section 5219-RR.

GGG. **(REALLOCATED FROM T. 36, §191, sub-§2, ¶EEE)** The disclosure to the joint standing committee of the Legislature having jurisdiction over taxation matters pursuant to section 5219-RR, subsection 9, paragraph B of the revenue loss attributable to each taxpayer claiming the tax credit under that section, regardless of the number of persons eligible for the credit; and

HHH. The disclosure to the Office of Program Evaluation and Government Accountability and the joint standing committee of the Legislature having jurisdiction over taxation matters pursuant to section 5219-VV, subsection 5, paragraph C of the revenue loss, including the loss due to refundable credits, attributable to each taxpayer claiming the tax credit for major

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food processing and manufacturing facility expansion provided under that section, regardless of the number of persons eligible for the credit.

III. The disclosure of information to the Department of Economic and Community Development necessary for the administration of the tax credit for major food processing and manufacturing facility expansion pursuant to section 5219-VV.

JJJ. **(REALLOCATED FROM T. 36, §191, sub-§2, ¶HHH)** The disclosure of information to an authorized representative of the Public Utilities Commission for use in the commission's administration and oversight of the E-9-1-1 funding under Title 25, section 2927, the state universal service fund under Title 35-A, section 7104 and the telecommunications education access fund under Title 35-A, section 7104-B. The assessor shall apprise the authorized representative of the provisions regarding confidentiality of such information and of the continuing confidential nature of the disclosed information.

KKK. The disclosure of information to the Maine State Housing Authority necessary for the administration of the credit for affordable housing pursuant to section 5219-WW and for purposes of the report required by section 5219-WW, subsection 9.

LLL. The disclosure of information to the Department of Economic and Community Development necessary for administration of the renewable chemicals tax credit pursuant to section 5219-XX.

MMM. The disclosure to the Supreme Judicial Court of information required to make the report required under section 5219-ZZ, subsection 5.

NNN. The disclosure to the joint standing committee of the Legislature having jurisdiction over taxation matters pursuant to section 5219-YY, subsection 4, paragraph C of the revenue loss, including the loss due to refundable credits, attributable to each taxpayer claiming the tax credit for paper manufacturing facility investment provided under that section, regardless of the number of persons eligible for the credit.

OOO. The disclosure of information to the Department of Economic and Community Development necessary for the administration of the tax credit for paper manufacturing facility investment pursuant to section 5219-YY.

PPP. **(REALLOCATED FROM T. 36, §191, sub-§2, ¶MMM)** The disclosure of information to the Finance Authority of Maine necessary for the administration of the seed capital investment tax credit in section 5216-B.

### **3. Additional restrictions for information provided by Internal Revenue Service.**

Federal returns and federal return information provided to the State by the Internal Revenue Service may not be disclosed to other states, districts and territories of the United States or provinces of Canada, to legislative committees or the agents of the committees or to the Attorney General for the purpose of criminal investigations and prosecutions unrelated to this Title. These restrictions are in addition to those imposed by subsection 1.

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### **3-A. Additional restrictions for proprietary information provided to assessor.**

Information and materials provided in confidence to the assessor and used by the bureau for the purpose of preparing legislation or legislative analysis, including the preparation of fiscal estimates for the Office of Fiscal and Program Review, are to be accorded the same confidentiality as established by this section for tax information.

**3-B. Additional restrictions for certain information provided by the Department of Administrative and Financial Services.** Information provided to the assessor by the Department of Administrative and Financial Services pursuant to section 175 and Title 22, section 2425-A, subsection 12, paragraph L may be used by the bureau only for the administration and enforcement of taxes imposed under this Title. These restrictions are in addition to those imposed by subsection 1.

**4. Penalties.** A person who willfully violates this section commits a Class E crime. An offender who is an officer or employee of the State must be dismissed from office.

### **§192. Miscellaneous**

**1. Expenses.** The reasonable and necessary traveling expenses of the State Tax Assessor and of his employees while actually engaged in the performance of their duties, certified upon vouchers approved by the State Tax Assessor, shall be paid by the Treasurer of State upon warrant of the State Controller.

**2. Facsimile signature.** A facsimile of the written signature of the State Tax Assessor imprinted by or at the State Tax Assessor's direction has the same validity as the State Tax Assessor's written signature.

**3. Small payments.** No payment of less than \$1 may be made pursuant to this Title, except in the case of an overpayment of tax when a specific written request is made by the taxpayer.

### **§193. Returns; declaration covering perjury; submission of returns and funds by electronic means**

**1. Declaration required.** Any return, report or other document required to be filed pursuant to this Title must contain a declaration, in a form prescribed by the State Tax Assessor, that the statements contained in the return, report or other document are true and are made under the penalties of perjury. When a tax return is filed electronically by a taxpayer or with the taxpayer's permission, the filing of that return constitutes a sworn statement by the taxpayer, made under the penalties of perjury, that the tax liability shown on the return is correct.

**2. Electronic filing.** The State Tax Assessor, with the approval of the Commissioner of Administrative and Financial Services may adopt a rule allowing or requiring the filing of a return or document by electronic data submission. The rule must establish thresholds or phase-in periods to assist taxpayers and preparers in complying with any electronic data submission requirement.

A. Unless otherwise provided by a rule adopted pursuant to this subsection, in the case of an employer that submits returns in accordance with section 5253 with respect to 100 or more employees, whether the returns are submitted directly by the employer or by a 3rd party on

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behalf of the employer, the assessor may require that the returns be filed by electronic data submission.

B. Unless otherwise provided by a rule adopted pursuant to this subsection, in the case of a payroll processor as defined in Title 10, chapter 222 that submits returns pursuant to section 5253 or Title 26, chapter 13, subchapter 5 or 7 for 100 or more employers, the assessor may require that the returns be filed by electronic data submission.

C. Unless otherwise provided by a rule adopted pursuant to this subsection, in the case of an employer that submits returns pursuant to Title 26, chapter 13, subchapter 5 or 7, the assessor may require that the returns be filed by electronic data submission.

**3. Payment by electronic funds transfer.** The State Tax Assessor, with the approval of the Commissioner of Administrative and Financial Services, may adopt a rule allowing or requiring the payment of a tax or the refund of a tax by electronic funds transfer. An electronic funds transfer allowed or required by the assessor pursuant to this subsection in payment of a tax obligation to the State is considered a return. For the purposes of this subsection, "tax" includes Competitive Skills Scholarship Fund contributions and unemployment insurance contributions required to be paid to the State pursuant to Title 26.

A. Unless otherwise provided by a rule adopted pursuant to this subsection, in the case of a person that is liable for \$200,000 or more per year pursuant to section 5253 or for \$400,000 or more per year in payments of any other single tax type, the assessor may require payment or refund of that tax by electronic funds transfer.

B. Unless otherwise provided by a rule adopted pursuant to this subsection, in the case of a payroll processor as defined in Title 10, chapter 222, the assessor may require payment or refund of taxes pursuant to section 5253 and payment or refund of Competitive Skills Scholarship Fund contributions and unemployment insurance contributions pursuant to Title 26, chapter 13, subchapters 5 and 7, respectively, by electronic funds transfer.

**4. Adoption of rules.** Rules adopted pursuant to this section are routine technical rules for the purposes of Title 5, chapter 375, subchapter 2-A.

### §194. Data warehouse

**1. Information provided to State Tax Assessor; use and confidentiality of data.** Notwithstanding any other provision of law, the Secretary of State and all executive branch departments, boards, commissions, divisions, authorities, districts or other executive branch agencies of the State shall annually provide to the State Tax Assessor, within 3 months of the request of the assessor, and in such form as the assessor may prescribe, electronic data that those entities possess unless such release is prohibited by federal law. Information provided to the assessor pursuant to this section must be treated as though it is tax return information that is subject to the confidentiality and disclosure provisions of section 191 and its disclosure is further restricted as requested by the agency providing the information and as agreed to by the Commissioner of Administrative and Financial Services.

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**2. Expense of creating and maintaining data warehouse; transfer of funds.** The State Controller shall transfer from the General Fund an amount authorized by the assessor equal to the expenses incurred in creating and maintaining the data warehouse authorized by this section and in collecting the debts arising from the operation of the data warehouse. These expenses are limited to those resulting from 3rd-party contingency fee contracts for the services referenced in this section and include any associated expense charged by the Department of Administrative and Financial Services, Office of Information Technology for directly related services. The amount transferred must be deposited into a dedicated, nonlapsing account to be used solely for the purpose of creating and maintaining the data warehouse. Interest earned on balances in the account accrue to the account.

**3. Report to Legislature.** (Repealed)

### **§194-A. Review of certain changes in the application of sales and use tax law**

**1. Consultation.** Before implementing a significant change in policy, practice or interpretation of the sales and use tax law that would result in additional revenue, the State Tax Assessor shall consult with the Office of the Attorney General.

**2. Notification and review.** If, pursuant to the consultation required by subsection 1, the Office of the Attorney General and the assessor agree that a proposed change in policy, practice or interpretation of the sales and use tax law is a significant change that would result in additional revenue and should be reviewed by the appropriate legislative committee of oversight, the assessor shall notify the chairs of the appropriate legislative committee of oversight of the results of the consultation at least 45 days prior to implementation of the change, if reasonably practicable. The chairs of the legislative committee of oversight shall notify all committee members in writing of the proposed change and may schedule a time for committee review and discussion.

**3. Report.** (Repealed)

**4. Assessment validity.** This section establishes a procedural consultation an notification requirement to assist routine legislative oversight and does not affect the validity of any assessment or tax liability issued pursuant to or arising under this Title.

### **§194-B. National criminal history record information (Repealed)**

### **§194-C. National criminal history record information of providers of contract services (Repealed)**

### **§194-D. Background investigations**

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

A. "Affected person" means a person who is:

- (1) An applicant for employment with the bureau;

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(2) A contractor for the bureau, including the contractor's employees, subcontractors and subcontractors' employees, who provides or is assigned to provide services to the bureau under an identified contract;

(3) A current employee of the bureau; or

(4) An employee or contractor, including the contractor's respective employees, subcontractors and subcontractors' employees, of another state agency, if the assessor determines the employee's or contractor's duties involve access or the substantial possibility of access to federal tax information obtained from the bureau.

B. "Confidential tax information" means any information the inspection or disclosure of which is limited or prohibited by section 191, including federal tax information.

C. "Federal tax information" means a return and return information as defined in the Code, Section 6103(b) that is received directly from the United States Internal Revenue Service or obtained through a United States Internal Revenue Service-authorized secondary source and that is subject to the confidentiality protections and safeguarding requirements of the United States Internal Revenue Code and corresponding federal regulations and guidance. "Federal return information" does not include information in the possession of the State that is obtained from sources wholly independent from the United States Internal Revenue Service.

D. "Identified contract" means a contract that the assessor determines involves access or the substantial possibility of access to the bureau's information technology systems or to confidential tax information.

**2. Background investigation requirements.** The assessor shall perform background investigations for affected persons in accordance with this subsection.

A. As part of the process of evaluating an affected person, except for a current employee of the bureau, for employment with the bureau, a background investigation must be conducted before an offer of employment is extended.

B. A background investigation for an affected person assigned to provide services to the bureau under an identified contract must be conducted before that affected person begins providing services to the bureau, and at least once every 10 years, as long as the affected person continues providing services to the bureau.

C. As part of the process of evaluating an affected person for continued employment with the bureau, a background investigation must be conducted at least once every 10 years. If an affected person has not been subject to a background investigation within 10 years prior to the effective date of this section, a background investigation must be conducted within one year of the effective date of this section.

D. A background investigation for an employee or contractor of another state agency must be conducted before that affected person is provided access, or the substantial possibility of access, to federal tax information obtained from the bureau, and at least once every 10 years, as long as the affected person continues to have such access. However, if the assessor

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determines that the affected person has been subject to a background investigation that satisfies the background investigation standards established by the United States Internal Revenue Service regarding access to federal tax information within the past 10 years, no further investigation is required under this subsection for the 10-year period commencing at the time of the background investigation.

The background investigation must include fingerprinting and obtaining national criminal history record information from the Federal Bureau of Investigation and must satisfy the background investigation standards established by the United States Internal Revenue Service regarding access to federal tax information.

**3. Fingerprinting.** An affected person must consent to having fingerprints taken for use in background investigations in accordance with this section. The State Police shall take or cause to be taken the affected person's fingerprints and shall forward the fingerprints to the Department of Public Safety, Bureau of State Police, State Bureau of Identification so that the State Bureau of Identification can conduct state and national criminal history record checks for the bureau. The State Police may charge the bureau for the expenses incurred in processing state and national criminal history record checks. The full fee charged under this subsection must be deposited in a dedicated revenue account for the State Bureau of Identification with the purpose of paying costs associated with the maintenance and replacement of the criminal history record systems.

**4. Confidentiality.** All information obtained by the assessor pursuant to this section is confidential and not a public record as defined in Title 1, section 402, subsection 3. The information must only be used for making decisions regarding the suitability of an affected person for new or continued employment with the bureau, to provide services to the bureau under an identified contract or to access federal tax information obtained from the bureau.

**5. Affected person's access to criminal history record information.** The bureau shall provide an affected person with access to information obtained pursuant to this section, if requested, by providing a paper copy of the criminal history record information directly to the affected person, but only after the bureau confirms that the affected person is the subject of the record. In addition, the bureau shall publish guidance on requesting such information from the Federal Bureau of Investigation.

**6. Disqualifying offenses; refusal to consent.** The assessor shall review the information obtained under this section and determine whether an affected person has a disqualifying offense that would prohibit authorizing that individual from accessing confidential tax information or federal tax information. If an affected person refuses to consent to the background investigation requirements under this section, that affected person is considered to have a disqualifying offense. If the affected person has a disqualifying offense:

A. The bureau may not employ or utilize that affected person in a position for which access to confidential tax information is required;

B. If the affected person is an employee of the bureau or is assigned to provide services to the bureau under an identified contract and the assessor has authorized the affected person to access confidential tax information, the bureau shall terminate that affected person's access and may remove that affected person from any position that involves access, or the



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substantial possibility of access, to confidential tax information. If the affected person is an employee of the bureau, the bureau shall make a reasonable effort to retain that person as an employee in another position within the bureau that does not require access to confidential tax information; and

C. If the affected person is an employee or contractor of another state agency, the assessor shall notify the other agency and the agency shall terminate the affected person's access, or substantial possibility of access, to federal tax information and may remove that affected person from any position that involves such access. If the affected person is an employee of the agency, the agency shall make a reasonable effort to retain that person as an employee in another position that does not require access to federal tax information.

### CHAPTER 10 TAX EXPENDITURE REVIEW

#### §199-A. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Committee.** "Committee" means the joint standing committee of the Legislature having jurisdiction over taxation matters.

**2. Tax expenditure.** "Tax expenditure" means any provision of state law that results in the reduction of tax revenue due to special exclusions, exemptions, deductions, credits, preferential rates, or deferral of tax liability.

#### §199-B. Report

**1. Report.** The bureau shall submit a report regarding tax expenditures to the committee by February 15th of each odd-numbered year. The report must contain:

- A. A summary of each tax expenditure in the laws administered by the bureau;
- B. A description of the purpose and background of the tax expenditure and the groups likely to benefit from the tax expenditure;
- C. An estimate of the cost of the tax expenditure for the current biennium;
- D. Any issues regarding tax expenditures that need to be considered by the Legislature;
- E. Any recommendation regarding the amendment, repeal, or replacement of the tax expenditure; and
- F. The total amount of reimbursement paid to each person claiming a reimbursement for taxes paid on certain business property under chapter 915.

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### §199-C. Review

The committee shall conduct the following reviews according to the following schedule.

**1. Odd-numbered years.** During each odd-numbered year the committee may review the report required under section 199-B.

**2. Even-numbered years.** During each even-numbered year the committee may review current issues of tax policy.

A. During each second regular session, the committee shall identify areas of tax policy for review during the period between the end of the second regular session and the first regular session of the next Legislature.

B. The committee may review:

- (1) Issues of tax policy related to tax expenditures identified in its review under subsection 1;
- (2) Issues related to the overall structure of the State's tax laws and the relative tax burdens on various classes of taxpayers;
- (3) The impact of the State's tax structure on taxpayer behavior, including incentives and disincentives to reside or locate businesses in the State;
- (4) Issues identified by the committee that require more detailed review than is possible during a regular session of the Legislature; or
- (5) Any other tax policy issue identified by the committee as needing legislative review.

**3. Specific tax expenditure review.** By June 1, 2022, the committee shall review the income tax credit under section 5217-D to determine whether the credit should be retained, repealed, or modified. The committee shall consider information provided by the Office of Tax Policy within the bureau and the Department of Education pursuant to Title 20-A, section 12545.

**4. Review of aviation tax expenditure.** The committee, by June 30, 2023, shall review the sales tax exemption under section 1760, subsection 88-A to determine whether the exemption provides an incentive for increasing investment in the aviation sector, attracting and retaining aviation business and basing aircraft in the State.

### §199-D. Report

The committee shall notify the Legislature of the results of each review conducted under section 199-C and may issue a report of its findings and recommendations. The committee may report to the Legislature any legislation necessary to implement recommendations resulting from the review conducted under section 199-C.

### §199-E. Elimination of certain tax expenditures (Repealed)

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### CHAPTER 11 REVENUE IMPACT

#### §200. Bureau of Revenue Services report on revenue incidence

**1. Impact of taxes on individuals.** The bureau shall submit to the joint standing committee of the Legislature having jurisdiction over taxation matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report containing the information required by this subsection by February 15th of each odd-numbered year.

A. Part 1 of the report must describe the overall incidence of all state, local and county taxes. The report must present information on the distribution of the tax burden:

- (1) For the overall income distribution, using a measure of system-wide incidence that appropriately measures equality and inequality;
- (2) By income classes, including, at a minimum, deciles of the income distribution; and
- (3) By other appropriate taxpayer characteristics.

B. Part 2 of the report must describe the impact of the tax system on business and industrial sectors. The report must:

- (1) Describe the impact of taxes on major sectors of the business and industrial economy relative to other sectors; and
- (2) Describe the relative impact of each tax on business and industrial sectors.

C. When determining the overall incidence of taxes under this subsection, the bureau shall reduce the amount of taxes collected by the amount of taxes that are returned directly to taxpayers through tax relief programs.

**2. Legislation analysis.** At the request of the joint standing committee of the Legislature having jurisdiction over taxation matters, the bureau shall prepare an incidence impact analysis of any legislation or proposal to change the tax laws that increases, decreases or redistributes taxes by more than \$20,000,000. To the extent data is available on the changes in the distribution of the tax burden that are affected by that legislation or proposal, the analysis must report on the incidence effects that would result if the legislation were enacted. The report may present information, using system-wide measures, by income classes, taxpayer characteristics or other relevant categories. The report may include analyses of the effect of the legislation proposal on representative taxpayers. The analysis must include a statement of the incidence assumptions that were used in computing the tax burdens.

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**TITLE 36  
TAXATION**

**PART 2  
PROPERTY TAXES**

**CHAPTER 101  
GENERAL PROVISIONS**

**SUBCHAPTER 1  
POWERS AND DUTIES OF STATE TAX ASSESSOR**

**§201. Supervision and administration**

The State Tax Assessor shall have and exercise general supervision over the administration of the assessment and taxation laws of the State, and over local assessors and all other assessing officers in the performance of their duties, to the end that all property shall be assessed at the just value thereof in compliance with the laws of the State.

**§202. Training and certification of assessors (REPEALED)**

**§203. Supervisors and assistants (REPEALED)**

**§204. Daily payment to treasurer (REPEALED)**

**§205. Forms, reports, and records**

The State Tax Assessor shall prescribe the form of blanks, reports, abstracts, and other records relating to the assessment of property for taxation. Assessors and other officers shall use and follow the forms so prescribed and the State Tax Assessor shall have power to enforce their use.

**§206. Compensation of assessors, collectors, and treasurers**

Primary assessing areas and municipalities shall pay to assessors a reasonable compensation and actual expenses incurred in complying with the requirement of this Title. Primary assessing areas and municipalities shall pay to collectors, treasurers and assessors a reasonable compensation and actual expenses incurred in attending meetings and schools called by the State Tax Assessor.

**§207. – conventions (REPEALED)**

**§208. Equalization**

The State Tax Assessor has the duty of equalizing the state and county taxes among all municipalities and the unorganized territory. The State Tax Assessor shall equalize and adjust

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the assessment list of each municipality by adding to or deducting from it such amount as will make it equal to its just value as of April 1st. Notice of the proposed valuations of municipalities within each county must be sent annually to the municipal officers of each municipality within that county on or before the first day of October. The valuation so determined is subject to review by the State Board of Property Tax Review pursuant to subchapter 2-A, but the valuation finally certified to the Secretary of State pursuant to section 381 must be used for all computations required by law to be based upon the state valuation with respect to municipalities. A municipality shall provide to the State Tax Assessor, upon request, such information as may be necessary for the State Tax Assessor to carry out the purposes of this section.

### **§208-A. Adjustment for sudden and severe disruption of valuation**

**1. Request for adjustment.** A municipality that has experienced a sudden and severe disruption in its municipal valuation may request an adjustment to the equalized valuation determined by the State Tax Assessor under section 208 for the purposes of calculating distributions of education funding under Title 20-A, chapter 606-B and state-municipal revenue sharing under Title 30-A, section 5681. A municipality requesting an adjustment under this section must file a petition, with supporting documentation, with the State Tax Assessor by March 31st of the year following the tax year in which the sudden and severe disruption occurred and indicate the time period for which adjustments to distributions are requested under subsection 5.

**2. Sudden and severe disruption.** A municipality experiences a sudden and severe disruption in its municipal valuation if:

A. The municipality experiences a net reduction in equalized municipal valuation of at least 2% from the equalized municipal valuation that would apply without adjustment under this section;

B. The net reduction in equalized municipal valuation is attributable to the cessation of business operations, removal, functional or economic obsolescence not due to short-term market volatility or destruction of or damage to property resulting from disaster attributable to a single taxpayer that occurred in or was not reasonably determinable until the prior tax year; and

C. The municipality's equalized tax rate of residential property following the sudden and severe disruption in municipal valuation exceeds the most recent state average of residential property for which data is available.

For purposes of this subsection, "removal" does not include property that was present in the municipality for less than 24 months. This subsection does not apply to property acquired by a municipality that otherwise could seek relief pursuant to this section.

**3. Procedure.** A municipality may request an adjustment under this section by filing a petition with the State Tax Assessor in accordance with this subsection.

A. The municipality, on forms prescribed by the State Tax Assessor, shall identify a net reduction in equalized municipal valuation of at least 2% of the municipality's equalized value attributable to the property of a single taxpayer, the date of the loss and the cause of the loss.

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The municipality must include an appraisal report prepared by a qualified professional appraiser with respect to the property responsible for the loss that shows the value of the property immediately prior to the loss and the value of the property following the loss. The appraisal report must include a summary of the appraiser's consideration of the cost, income capitalization and sales comparison approaches to the value of the property. The municipality is required to provide any other documentation to support its claim as determined by the State Tax Assessor, including, if requested, all records associated with the municipality's assessment of the property subject to the requested adjustment for the 3-year period prior to the date of the reduction in valuation.

For purposes of this paragraph, "qualified professional appraiser" means an individual who has at least 5 years' experience determining the just value of real and personal property of the commercial and industrial type using the 3 standard methods of valuation and who attests in writing to the State Tax Assessor that the individual has a current working knowledge of the application of the 3 standard methods of valuation to real and personal property of the commercial and industrial type and:

- (1) Is a certified general real property appraiser licensed under Title 32, chapter 124; or
- (2) Is an assessor certified under Title 36, section 310.

B. The State Tax Assessor shall examine the documentation provided by the municipality and determine whether the municipality qualifies for an adjustment under this section.

C. If the State Tax Assessor determines that a municipality qualifies for an adjustment under this section, the State Tax Assessor shall calculate the amount of the adjustment for the municipality by determining the amount by which the state valuation determined under section 208 would be reduced as a result of the net sudden and severe disruption of equalized municipal valuation for the state valuations to be used in the next fiscal year by the Commissioner of Education and the Treasurer of State. The State Tax Assessor shall adjust subsequent state valuations until such time as the state valuation recognizes the loss. The State Tax Assessor may limit the time period or amount of adjustment to reflect the circumstances of the sudden and severe loss of valuation.

**4. Notifications.** After review of the claim, the State Tax Assessor, in writing, shall approve or deny, in whole or in part, the adjustment requested.

A. The written decision must include the findings of fact upon which the decision is based. Notwithstanding section 151, the State Tax Assessor's written determination constitutes final agency action that is subject to review by the Superior Court in accordance with the Maine Administrative Procedure Act, except that Title 5, section 11006 does not apply.

B. Within 30 days of providing the municipality the written determination denying, in whole or in part, a claim for adjustment, the State Tax Assessor shall provide a copy of the denial letter to the joint standing committee of the Legislature having jurisdiction over taxation matters.

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C. The State Tax Assessor shall notify the Commissioner of Education and the Treasurer of State of any adjustment to state valuation determined under this section and the time period to which the adjustment applies.

**5. Effect of modified state valuation.** The determination of an adjustment to state valuation has the following effect.

A. The Commissioner of Education shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating education funding obligations for the following fiscal year.

B. The Treasurer of State shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating distributions of state-municipal revenue sharing for the following fiscal year.

**6. Report.** By February 1st, annually, the State Tax Assessor shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters identifying all requests for adjustment of equalized valuation under this section during the most recently completed fiscal year, the assessor's determination regarding each request and the amount of any payments made by the Commissioner of Education under subsection 5, paragraph A.

### **§209. Adjustment for audits; determination of the State Tax Assessor**

**1. Audits.** If the State Tax Assessor determines that value was improperly excluded from any of the 3 most recently certified state valuations, the State Tax Assessor shall recalculate the equalized just value of that municipality to reflect the requirements of section 305. A municipality that is aggrieved by a determination of the State Tax Assessor under this section may appeal pursuant to section 272-A.

**2. Notifications.** If an adjustment is made to a municipality's equalized municipal valuation pursuant to this section, the State Tax Assessor, in writing, shall make the following notifications:

A. To the municipality, a decision, which must include the findings of fact upon which the decision is based. This written decision constitutes final agency action;

B. To the joint standing committee of the Legislature having jurisdiction over taxation matters, a copy of the decision from paragraph A; and

C. To the Commissioner of Education prior to December 1st, and to the Treasurer of State, any adjustment to state valuation determined under this section and the time period to which the adjustment applies.

**3. Effect of modified state valuation.** The following provisions apply to an adjustment to state valuation under this section.



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A. The Commissioner of Education shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating education funding obligations under Title 20-A, chapter 606-B for the following fiscal year.

B. The Treasurer of State shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating distributions of state-municipal revenue sharing under Title 30-A, section 5681 for the following fiscal year.

### SUBCHAPTER 2 POWERS AND DUTIES OF STATE TREASURER

#### **§251. Warrants for town assessment of state tax**

When a state tax is imposed and required to be assessed by the proper officers of towns, the Treasurer of State shall send such warrants as he is, from time to time, ordered to issue for the assessment thereof to the assessors, requiring them forthwith to assess the sum apportioned to their town or place, and to commit their assessment to the constable or collector for collection.

#### **§252. Time for issuance**

When a state tax is ordered by the Legislature, the Treasurer of State shall send his warrants directed to the assessors of each municipality, as soon after the first day of April as is practicable, requiring them to assess upon the estates of such municipality its proportion of the state tax for the current year; and shall in a like manner for the succeeding year, send like warrants for the state tax.

#### **§253. -- requirements**

The Treasurer of State in his warrant shall require the assessors of each municipality to make a fair list of their assessments, as required by this Title; to commit such list to the tax collector of such municipality in accordance with section 709; and to return a certificate thereof in accordance with section 712.

#### **§254. Issuance of warrants or executions**

The Treasurer of State shall issue warrants or executions against delinquent towns, assessors, constables, and collectors to enforce the collection and payment of state taxes in cases prescribed in this Title.

### SUBCHAPTER 2-A PROPERTY TAX APPEALS

#### **§271. State Board of Property Tax Review**

**1. Organization; meetings.** The State Board of Property Tax Review, as established by Title 5, section 12004-B, subsection 6, consists of 15 members appointed by the Governor for terms of 3 years. Vacancies on the board must be filled for the remainder of the unexpired term. The membership must be equally divided among attorneys, real estate brokers or appraisers,

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engineers, assessors who have a current certificate of eligibility from the State Tax Assessor under section 311, except assessors employed by the bureau, and public members. Beginning August 1, 2018, at least one vacancy in the term of a public member or a position open as the result of an expired term of a public member must be filled by a member of the public with expertise in taxation, finance or property valuation matters. The board shall annually elect a chair and secretary. The secretary need not be chosen from the members of the board.

**2. Powers and duties.** The board shall have the following powers and duties:

A. Hear and determine appeals according to the following provisions of law:

- (1) The tree growth tax law, chapter 105, subchapter 2-A;
- (2) The farm and open space law, chapter 105, subchapter 10;
- (3) As provided in section 843;
- (4) As provided in section 844;
- (5) Section 272;
- (6) Section 2865;
- (7) The current use valuation of certain working waterfront land law, chapter 105, subchapter 10-A; and
- (8) Section 209;

B. Raise or lower assessments to conform to the law;

C. Promulgate rules in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, governing procedures before the board;

D. Administer oaths, take testimony, hold hearings, summon witnesses, and subpoena records, files and documents it considers necessary for carrying out its responsibilities; and

E. Charge fees for filing a petition for appeal with the board pursuant to subsection 10.

**3. Procedures.** Appeals to the board must be commenced by filing a petition for appeal with the board and paying the appropriate filing fee if required pursuant to subsection 10. A copy of the petition must be mailed to the State Tax Assessor and to the assessor of the municipality where the property subject to appeal is located.

**3-A. Filing.** Petitions for appeal, filing fees and all other papers required or permitted to be filed with the board must be filed with the secretary of the board. Filing with the secretary may be accomplished by delivery to the office of the board or by mail addressed to the secretary of the board. All papers to be filed that are transmitted by the United States Postal Service are deemed filed on the day the papers are deposited in the mail as provided in section 153. The secretary of

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the board shall place a petition for appeal that is filed without payment of the filing fee on the docket and shall notify the petitioner that the appeal will not be processed further without payment. Municipal appeals under section 272 are specifically exempted from the filing fee requirement.

**4. Services.** The board may request the advice and services of any assessor or appraiser holding a valid certificate from the Bureau of Revenue Services and other persons as it deems advisable. No assessor or appraiser may sit with the board concerning any property which he has previously appraised or assessed.

**5. Hearings.** Upon receipt of an appeal, the chair of the board shall determine whether the appeal is within the jurisdiction of the board. If the board does not have jurisdictional authority to hear the appeal, the chair shall notify all parties in writing within 10 days of making the determination. Either party may appeal to the board a decision of the chair relating to jurisdictional issues within 30 days after receiving written notice of that decision by filing a request with the board to have that decision reviewed by the board. If the board does have jurisdiction over the appeal or if either party appeals the determination that the board lacks jurisdiction, the chair shall select from the list of board members 5 persons to hear the appeal or jurisdictional issue and shall notify all parties of the time and place of the hearing. The selection of members for an appeal hearing or appeal of a jurisdictional issue is based upon availability, geographic convenience, and area of expertise. Three of the 5 members constitute a quorum.

**5-A. Mediation.** For appeals pursuant to section 843 or 844, if the board determines that the appeal is within the jurisdiction of the board and all rights to appeal the determination of jurisdiction have expired, within 120 days after filing a petition for appeal, the assessor or assessors, chief assessor of a primary assessing area or State Tax Assessor in the case of the unorganized territory and the taxpayer shall retain the services of a mutually agreed-upon mediator knowledgeable in taxation, valuation matters or conflict resolution, unless otherwise excused by the chair of the board. The cost of mediation must be shared equally between the municipality, or the State Tax Assessor in the case of the unorganized territory, and the taxpayer. Unless the parties have been excused by the chair of the board from mediation, the board may not schedule a hearing until after it is notified by the parties that mediation has been completed. Upon the completion of mediation, the parties must notify the board in writing stating whether further board action is necessary.

**6. Compensation.** Board members serving on an appeal panel shall be compensated according to Title 5, chapter 379.

**7. Appeal.** Decisions of the board may be appealed pursuant to the Maine Administrative Procedure Act, Title 5, chapter 375.

**8. Transition provision.** (Repealed)

**9. Property Tax Review Board Fund; funding.** The Property Tax Review Board Fund is established to assist in funding the activities of the board pursuant to this subchapter. Any balance in the fund does not lapse but is carried forward to be expended for the same purposes in succeeding fiscal years. Filing fees collected pursuant to this section must be deposited in the fund,

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which is administered by the board. The funds must supplement and not supplant General Fund appropriations.

**10. Filing fees.** The following fees are required for filing petitions for appeal with the board.

A. The filing fee for a petition for an appeal of current use valuation under the tree growth tax law, chapter 105, subchapter 2-A, the farm and open space tax law, chapter 105, subchapter 10, the working waterfront land law, chapter 105, subchapter 10-A or a petition for an appeal relating to section 2865 is \$75.

B. The filing fee for a petition for an appeal relating to nonresidential property or properties with an equalized municipal valuation of \$1,000,000 or greater pursuant to sections 273, 843 and 844 is \$150.

### §272. Municipal valuation appeals

The State Board of Property Tax Review shall hear appeals by any municipality aggrieved by the Bureau of Revenue Services' determination of equalized valuation or failure to meet minimum assessing standards and render its decision based upon the recorded evidence.

**1. Filing.** Any municipality aggrieved shall file a written notice of appeal by November 15th, or, if November 15th is a Saturday, Sunday or holiday, the next business day after that November 15th, of the year the determination is made by the Bureau of Revenue Services. The appeal to the board must be in writing signed by a majority of the municipal officers and must be accompanied by an affidavit stating the grounds for appeal. A copy of the appeal and the affidavit must be served on the Bureau of Revenue Services.

**2. Hearing.** The board shall hear the appeal within a reasonable time of the filing of the appeal by the municipality and shall render its decision no later than January 15th following the date on which the appeal is taken. The board shall order notice of hearing and give at least 5 days' notice prior to hearing thereof to the municipality and to the Bureau of Revenue Services.

**3. Determination.** The Bureau of Revenue Services shall have the burden of showing that its determination is reasonable, and the municipality's claims are unreasonable. The board shall sustain the determination of the Bureau of Revenue Services only upon finding that the bureau's determination is reasonable, and the claims of the municipality are unreasonable. If the board does not sustain the bureau's determination, it shall make its own reasonable determination giving due weight to the claims of the municipality and the Bureau of Revenue Services.

**4. Powers.** The board, after hearing, shall have the power to:

A. Raise, lower or sustain the state valuation as determined by the Bureau of Revenue Services with respect to the municipality which has filed the appeal; or

B. Raise, lower or sustain the bureau's determination of the municipality's achieved assessing standards and then, if the achieved standards were inadequate under the provisions of chapter 102, subchapter 5, and upon receiving from both the bureau and the

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municipality recommended solutions to the inadequate assessing practices, order the municipality to take the corrective steps the board considers necessary.

The board shall certify its decision to the Bureau of Revenue Services which shall, if necessary, incorporate the decision in the valuation certified pursuant to section 305, subsection 1.

**5. Procedure following appeal.** The valuation determined on appeal shall be certified to the State Tax Assessor, who shall, if necessary, incorporate the decision in the valuation certified pursuant to section 305, subsection 1. If an appeal to the Superior Court or Supreme Judicial Court results in a lowering of the municipality's state valuation, the Treasurer of State shall reimburse with funds appropriated from the General Fund, an amount equal to money lost by the municipality, due to the use by the State of an incorrect state valuation in any statutory formula used to distribute state funds to municipalities.

### §272-A. Appeals of adjusted municipal valuation

The State Board of Property Tax Review shall hear appeals by any municipality aggrieved by the Bureau of Revenue Services' determination of adjusted equalized valuation pursuant to section 209 and render its decision based upon the recorded evidence.

**1. Filing.** Any municipality aggrieved shall file a written notice of appeal within 45 days of its receipt of notification of the decision of the Bureau of Revenue Services. The appeal to the board must be in writing and signed by a majority of the municipal officers and must be accompanied by an affidavit stating the grounds for appeal. A copy of the appeal and the affidavit must be served on the Bureau of Revenue Services.

**2. Hearing.** The board shall hear the appeal within a reasonable time of the filing of the appeal by the municipality and shall render its decision no later than November 15th following the date on which the appeal is taken. The board shall order notice of the hearing and give at least 5 days' notice prior to the hearing to the municipality and to the Bureau of Revenue Services.

**3. Determination.** The Bureau of Revenue Services has the burden of showing that its determination is reasonable and the municipality's claims are unreasonable. The board shall sustain the determination of the Bureau of Revenue Services only upon finding that the bureau's determination is reasonable, and the claims of the municipality are unreasonable. If the board does not sustain the bureau's determination, it shall make its own reasonable determination giving due weight to the claims of the municipality and the Bureau of Revenue Services.

**4. Powers.** The board, after hearing, may raise, lower, or sustain the adjusted state valuation as determined by the Bureau of Revenue Services with respect to the municipality that has filed the appeal. The board shall certify its decision to the Bureau of Revenue Services.

**5. Procedure following appeal.** The valuation determined on appeal must be certified to the Bureau of Revenue Services, which shall, if necessary, incorporate the decision in the valuation used pursuant to section 209. If an appeal to the Superior Court or Supreme Judicial Court results in a lowering of the municipality's state valuation, the Treasurer of State shall reimburse with funds appropriated from the General Fund an amount equal to money lost by the municipality due

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to the use by the State of an incorrect state valuation in any statutory formula used to distribute state funds to municipalities.

### **§273. Nonresidential property of \$1,000,000 or greater**

With regard to appeals relating to nonresidential property or properties with an equalized municipal valuation of \$1,000,000 or greater either separately or in the aggregate, as provided in sections 843 and 844, the state board shall hold a hearing de novo. For the purposes of this section, "nonresidential property" means property that is used primarily for commercial, industrial, or business purposes, excluding unimproved land that is not associated with a commercial, industrial, or business use.

## **CHAPTER 102 PROPERTY TAX ADMINISTRATION**

### **SUBCHAPTER 1 BUREAU OF REVENUE SERVICES**

#### **§301. State Tax Assessor**

The responsibility for the direction, supervision and control of the administration of all property tax laws in the State is vested in the State Tax Assessor, except for such portion of those activities expressly delegated by this chapter to the primary assessing areas or municipal assessing units or those activities expressly prohibited by this chapter to the Bureau of Revenue Services. The State Tax Assessor shall take all necessary and legal means to ensure that the intent of this chapter is fulfilled.

#### **§302. Unorganized territories**

The Bureau of Revenue Services shall be responsible for the performance of the assessing function in the unorganized territory of the State and this territory shall constitute a single primary assessing unit.

#### **§303. Organized territory**

The organized territory of the State shall be divided into primary assessing areas and municipal assessing units on or before July 1, 1979. The foregoing division shall be made by the State Tax Assessor utilizing the following criteria as appropriate.

**1. Primary assessing areas.** Primary assessing areas, including both primary assessing units and multi-municipal primary assessing districts, shall be established by:

A. Giving consideration to existing municipal and School Administrative District lines without regard to existing county lines;

B. Utilizing such factors as geography, distance, number of parcels, urban characteristics, sales activity, and other factors the State Tax Assessor believes important;

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C. If the State Tax Assessor wishes, the appointment of an advisory committee to assist him in making the division and in establishing assessing standards; and

D. Determining the boundaries of such areas and, after appropriate hearing by interested parties, as conditions and personnel warrant.

Primary assessing areas, both single units and districts, shall be reviewed at least every 10 years by the State Tax Assessor. When conditions justify alteration of the boundaries of the primary assessing areas, the State Tax Assessor may so order after appropriate hearing. Any municipality may withdraw from designation as a primary assessing area upon proper notice.

**2. Municipal assessing units.** Any municipality may decide not to be designated as a primary assessing area and shall be designated a municipal assessing unit. If the municipal assessing unit hires a professional full-time assessor, he shall be subject to the certification requirements of sections 311 and 312.

### §304. Establishment of primary assessing areas

The State Tax Assessor shall, by order, establish each primary assessing area. The order shall be directed to the municipal officers. The issuance of said order shall be conclusive evidence of the lawful organization of the primary assessing area and a copy of said order shall be filed in the office of the Secretary of State.

The governing body of the primary assessing area shall determine the initial budget for the primary assessing area and, if a primary assessing district, the warrant for each participating municipality's share of expenses. The sums due on said warrant shall be paid on demand to the primary assessing district. The warrant shall be enforced in the same manner as state or county tax warrants.

### §305. Additional duties

In addition to any other duties of the Bureau of Revenue Services provided in this chapter, it shall:

**1. Just value.** Certify to the Secretary of State before the first day of February each year the equalized just value of all real and personal property in each municipality and unorganized place that is subject to taxation under the laws of this State. The equalized just value excludes the following:

A. That percentage of captured assessed value located within a tax increment financing district that is used to finance that district's development plan;

B. The captured assessed value located within a municipal affordable housing development district; and

C. The amount by which the current assessed value of commercial and industrial property within a municipal incentive development zone exceeds the assessed value of that property

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as of the date the development zone is approved by the Commissioner of Economic and Community Development. This excess value as determined under Title 30-A, chapter 208-A and referred to in this subsection as the "sheltered value" is limited to the amount invested by a municipality in infrastructure improvements pursuant to the infrastructure improvement plan adopted under Title 30-A, chapter 208-A.

The equalized just value must be uniformly assessed in each municipality and unorganized place and be based on 100% of the current market value. The bureau's valuation documents must separately show for each municipality and unorganized place the actual or estimated value of all real estate that is exempt from property taxation by law or is the captured value within a tax increment financing district that is used to finance that district's development plan, as reported on the municipal valuation return filed pursuant to section 383, or that is the sheltered value of a municipal incentive development zone;

**2. Services.** Assist the primary assessing areas by providing appropriate technical services which may include, but not be limited to, the following:

- A. Preparation of information or manuals, or both, concerning construction values, prices, appraised guides, statistical tables, and other appropriate materials;
- B. Specialized assessing assistance in industrial, commercial, and other difficult property assessments as determined by the State Tax Assessor;
- C. Establishment of a coordinate grid system in connection with the Department of Agriculture, Conservation and Forestry for the purpose of uniform identification of property parcels;
- D. Assistance in the preparation of tax maps and methods of updating such maps;
- E. Devising necessary forms and procedures; and
- F. Advice concerning data processing application to assessing.

**3. Report.** Provide a biennial statistical compilation and analysis of property tax assessment practices and pertinent property tax data on a state-wide basis;

**4. Research.** Provide a continuing program of property tax research to improve present laws and practices;

**5. Rules and regulations.** Promulgate, after appropriate notice and hearing, all rules and regulations necessary to carry into effect any of its duties and responsibilities; and

**6. Report on changes in land ownership.** On or before September 1st of each year, report to the Commissioner of Agriculture, Conservation and Forestry, the Commissioner of Inland Fisheries and Wildlife and the joint standing committee of the Legislature having jurisdiction over public lands on the transfer in ownership of parcels of land 10,000 acres or greater within the unorganized territory of the State. Using information maintained by the State Tax Assessor under



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section 1602 and section 4641-D, the bureau shall provide information for each transfer that includes:

- A. Name of the seller;
- B. Name of the buyer;
- C. Number of acres transferred;
- D. Classification of land;
- E. Location by township and county;
- F. Sale price; and
- G. A brief description of the property.

### §306. Definitions

For the purpose of this chapter, the following terms have the following meanings.

**1. Chief assessor.** "Chief assessor" means the person who is primarily responsible for the assessing function in a primary assessing unit or primary assessing district, designated as such by the State Tax Assessor.

**2. Hours of classroom training.** "Hours of classroom training" means clock hours, not credit hours.

**3. Municipal assessing unit.** "Municipal assessing unit" means a municipality that has chosen not to be designated by the State Tax Assessor as a primary assessing area.

**4. Primary assessing area.** "Primary assessing area" means the basic geographic division of the State's territory for the purpose of property tax assessment and administration. A primary assessing area may be either a primary assessing unit or a primary assessing district.

**4-A. Primary assessing district.** "Primary assessing district" means a multi-municipal area of the State that has been designated by the State Tax Assessor as a primary assessing area.

**4-B. Primary assessing unit.** "Primary assessing unit" means a single municipality that has been designated by the State Tax Assessor as a primary assessing area.

**5. Professional assessor.** "Professional assessor" means a person who is employed full time by one or more municipalities or by a primary assessing area, 75% or more of whose time is devoted to assessment administration.

**6. State supervisory agency.** (Repealed)

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### SUBCHAPTER 2 CERTIFICATION OF ASSESSORS

#### §310. Examination

The Bureau of Revenue Services shall hold qualifying examinations for assessors as necessary, but not fewer than 2 times each year.

**1. Additional examinations.** Such additional examinations may be held as the State Tax Assessor deems necessary.

**2. Content and type.** The State Tax Assessor shall determine the content and type of examination and in so doing may consult with professional assessing organizations and others.

**3. Test applicant's knowledge.** The examination shall, among other things, test the applicant's knowledge of applicable law and techniques of assessing.

**4. Level of attainment.** The State Tax Assessor shall establish by rule the level of attainment on the examination required for certification. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**5. Confidentiality.** Copies of the qualifying examination and individual examination results are confidential and are not a public record as defined in Title 1, section 402, subsection 3.

#### §311. Certification

The State Tax Assessor shall issue a certificate of eligibility to any applicant who has demonstrated through appropriate examination that he or she is qualified to perform the assessing function. In addition, the State Tax Assessor shall establish classes of said certificate of eligibility that recognize the differing assessing skills needed for municipalities that vary in population and types of property.

Certificates of eligibility shall be renewed annually provided the assessor completes at least 16 hours of classroom training approved by the State Tax Assessor each year.

Any certificate issued by the State Tax Assessor may for cause be revoked after a hearing and findings of fact. In revoking a certificate, the State Tax Assessor shall give the certificate holder 30 days' written notice of the time and place of the hearing and the reasons therefor. An order of revocation shall be effective immediately.

#### §312. Violation

After July 1, 1980, no person shall be eligible to perform the duties of a chief assessor of a primary assessing area or the duties of a professional assessor of any municipality or primary assessing area unless he or she shall have been certified in the manner provided. Violation of this section shall be a civil violation for which a forfeiture of not less than \$100 nor more than \$250 shall be adjudged.

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### §313. Tenure

A chief assessor certified as provided shall serve a probationary period of 2 years. Thereafter he or she shall have tenure and may only be removed as provided.

A chief assessor having tenure in any primary assessing area, upon moving to another primary assessing area, shall serve a probationary period of no longer than one year, but such probationary period may be waived by agreement of the parties. Records as to tenure of chief assessors shall be kept by the Bureau of Revenue Services.

### §314. Removal

The chief assessor holds office for an indefinite term unless otherwise specified by contract. A chief assessor may be removed from office as follows:

**1. Probationary period.** A chief assessor serving a probationary period may be removed by the executive committee upon 30 days' written notice stating the reason for the removal.

**2. Tenure.** A chief assessor who has tenure may be removed for cause by the executive committee in the manner provided for the removal of town managers in Title 30-A, section 2633.

**3. Certification revoked.** A chief assessor whose certification is revoked by the State Tax Assessor must be removed from office immediately.

**4. Lapsed or expired certification.** (Repealed)

## SUBCHAPTER 4 TRAINING OF ASSESSORS

### §318. Training of assessors

The State Tax Assessor may establish, either on the assessor's own initiative or in conjunction with professional or educational agencies, or both, a program of training to meet the needs of the State of Maine for a sufficient supply of competently trained assessors. Where possible, such training must be conducted by the Margaret Chase Smith Center for Public Policy of the University of Maine System or an institution of higher education. For such purposes, the State Tax Assessor may designate what programs either within or outside the State are acceptable for these training purposes.

Primary assessing units may expend funds for educational and training activities, including reimbursement for tuition, travel, meals, lodging, textbooks, and miscellaneous instructional expenses. In addition, upon authorization of the executive committee of the primary assessing area, leaves of absence with pay may be approved for this purpose. The Bureau of Revenue Services may expend funds for training activities.

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### SUBCHAPTER 5 ASSESSING STANDARDS

#### §326. Purpose of minimum standards

The purpose of minimum assessing standards is to aid the municipalities of Maine in the realization of just assessing practices without mandating the different ways municipalities might choose to achieve such equitable assessments.

#### §327. Minimum assessing standards

All municipalities whether they choose to remain as single municipal assessing units or choose to be designated as a primary assessing area, either as a primary single unit or a member of a primary district, shall achieve the following minimum assessing standards:

**1. Minimum assessment ratios.** A 50% minimum assessment ratio by 1977; a 60% minimum assessment ratio by 1978; and a 70% minimum assessment ratio by 1979 and thereafter. Notwithstanding this subsection, a municipality should not have an assessment ratio at an amount greater than 110% of its just value;

**2. Maximum rating of assessment.** A maximum rating of assessment quality of 30 by 1977; a maximum rating of assessment quality of 25 by 1978; a maximum rating of assessment quality of 20 by 1979 and thereafter;

**3. Employment of assessor.** Any municipal assessing unit may employ a part-time, non-certified assessor or contract with a firm or organization that provides assessing services; when any municipal assessing unit or primary assessing area employs a full-time, professional assessor, this assessor must be certified by the bureau as a professionally trained assessor. The bureau shall publish, for the information of the municipalities, a list of assessing firms or organizations. The bureau shall provide to a municipality, on request by the municipality, a list of certified assessors.

#### §328. Administrative rules and regulations

Any rules and regulations established by the Bureau of Revenue Services shall recognize the freedom, invention and individual means of the municipalities by which said standards will be met. For municipalities, whether a municipal assessing unit or in a primary assessing area, such regulations shall recognize that:

- 1. Electronic data processing.** Electronic data processing will be optional;
- 2. Time for office to be opened.** The assessor's office need not be open full time;
- 3. Uniform accounting system.** A uniform accounting system will not be mandated;
- 4. Budgets unnecessary.** Budgets need not be submitted to the bureau;

**5. Number of appraisers.** The number of additional appraisers necessary will not be mandated;

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**6. Office records.** The following office records do not necessarily have to be maintained:

- A. Copies of deeds;
- B. Aerial photographs;
- C. Summary accounts or "tub" cards;

**7. Physical inspection and inventory.** Physical inspection and inventory of each real parcel and personal property account will take place at least every 4 years rather than every 3 years;

**8. Annual sales ratio studies.** Assessors will conduct annual sales ratio studies; and

**9. Tax maps.** Municipal assessing units do not necessarily have to maintain tax maps.

Upon a municipality's failure to achieve the minimum assessing standards of this subchapter, the bureau may choose at least one or more of the above administrative practices as necessary corrective steps to be undertaken by said municipality, in accordance with sections 271, 272 and 329.

### **§329. Inability to achieve standards**

If the Bureau of Revenue Services determines that a municipality has not met the minimum standards set forth in this subchapter, the municipality has 2 options:

**1. Acceptance.** If the municipality accepts the bureau's determination, the bureau shall consult with the officers of the municipality and require steps by which the municipality is to achieve an acceptable level of just assessing practices. In requiring those steps, the bureau shall endeavor to accommodate the preferences of the municipal officers. The steps may include membership, where applicable, in a primary assessing district, joining with a companion municipality in the hiring of a professional assessor or an assessing firm or other arrangements approved by the bureau; and

**2. Appeal.** If the municipality is aggrieved by the bureau's determination, the municipality may file a written notice of appeal with the State Board of Property Tax Review in accordance with chapter 101, subchapter 2-A.

### **§330. Professional assessment firms**

**1. Guidelines for professional assessing firms.** The State Tax Assessor shall establish by rule guidelines for professional assessing firms. The guidelines must include the following requirements:

- A. Each professional assessing firm shall employ at least one certified Maine assessor; and

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B. Each professional assessing firm performing revaluation services for a municipality shall provide the municipality with papers and information necessary to conduct future revaluations.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**2. Model contract.** The State Tax Assessor shall develop a model contract for revaluation services. This model contract shall be made available to all municipalities.

**3. Assistance to municipalities.** The State Tax Assessor shall provide technical assistance to municipalities, when requested, in evaluating and selecting professional revaluation firms.

### **§331. Assessment manual**

The State Tax Assessor shall maintain and periodically update a State assessment manual by rule, in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, which shall identify accepted and preferred methods of assessing property.

Any municipality performing or contracting for the performance of a revaluation after January 1, 1987, shall use or require the use of the State assessment manual or another professionally accepted manual or procedure.

## CHAPTER 103 ASSESSMENT AND COLLECTION OF TAXES

### SUBCHAPTER 1 STATE VALUATION

#### ARTICLE 1 GENERAL PROVISIONS

### **§341. Certification of treasurer and controller**

Before commencing to collect the taxes which the State Tax Assessor is authorized by law to collect, he shall certify to the Treasurer of State and the State Controller the total amount of each type of tax. Copies of all supplemental assessments and abatements of taxes shall be sent to the Treasurer of State.

### **§342. Property taxes credited on assessments; quarterly payments (REPEALED)**

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### ARTICLE 2 VALUATION

#### **§381. State valuation; definition; to be filed with Bureau of Revenue Services annually**

The term "state valuation" as used in reference to the unorganized territory in this Title, except in this chapter and chapter 105, means an annual valuation of all property subject to a Maine property tax but not taxable by a municipality. The annual valuation is to be completed by and on file in the office of the Bureau of Revenue Services prior to the assessment of the annual property tax in the unorganized territory. The annual valuation is to be based on the status of property on April 1st. In this chapter, in chapter 105 and outside of this Title, the term "state valuation" means the valuation filed with the Secretary of State pursuant to section 305, subsection 1.

#### **§381-A. Interim state valuation of municipalities (REPEALED)**

#### **§382. Failure of assessor to furnish information**

If any municipal assessor or assessor of a primary assessing area fails to appear before the State Tax Assessor or his agent as provided in this Title, or to transmit to him the lists named within 10 days after the mailing or publication of notice or notices to them to so appear or transmit said lists, the State Tax Assessor may in his discretion report the valuation of the estates and property liable to taxation in the town so in default, as he shall deem just and equitable.

#### **§383. Assessors' annual return to State Tax Assessor**

**1. Annual return.** The municipal assessors and the assessors of primary assessing areas shall make and return lists, which must be seasonably furnished by the State Tax Assessor for that purpose, all such information as to the assessment of property and collection of taxes as may be needed in the work of the State Tax Assessor, including annually the land value, exclusive of buildings and all other improvements, and the valuation of each class of property assessed in their respective jurisdictions, with the total valuation and percentage of taxation, together with a statement to the best of their knowledge and belief of the ratio, or percentage of current just value, upon which the assessments are based and itemized lists of property upon which the towns have voted to affix values for taxation purposes.

**2. Assessment ratio.** The State Tax Assessor may establish procedures and adopt rules, in accordance with the Maine Administrative Procedure Act, designed to ensure that the ratio declared by the municipal assessors or the assessors of primary assessing areas is accurate within 10% of the state valuation ratio last determined, unless adequate evidence is presented to the State Tax Assessor by the municipalities to justify a different assessment ratio.

**3. When due.** The return and lists required by subsection 1 must be returned to the State Tax Assessor no later than November 1st, annually, or 30 days after commitment of taxes, whichever is later.

**4. Penalty for late filing.** If the complete return and lists required by this section are not filed on time, the State Tax Assessor shall impose a penalty to be deducted from state

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reimbursement due to the municipality or primary assessing area pursuant to the following programs in the following order of priority:

- A. Maine Tree Growth Tax Law, section 578;
- B. Veterans' property tax exemptions, section 653; and
- C. Maine resident homestead property tax exemption, section 685.

For a municipality or primary assessing area with a population of 2,000 or less, the penalty is \$50 for the first late day plus \$10 for each late day thereafter. For a municipality or primary assessing area with a population of more than 2,000, the penalty is \$100 for the first late day plus \$20 for each late day thereafter.

### **§384. Investigation of valuation; actions and prosecutions; reassessment orders; appeals**

The State Tax Assessor shall, at the State Tax Assessor's own instance or on complaint from another person, diligently investigate all cases of concealment of property from taxation, of undervaluation, of overvaluation, and of failure to assess property liable to taxation. The State Tax Assessor shall bring to the attention of assessors all such cases in their respective jurisdictions. The State Tax Assessor shall direct proceedings, actions and prosecutions to be instituted to enforce all laws relating to the assessment and taxation of property and to the liability of individuals, public officers and officers and agents of corporations for failure or negligence to comply with the laws governing the assessment or taxation of property, and the Attorney General and district attorneys, upon the written request of the State Tax Assessor, shall institute such legal proceedings as may be necessary to carry out this Title. The State Tax Assessor may order the reassessment of any or all real and personal property, or either, in any jurisdiction where in the State Tax Assessor's judgment such reassessment is advisable or necessary to the end that all classes of property in such jurisdiction are assessed in compliance with the law. Neglect or failure to comply with such orders on the part of any assessor or other official is deemed willful neglect of duty and the assessor or other official is subject to the penalties provided by law in such cases. If a satisfactory reassessment is not made by the assessors, then the State Tax Assessor may employ assistance from within or without the jurisdiction where such reassessment is to be made, and said jurisdiction bears all necessary expense incurred. Any person aggrieved because of such reassessment has the same right of petition and appeal as from the original assessment. The State may intervene in any action resulting from an order of the State Tax Assessor pursuant to this section.

## **SUBCHAPTER 2 ASSESSMENT OF STATE PROPERTY AND EXCISE TAXES**

### **§451. Rate of tax (REPEALED)**

#### **§451-A. Mill rate for fiscal year 1977-78 (REPEALED)**

### **§452. Assessment of state property tax (REPEALED)**

### **§453. Payment of state tax by municipalities (REPEALED)**



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### **§453-A. Adjustments in appropriations (REPEALED)**

### **§454. Payment of tax in town where charters surrendered**

When the charter of any municipality listed in the statement filed with the Secretary of State by the State Tax Assessor under section 381 is subsequently surrendered by Act of the Legislature, the tax assessed shall be an outstanding obligation of such municipality, and it shall be paid, and funds for payment thereof shall be raised by the State Tax Assessor in the same manner as provided by law in the case of other outstanding obligations of such municipality.

### **§455. Additional state property tax (REPEALED)**

### **§456. Additional state property tax exemption (REPEALED)**

### **§457. State telecommunications excise tax**

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

A. "Telecommunications business" means a person engaged in the activity of providing interactive 2-way communication services for compensation.

B. "Qualified telecommunications equipment" means equipment used for the transmission of any interactive 2-way communications, including voice, image, data and information, via a medium such as wires, cables, microwaves, radio waves, light waves or any combination of those or similar media. "Qualified telecommunications equipment" includes equipment used to provide telegraph service. "Qualified telecommunications equipment" does not include equipment used solely to provide value-added nonvoice services in which computer processing applications are used to act on the form, content, code and protocol of the information to be transmitted, unless those services are provided under a tariff approved by the Public Utilities Commission. "Qualified telecommunications equipment" does not include single or multiline standard telephone instruments. Notwithstanding section 551, "qualified telecommunications equipment" includes any interest of a telecommunications business in poles.

C. "Distribution facilities" means facilities used primarily to transport communications between fixed locations, including but not limited to cables, wires, wireless transmitters, and utility poles.

#### **2. Tax imposed. (Repealed)**

**2-A. Excise tax levied.** An excise tax is levied on a telecommunications business at the rate provided in this subsection times the just value of the qualified telecommunications equipment for the privilege of operating within the State as follows:

A. Just value of the qualified telecommunications equipment must be determined pursuant to section 701-A as of the April 1st preceding the assessment; and

## TITLE 36 – TAXATION, PART 2

B. The rate of tax is 19.2 mills for assessments made in 2012. For assessments made in 2013 and subsequent years, the State Tax Assessor shall apply the tax rate of the municipality or unorganized territory in which the qualified telecommunications equipment is located to the just value of the equipment as adjusted by the municipality's or unorganized territory's certified assessment ratio.

### **3. Determination of just value.** (Repealed)

**3-A. Returns to State Tax Assessor prior to July 1, 2012.** Prior to July 1, 2012, each telecommunications business owning or leasing qualified telecommunications equipment that on the first day of April in any year is situated, whether permanently or temporarily, within this State shall, on or before the 20th day of April in that year, return to the State Tax Assessor a complete list of such equipment on a form to be furnished by the State Tax Assessor.

**3-B. Returns to State Tax Assessor beginning July 1, 2012.** Beginning July 1, 2012, each telecommunications business owning or leasing qualified telecommunications equipment on April 1, 2012 and annually thereafter shall, on or before December 31, 2012 and annually thereafter, return to the State Tax Assessor a complete list of such equipment and each municipality or unorganized territory where any such equipment is situated on the first day of April on a form to be furnished by the State Tax Assessor.

**4. Assessment.** The State Tax Assessor shall assess a tax on qualified telecommunications equipment owned or leased by a telecommunications business. Qualified telecommunications equipment owned or leased by a person that is not a telecommunications business must be assessed a tax by the municipal assessor in the municipality in which the equipment is located on April 1st of the taxable year. The date of assessment of qualified telecommunications equipment by municipalities must be consistent with property subject to property taxation by the municipalities.

### **5. Assessment procedure.** (Repealed)

#### **5-A. Procedure.** (Repealed)

**5-B. Procedure.** The excise tax on qualified telecommunications equipment of a telecommunications business must be assessed and paid in accordance with this subsection.

A. Prior to July 2012, the State Tax Assessor shall make the assessment by May 30th of each year. After July 1, 2012, the State Tax Assessor shall make the assessment by March 30, 2013 and by March 30th annually thereafter.

B. (Repealed)

C. The tax assessment must be paid no later than the August 15th following the date of assessment.

D. (Repealed)

### **6. Amount of assessment.** (Repealed)

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**7. Collection.** Taxes assessed under this section by the State Tax Assessor must be enforced as generally provided by this Title. Taxes assessed under this section by municipal assessors must be enforced in the same way as locally assessed personal property taxes.

**8. Penalty.** (Repealed)

**9. Appeal.** A taxpayer receiving an assessment under this section may appeal a decision of the State Tax Assessor in the manner set forth in section 151.

### **§458. Continuation of exemption**

Qualified telecommunications equipment subject to taxation under this chapter must be assessed through application of a state excise tax in lieu of a state property tax and continues to be exempt from ordinary local property taxation as formerly provided under section 2696. It is the intent of the Legislature that this section not be considered a new property tax exemption requiring state reimbursement under the Constitution of Maine, Article IV, Part Third, Section 23.

## CHAPTER 104 PRIMARY ASSESSING AREAS

### **§471. Area, body politic**

The primary assessing district shall be composed of those municipalities named in the order issued by the State Tax Assessor. The residents of a primary assessing district are a body corporate and politic which may sue or be sued, appoint attorneys, and adopt a seal.

Where only one municipality is designated as a primary assessing unit, the municipality shall be the body corporate and the municipal officers the governing board, with the administration provisions of the assessing function to be enacted through municipal ordinance or charter provisions. Where a municipality is designated as a primary assessing unit, sections 472 to 474 shall not apply.

### **§471-A. Board of assessment review**

The legislative body of a primary assessing area consisting of only one municipality may establish a primary assessing area board of assessment review. The executive committee of a primary assessing area consisting of more than one municipality may establish a primary assessing area board of assessment review. The primary assessing area board of assessment review has the powers and duties of a municipal board of assessment review, including those provided under section 844-N.

### **§472. Executive committee**

The governing body of a primary assessing district shall be an executive committee composed of an equal number of municipal officers from each municipality and 2 nonvoting members. The nonvoting members shall be the chief assessor of a primary assessing area and the State Tax

## TITLE 36 – TAXATION, PART 2

Assessor. It is not necessary that the State Tax Assessor attend all meetings of a primary assessing area and the State Tax Assessor may appoint a substitute to represent him.

**1. Voting members.** The voting members of the executive committee shall be appointed as follows:

The municipal officers of each municipality comprising the primary assessing districts shall elect from their number the municipal officer or officers to serve on the executive committee.

**2. Terms.** (Repealed)

### §473. Powers and duties

The executive committee shall have the power to:

**1. Rules and regulations.** Make all necessary rules and regulations for the conduct of the business of the primary assessing area which do not conflict with these statutes or any rules and regulations of the Bureau of Revenue Services;

**2. Appoint chief assessor.** Appoint the chief assessor in accordance with this chapter;

**3. Approve annual budget.** Approve the annual budget for the primary assessing area;

**4. Establish salaries.** Establish salaries, authorize contracts, and do all other things necessary and proper to carry out the intent of these statutes;

**5. Funding.** In addition to the funding provided under this chapter, accept funds from any other source in the furtherance of its responsibilities;

**6. Contracts.** Authorize contracts with individual municipalities to perform tax billing and other centralized services for the member communities, but nothing in this chapter shall be construed to allow the executive committee to establish tax rates;

**7. Public report.** Make a public report of its activities at the close of each fiscal year within 30 days of the close of such year;

**8. Tax maps.** (Repealed)

**9. Cooperate with primary assessing areas.** Cooperate with other primary assessing areas in any program not inconsistent with this chapter which will further the effectiveness of the assessing program;

**10. Compensation scales for the personnel.** Set the compensation scales for the personnel of the primary assessing area and the members of the committee shall be paid \$25 per diem, plus necessary expenses while in the actual performance of their duties.

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### **§474. Administrative provisions**

The chief assessor shall be the treasurer and administrative officer of the primary assessing area and shall in addition perform the following duties:

**1. Secretary.** Serve as secretary of the executive committee and keep all committee minutes, except as to any meeting involving his removal;

**2. Prepare budget.** Prepare the annual budget;

**3. Purchasing agent.** Act as purchasing agent;

**4. Appoint personnel.** Appoint all personnel subject to approval of the executive committee;

**5. Execute contracts.** Execute, when approved by the executive committee, all contracts on behalf of the primary assessing area;

**6. Other duties and functions.** Perform such other duties and functions as are delegated by the executive committee

**§475. Abatement by chief assessor; procedure (REPEALED)**

**§476. Notice of decision (REPEALED)**

**§477. Appeals to board of assessment review (REPEALED)**

**§478. -- to Forestry Appeal Board (REPEALED)**

**§479. Hearing (REPEALED)**

**§480. -- to Superior Court (REPEALED)**

**§481. Hearing (REPEALED)**

**§482. Commissioner's hearing and report (REPEALED)**

**§483. Trial (REPEALED)**

**§484. Judgment and execution (REPEALED)**

**§485. Assessment ratio evidence (REPEALED)**

**§486. State Board of Assessment Review (REPEALED)**

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### CHAPTER 105 CITIES AND TOWNS

#### SUBCHAPTER 1 GENERAL PROVISIONS

##### §501. Definitions

The following words and phrases as used in this chapter shall, unless a different meaning is plainly required by the context, have the following meaning:

**1. Estates.** "Estates" shall be construed to mean both real estate and personal property.

**1-A. Current use program.** "Current use program" means the:

A. Maine Tree Growth Tax Law established in subchapter 2-A;

B. Farm and open space tax law established in subchapter 10; and

C. Current use valuation of certain working waterfront land tax law established in subchapter 10-A.

**2. Mortgagee.** "Mortgagee" shall be construed to include the heirs and assigns of the mortgagee.

**3. Municipality.** "Municipality" shall include cities, towns, and plantations.

**4. Municipal officers.** "Municipal officers" means the mayor, councilors and aldermen of cities, the members of the select board of towns and the assessors of plantations.

**5. Person.** "Person" may include a body corporate or an association.

**6. Place.** "Place" shall include municipalities, townships, and any other unorganized area.

**7. Property.** "Property" shall be construed to mean both real estate and personal property.

**8. Registered mail.** "Registered mail" shall be construed to include certified mail.

**9. Reside or resident.** "Reside" or "resident" shall have reference to place of domicile.

**10. Tax collector.** "Tax collector" shall mean any person chosen, appointed or designated by a municipality or the officers thereof to collect any tax due a municipality; or his successor in office.

##### §502. Property taxable; tax year

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

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day of each April as provided; and the status of all taxpayers and of such taxable property must be fixed as of that date. Upon receipt of a declaration of value under section 4641-D reflecting a change of ownership in real property, the assessor may change the records of the municipality to reflect the identity of the new owner, if notice of tax liabilities is sent both to the new owner and to the owner of record as of the April 1st when the liability accrued. The taxable year is from April 1st to April 1st. Notwithstanding this section, proration of taxes must be over the period specified in section 558.

### **§503. Town taxes; legality**

The assessment of a tax by a town is illegal unless the sum assessed is raised by vote of the voters at a meeting legally called and notified.

### **§504. Illegal assessment; recovery of tax**

If money not raised for a legal object is assessed with other moneys legally raised, the assessment is not void; nor shall any error, mistake or omission by the assessors, tax collector or treasurer render it void; but any person paying such tax may bring his action against the municipality in the Superior Court for the same county, and shall recover the sum not raised for a legal object, with 25% interest and costs, and any damages which he has sustained by reason of mistakes, errors or omissions of such officers.

### **§505. Taxes; payment; powers of municipalities**

At any meeting at which it votes to raise a tax, or at any subsequent meeting prior to the commitment of that tax, a municipality may, with respect to the tax, by vote determine:

- 1. When lists committed.** The date when the lists named in section 709 shall be committed.
- 2. When property taxes due and payable.** The date or dates when property taxes shall become due and payable.
- 3. When poll tax due and payable.** (Repealed)
- 4. When interest collected.** The date or dates from and after which interest must accrue, which must also be the date or dates on which taxes become delinquent. The rate of interest must be specified in the vote and must apply to delinquent taxes committed during the taxable year until those taxes are paid in full. Except as provided in subsection 4-A, the maximum rate of interest must be established by the Treasurer of State and may not exceed the prime rate as published in the Wall Street Journal on the first business day of the calendar year, rounded up to the next whole percent plus 3 percentage points. The Treasurer of State shall post that rate of interest on the Treasurer of State's publicly accessible website on or before January 20th of each year. The interest must be added to and become part of the taxes.

**4-A. Alternate calculation of interest.** For any tax year for which the maximum interest rate established by the Treasurer of State under subsection 4 is 2 percentage points or more lower than the maximum rate established by the Treasurer of State for the previous tax year, the

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municipality may adopt an interest rate that is up to 2 percentage points over the rate established by the Treasurer of State for the tax year under subsection 4.

**5. Abatement when taxes paid prior to time.** That all taxpayers who pay their taxes prior to specified times shall be entitled to abatement thereon, which abatement shall not exceed 10%, and shall be specified in the vote. A notification of such vote shall be posted by the treasurer in one or more public places in the municipality within 7 days after the commitment of the taxes.

### **§506. Prepayment of taxes**

Municipalities at any properly called meeting may authorize their tax collectors or treasurers to accept prepayment of taxes not yet committed and to pay interest on these prepayments, if any is authorized, at a rate not exceeding 8% per year; municipalities are not obligated to authorize the payment of interest on taxes prepaid under this section. Any excess paid in over the amount finally committed must be repaid, with the interest due on the whole transaction, at the date that the tax finally committed is due and payable.

### **§506-A. Overpayment of taxes**

Except as provided in section 506, a taxpayer who pays an amount in excess of that finally assessed must be repaid the amount of the overpayment plus interest from the date of overpayment at a rate to be established by the municipality. The rate of interest may not exceed the interest rate established by the municipality for delinquent taxes nor may it be less than that rate reduced by 4 percentage points. If a municipality fails to establish a rate of interest for overpayments of taxes, it shall pay interest at the rate it has established for delinquent taxes.

### **§507. Taxpayer information**

A municipality that issues a property tax bill to a taxpayer must issue the following information.

**1. Reductions to tax.** The property tax bill must contain a statement or calculation that demonstrates the amount or percentage by which the taxpayer's tax has been reduced by the distribution of state-municipal revenue sharing, state reimbursement for the Maine resident homestead property tax exemption and state aid for education. The State Tax Assessor shall annually provide each municipality with the amount of state-municipal revenue sharing and state aid for education subject to identification under this section.

**2. Distribution to education and government.** The property tax bill must indicate the percentage of property taxes distributed to education and local, county and state government.

**3. Indebtedness.** The property tax bill must indicate the outstanding bonded indebtedness of the issuing municipality as of the date the bill is issued.

**4. Due date and interest.** Each property tax bill issued by a municipality must clearly state the date interest will begin to accrue on delinquent taxes.

### **§508. Service charges**



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**1. Imposition.** A municipality may impose service charges on the owner of residential property, other than student housing or parsonages, that is totally exempt from taxation under section 652 and that is used to provide rental income. Such service charges must be calculated according to the actual cost of providing municipal services to that real property and to the persons who use that property, and revenues derived from the charges must be used to fund, to the extent possible, the costs of those services. The municipal legislative body shall identify those institutions and organizations upon which service charges are to be levied.

A municipality that imposes service charges on any institution or organization must impose those service charges on every similarly situated institution or organization. For the purposes of this section, "municipal services" means all services provided by a municipality other than education and welfare.

**2. Limitation.** The total service charges levied by a municipality on any institution or organization under this section may not exceed 2% of the gross annual revenues of the institution or organization. In order to qualify for this limitation, the institution or organization must file with the municipality an audit of the revenues of the institution or organization for the year immediately prior to the year in which the service charge is levied. The municipal officers shall abate the portion of the service charge that exceeds 2% of the gross annual revenues of the institution or organization.

**3. Administration.** Municipalities shall adopt any ordinances necessary to carry out the provisions of this section. Determinations of service charges may be appealed in accordance with an appeals process provided by municipal ordinance. Unpaid service charges may be collected in the manner provided in Title 38, section 1208.

### SUBCHAPTER 2 REAL PROPERTY TAXES

#### §551. Real estate; defined

Real estate, for the purposes of taxation under this Part, includes all lands in the State and all buildings, mobile homes, camper trailers and other things that are affixed to land, together with any appurtenant water power, shore privileges and rights, forests and mineral deposits; interests and improvements in land, the fee of which is in the State; interests by contract or otherwise in real estate exempt from taxation; and lines of electric light and power companies. Buildings, mobile homes, camper trailers, and other things that are affixed to leased land or land not owned by the owner of the buildings must be taxed as real estate in the place where that land is located. Mobile homes, except stock in trade, are considered real estate for purposes of taxation under this Part.

#### §552. -- tax lien

There shall be a lien to secure the payment of all taxes legally assessed on real estate as defined in section 551, provided in the inventory and valuation upon which the assessment is made there shall be a description of the real estate taxed sufficiently accurate to identify it. Such lien shall take precedence over all other claims on said real estate and shall continue in force until the taxes are paid or until said lien is otherwise terminated by law.

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### **§553. -- where taxed**

All real estate shall be taxed in the place where it is to the owner or person in possession, whether resident or nonresident.

### **§554. Mortgaged real estate; taxes; payment**

In cases of mortgaged real estate, the mortgagor, for the purposes of taxation, shall be deemed the owner, until the mortgagee takes possession, after which the mortgagee shall be deemed the owner. Any mortgagee of real estate, on which any taxes remain unpaid for a period of 8 months after the taxes are assessed, may pay such taxes, and the amount so paid together with interest and costs thereon shall become a part of the mortgage debt and shall bear interest at the same rate as the lowest rate of interest provided for in any of the notes secured by any mortgage on that real estate held by such mortgagee.

### **§555. Tenants in common and joint tenants**

A tenant in common or a joint tenant may be considered sole owner for the purposes of taxation, unless the tenant notifies the assessor on or before April 1st in the year in which a separate assessment is first requested what the tenant's interest is and provides an accurate description of the tenant's interest in the property on a form provided by the State Tax Assessor.

### **§556. Landlord and tenant**

When a tenant paying rent for real estate is taxed therefor, the tenant may retain out of the tenant's rent half of the taxes paid by the tenant. When a landlord is taxed for such real estate, the landlord may recover half of the taxes paid by the landlord and the landlord's rent in the same action against the tenant, unless there is an agreement to the contrary.

### **§557. Assessment; continued until notice of transfer**

When assessors continue to assess real estate to the person to whom it was last assessed, such assessment is valid, although the ownership or occupancy has changed, unless previous written notice to the assessors has been given of such change and of the name of the person to whom it has been transferred or surrendered.

### **§557-A. Assessment; unknown owner**

In the case of real property for which no owner is known to the assessors for at least the preceding 20 tax years and for which the assessor has, with reasonable diligence, attempted to determine ownership, the following assessment procedure must be used.

Property of an unknown owner is assessed as other property, except that the owner must be indicated as "unknown." Additionally, the assessing must be advertised once a week for 3 consecutive weeks in a newspaper of general circulation in the county in which the property is located. The notice must describe the real estate that is being assessed so that a reasonable person may know, with probable certainty, what premises are subject to tax, together with a statement

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that the property is assessed to an unknown owner as the result of the failure of a reasonable search to ascertain an owner of record. This newspaper publication is sufficient legal notice of that assessment. At the time of this publication, a copy of the same notice must be sent by certified mail, return receipt requested, to each abutting property owner.

If the owner of property is still unknown, after use of this notice procedure for assessment purposes, the tax collector and treasurer shall use the same procedure for those notices required under sections 942 and 943.

### **§558. Taxes prorated between seller and purchaser**

A purchaser of real estate may agree with the previous owner or party to whom the real estate was formerly taxed to pay the pro rata or proportional share of taxes. Unless otherwise specified by the parties to the agreement, the taxes shall be prorated over the period of the fiscal year of the municipality in which the land is located.

### **§558-A. Liability for failure to pay prorated property taxes**

**1. Civil action authorized.** If after a real estate closing in which the parties have prorated property taxes pursuant to section 558, any party knowingly fails to pay that party's share of the taxes, which results in a lien being filed, any other party to the transaction who pays the taxes that are owed by the delinquent party may recover in a civil action from the delinquent party the amount of unpaid taxes, costs incurred in releasing the lien and reasonable attorney's fees.

**2. Effect on credit rating.** If a party prevails in an action filed under subsection 1 and a record of a lien in that party's name has been placed in that party's file with a consumer reporting agency, that lien must be considered inaccurate information under 15 United States Code, Section 1681i if the party requesting relief submits a copy of the court judgment and proof of payment of the lien to the consumer reporting agency.

### **§559. Deceased persons**

Until notice is given to the assessors of the division of the estate and the name of the several heirs or devisees, the undivided real estate of a deceased person may be taxed to his heirs or devisees, or may be taxed to his personal representative.

**1. Heirs or devisees.** A tax to the heirs or devisees may be made without designating any of them by name and each heir or devisee shall be liable for the whole of such tax. Any heir or devisee so taxed may recover of the other heirs or devisees their portions thereof when paid by him. In an action to recover the tax paid, the undivided shares of such heirs or devisees in the real estate, upon which such tax has been paid, may be attached on mesne process or taken on execution issued on a judgment recovered in an action therefor.

**2. Personal representative.** A tax to the personal representative shall be collected of him the same as a tax assessed against him in his private capacity. Such tax shall be a charge against the estate and shall be allowed by the judge of probate; but when the personal representative notifies the assessors that he has no funds of the estate to pay such tax and gives them the names

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of the heirs or devisees, and the proportions of their interests in the real estate to the best of his knowledge, the real estate shall no longer be taxed to him.

### **§560. Bank's real estate**

All real estate, including vaults and safe deposit plants, in the State owned by any bank incorporated by this State, or by any national bank or banking association, or by any corporation organized under the laws of this State for the purpose of doing a loan, trust or banking business and having a capital divided into shares shall be taxed in the place where that property is situated to said bank, banking association or corporation. This section does not apply to loan and building associations.

### **§561. Railroad buildings**

The buildings of every railroad corporation or association, whether within or without the located right-of-way, its lands and fixtures outside of its located right-of-way, and so much of its located right-of-way over which all railroad service has been abandoned, are subject to taxation in the places in which the same are situated, as other property is taxed therein, and shall be regarded as nonresident land.

### **§562. Standing wood, bark, and timber; taxed to purchaser**

Whenever the owner of real estate notifies the assessors that any part of the wood, bark and timber standing thereon has been sold by contract in writing, and exhibits to them proper evidence, they shall tax such wood, bark and timber to the purchaser. A lien is created on such wood, bark, and timber for the payment of such taxes, and may be enforced by the collector by a sale thereof when cut, as provided in section 991.

### **§563. Forest land; policy**

It is declared to be the public policy of the State, by which all officials of the State and of its municipal subdivisions are to be guided in the performance of their official duties, to encourage by the maintenance of adequate incentive the operation of all forest lands on a sustained yield basis by their owners, and to establish and maintain uniformity in methods of assessment for purposes of taxation according to the productivity of the land, giving due weight in the determination of assessed value to location and public facilities as factors contributing to advantage in operation.

### **§564. -- assessment**

An assessment of forest land for purposes of taxation shall be held to be in excess of just value by any court of competent jurisdiction, upon proof by the owner that the tax burden imposed by the assessment creates an incentive to abandon the land, or to strip the land, or otherwise to operate contrary to the public policy declared in section 563. In proof of his contention the owner shall show that by reason of the burden of the tax he is unable by efficient operation of the forest land on a sustained yield basis to obtain an adequate annual net return commensurate with the risk involved.

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For the purposes of this section forest land shall be held to include any single tract of land exceeding 25 acres in area under one ownership which is devoted to the growing of trees for the purpose of cutting for commercial use.

### §565. Forestry Appeal Board (REPEALED)

#### SUBCHAPTER 2-A TREE GROWTH TAX LAW

### §571. Title

This subchapter may be cited as the "Maine Tree Growth Tax Law."

### §572. Purpose

It has for many years been the declared public policy of the State of Maine, as stated in sections 563 and 564, to tax all forest lands according to their productivity and thereby to encourage their operation on a sustained yield basis. However, the present system of ad valorem taxation does not always accomplish that objective. It has caused inadequate taxation of some forest lands and excessive taxation and forfeiture of other forest lands.

It is declared to be the public policy of this State that the public interest would be best served by encouraging forest landowners to retain and improve their holdings of forest lands upon the tax rolls of the State and to promote better forest management by appropriate tax measures in order to protect this unique economic and recreational resource.

This subchapter implements the 1970 amendment of Section 8 of Article IX of the Maine Constitution providing for valuation of timberland and woodlands according to their current use by means of a classification and averaging system designed to provide efficient administration.

Therefore, this subchapter is enacted for the purpose of taxing forest lands generally suitable for the planting, culture and continuous growth of forest products on the basis of their potential for annual wood production in accordance with the following provisions.

### §573. Definitions

As used in this subchapter, unless the context requires otherwise, the following words shall have the following meanings

1. **Assessor.** (Repealed)

2. **Average annual net wood production rate.** "Average annual net wood production rate" means the estimated average net usable amount of wood one acre of land is growing in one year.

2-A. **Commercial harvesting or harvesting for commercial use.** "Commercial harvesting" or "harvesting for commercial use" means the harvesting of forest products that have commercial value, as defined in subsection 3-B.

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**3. Forest land.** "Forest land" means land used primarily for growth of trees to be harvested for commercial use, but does not include ledge, marsh, open swamp, bog, water and similar areas, which are unsuitable for growing a forest product or for harvesting for commercial use even though these areas may exist within forest lands.

Land which would otherwise be included within this definition shall not be excluded because of:

- A. Multiple use for public recreation;
- B. Statutory or governmental restrictions which prevent commercial harvesting of trees or require a primary use of the land other than commercial harvesting;
- C. Deed restrictions, restrictive covenants or organizational charters that prevent commercial harvesting of trees or require a primary use of land other than commercial harvesting and that were effective prior to January 1, 1982; or
- D. (Repealed)
- E. Past or present multiple use for mineral exploration.

**3-A. Forest management and harvest plan.** "Forest management and harvest plan" means a written document that outlines activities to regenerate, improve and harvest a standing crop of timber. The plan must include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife. A plan may include, but is not limited to, schedules and recommendations for timber stand improvement, harvesting plans and recommendations for regeneration activities. The plan must be prepared by a licensed professional forester or a landowner and be reviewed and certified by a licensed professional forester as consistent with this subsection and with sound silvicultural practices.

**3-B. Forest products that have commercial value.** "Forest products that have commercial value" means logs, pulpwood, veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, Christmas trees, maple syrup, nursery products used for ornamental purposes, wreaths, bough material or cones or other seed products.

**4. Forest type.** "Forest type" means a stand of trees characterized by the predominance of one or more groups of key species which make up 75% or more of the sawlog volume of sawlog stands, or cordwood in pole timber stands, or of the number of trees in seedling and sapling stands.

**5. Hardwood type.** "Hardwood type" means forests in which maple, beech, birch, oak, elm, basswood, poplar, and ash, singly or in combination, comprise 75% or more of the stocking.

**6. Mixed wood type.** "Mixed wood type" means forests in which neither hardwoods nor softwood comprise 75% of the stand but are a combination of both.

**6-A. Residential structure.** "Residential structure" means a building used for human habitation as a seasonal or year-round residence. It does not include structures that are ancillary to the residential structure, such as a garage or storage shed.

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**7. Softwood type.** "Softwood type" means forests in which pine, spruce, fir, hemlock, cedar, and larch, singly or in combination, comprise 75% or more of the stocking.

**8. Stumpage value.** "Stumpage value" means the average value of standing timber before it is cut expressed in terms of dollars per unit of measure as determined by the State Tax Assessor.

**9. Value of the annual net wood production.** "Value of the annual net wood production" means the average annual net wood production rate per acre for a forest type multiplied by the weighted average of the stumpage values of all species in the type.

### **§574. Applicability (REPEALED)**

#### **§574-A. Ineligibility**

The Legislature finds that when the value of a recreational use lease of forest land exceeds the value of the tree growth that can be extracted from that land on a sustained basis per acre as determined pursuant to section 576, then the land is no longer primarily used for the continuous growth of forest products. This finding is sufficient cause to remove from taxation under this subchapter those parcels that are more valuable for recreational use and are being leased on that basis. Therefore, notwithstanding sections 573 and 574-B, a parcel of forest land that is leased for consideration to any person to use for recreational purposes does not qualify for taxation under this subchapter if that parcel of land exceeds 100 acres and if the consideration for that lease per acre exceeds the value of the growth that can be extracted on a sustained basis per acre as determined pursuant to section 576. The owner of the leased parcels shall submit a copy of the lease or leases on land subject to taxation under this subchapter to the State Tax Assessor for land in the unorganized territory and to the municipal assessors for land in municipalities. The State Tax Assessor or the municipal assessor shall determine whether the value of the lease exceeds the sustained growth value. If the value of the lease is determined to exceed the sustained growth value, the owner of the forest land has 60 days from the date of receipt of notice of that determination to either terminate the lease, amend the lease to comply with the requirements of this section or withdraw the land covered by the lease from taxation under this subchapter. A withdrawal pursuant to this section is subject to the provisions of section 581.

#### **§574-B. Applicability**

An owner of a parcel containing forest land may apply at the landowner's election by filing with the assessor the schedule provided for in section 579, except that this subchapter does not apply to any parcel containing less than 10 acres of forest land. For purposes of this subchapter, a parcel is deemed to include a unit of real estate, notwithstanding that it is divided by a road, way, railroad, or pipeline, or by a municipal or county line. The election to apply requires the written consent of all owners of an interest in a parcel except for the State. For applications submitted on or after August 1, 2012, the size of the exclusion from classification under this subchapter for each structure located on the parcel and for each residential structure located on the parcel in shoreland areas is determined pursuant to section 574-C.

A parcel of land used primarily for growth of trees to be harvested for commercial use is taxed according to this subchapter, as long as the landowner complies with the following requirements:

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**1. Forest management and harvest plan.** A forest management and harvest plan must be prepared for each parcel and updated every 10 years. The landowner shall file a sworn statement with the municipal assessor for a parcel in a municipality or with the State Tax Assessor for a parcel in the unorganized territory that a forest management and harvest plan has been prepared for the parcel;

**2. Evidence of compliance with plan.** The landowner must comply with the plan developed under subsection 1, and must submit, every 10 years to the municipal assessor in a municipality or the State Tax Assessor for parcels in the unorganized territory, a statement from a licensed professional forester that the landowner is managing the parcel according to schedules in the plan required under subsection 1;

**3. Transfer of ownership.** When land taxed under this subchapter is transferred to a new owner, within one year of the date of transfer, the new landowner must file with the municipal assessor or the State Tax Assessor for land in the unorganized territory one of the following:

- A. A sworn statement indicating that a new forest management and harvest plan has been prepared; or
- B. A statement from a licensed professional forester that the land is being managed in accordance with the plan prepared for the previous landowner.

The new landowner may not harvest or authorize the harvest of forest products for commercial use until a statement described in paragraph A or B is filed with the assessor. A person owning timber rights on land taxed under this subchapter may not harvest or authorize the harvest of forest products for commercial use until a statement described in paragraph A or B is filed with the assessor.

Parcels of land subject to section 573, subsection 3, paragraph B or C are exempt from the requirements under this subsection.

For the purposes of this subsection, "transferred to a new owner" means the transfer of the controlling interest in the fee ownership of the land or the controlling interest in the timber rights on the land; and

**4. Attestation.** Beginning August 1, 2012, when a landowner is required to provide to the assessor evidence that a forest management and harvest plan has been prepared for the parcel or updated pursuant to subsection 1, or when a landowner is required to provide evidence of compliance pursuant to subsection 2, the landowner must provide an attestation that the landowner's primary use for the forest land classified pursuant to this subchapter is to grow trees to be harvested for commercial use or that the forest land is land described in section 573, subsection 3, paragraphs A, B, C or E. The existence of multiple uses on an enrolled parcel does not render it inapplicable for tax treatment under this subchapter, as long as the enrolled parcel remains primarily used for the growth of trees to be harvested for commercial use.



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### §574-C. Reduction of parcels with structures; shoreland areas

If a parcel of land for which an owner seeks classification under this subchapter on or after August 1, 2012 contains a structure for which a minimum lot size is required under state law or by municipal ordinance, the owner in the schedule under section 579 shall apply the following reduction to the land to be valued under this subchapter.

**1. Structures.** For each structure located on the parcel for which a minimum lot size is required under state law or by municipal ordinance, the owner in the schedule under section 579 shall exclude from the forest land subject to valuation under this subchapter the area of land in the parcel containing the structure or structures, which may not be less than 1/2 acre.

**2. Shoreland areas.** For each residential structure located within a shoreland area, as identified in Title 38, section 435, the owner in the schedule under section 579 shall exclude from the forest land subject to valuation under this subchapter the area of land in the parcel containing the structure or structures, which may not be less than 1/2 acre, and the excluded parcel must include 100 feet of shoreland frontage or the minimum shoreland frontage required by the applicable minimum requirements of the zoning ordinance for the area in which the land is located, whichever is larger. If the parcel has less than 100 feet of shoreland frontage, the entire shoreland frontage must be excluded. This subsection does not apply to a structure that is used principally for commercial activities related to forest products that have commercial value as long as any residential use of the structure is nonrecreational, temporary in duration and purely incidental to the commercial use.

### §575. Administration; rules

The State Tax Assessor may adopt rules necessary to carry out this subchapter. Rules adopted under this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

### §575-A. Determining compliance with forest management and harvest plan

**1. Assistance to assessor.** Upon request of a municipal assessor or the State Tax Assessor and in accordance with section 579, the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry may provide assistance in evaluating a forest management and harvest plan to determine whether the plan meets the definition of a forest management and harvest plan in section 573, subsection 3-A. Upon request of a municipal assessor or the State Tax Assessor, the Director of the Bureau of Forestry may provide assistance in determining whether a harvest or other silvicultural activity conducted on land enrolled under this subchapter complies with the forest management and harvest plan prepared for that parcel of land. When assistance is requested under this section and section 579, the Director of the Bureau of Forestry or the director's designee may enter and examine forest land for the purpose of determining compliance with the forest management and harvest plan.

**2. Random sampling and report.** (Repealed)

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### **§576. Powers and duties**

The State Tax Assessor shall determine the average annual net wood production rate for each forest type described in section 573, subsections 5, 6 and 7, in each county or region to be used in determining valuations applicable to forest land under this subchapter, on the basis of the surveys of average annual growth rates applicable in the State made from time to time by the United States Forest Service or by the Maine Forestry Bureau. The growth rate surveys must be reduced by the percentage discount factor prescribed by section 576-B to reflect the growth that can be extracted on a sustained basis. The rates when determined remain in effect without change for each county through the property tax year ending March 31, 1975. In 1974 and in every 10th year thereafter, the State Tax Assessor shall review and set rates for the following 10-year period in the same manner.

The State Tax Assessor shall determine the average stumpage value for each forest type described in section 573, subsections 5, 6 and 7, applicable in each county, or in alternative forest economic regions as the assessor designates, after passage of this subchapter and in each year thereafter, taking into consideration the prices upon sales of sound standing timber of that forest type in that area during the previous calendar year, and any other appropriate considerations.

The proportions of the various species making up the type are to be used in the computations of the average annual net wood production rates and average stumpage values for each forest type and the proportions of the various products are to be used in the computations of average stumpage values.

After the State Tax Assessor has made the foregoing determinations, the assessor shall apply the capitalization rate prescribed by section 576-B to the value of the annual net wood production to determine the 100% valuation per acre for each forest type for each area and shall state the wood production rates and values used to compute those rates and values.

The State Tax Assessor shall certify and transmit rules to the municipal assessors of each municipality with respect to forest land therein on or before April 1st of each year.

#### **§576-A. Valuation of areas other than forest land**

Areas other than forest land within any parcel of forest land shall be valued on the basis of fair market value.

#### **§576-B. Discount factor and capitalization rate**

The percentage factor by which the growth rates set by the State Tax Assessor pursuant to section 576 must be reduced to reflect the growth that can be extracted on a sustained basis is 10%. The capitalization rate applied to the value of the annual net wood production pursuant to section 576 is 8.5%.

#### **§577. Reduced valuation under special circumstances**

- 1. On January 1, 1972.** (Repealed)

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**2. Destruction by natural disaster.** In the case of forest land areas upon which the trees are destroyed by fire, disease, insect infestation or other natural disaster, so that the area contains not more than 3 cords per acre of wood that is merchantable for forest products, the valuation of that specific land area must be reduced by 75% for the first 10 property tax years following the loss.

**3. Procedure to obtain reduced valuation.** In order to obtain a reduced valuation, the landowner must submit a written request to the assessor on or before January 1st the preceding tax year, presenting facts in affidavit form that meet the requirements of subsection 2. The assessor may investigate the facts, utilizing the procedures set forth in section 579, and shall then determine whether the requirements of subsection 2 are met. If the requirements are met, the forest land areas must be valued as provided in subsection 2.

**4. Report and recommendation from Director of the Bureau of Forestry.** In determining the applicability of this section, the assessor may request a report and recommendation from the Director of the Bureau of Forestry.

### §578. Assessment of tax

**1. Organized areas.** The municipal assessors or chief assessor of a primary assessing area shall adjust the State Tax Assessor's 100% valuation per acre for each forest type of their county by whatever ratio, or percentage of current just value, is applied to other property within the municipality to obtain the assessed values. Forest land in the organized areas, subject to taxation under this subchapter, must be taxed at the property tax rate applicable to other property in the municipality.

The State Tax Assessor shall determine annually the amount of acreage in each municipality that is classified and taxed in accordance with this subchapter. Each municipality is entitled to annual payments distributed in accordance with this section from money appropriated by the Legislature if it submits a completed annual return in accordance with section 383. The State Tax Assessor shall pay any municipal claim found to be in satisfactory form by October 15th of the year following the submission of the annual return. The total municipal reimbursement appropriation is calculated on the basis of 90% of the tax lost as a result of this subchapter. For purposes of this section, "classified forest lands" means forest lands classified pursuant to this subchapter as well as all areas identified as forested land within farmland parcels that are transferred from tree growth classification on or after October 1, 2011. For the purposes of this section, "tax lost" means the tax that would have been assessed, but for this subchapter, on the classified forest lands if they were assessed according to the current regional per acre undeveloped land value as determined for state valuation purposes, or according to the current local per acre undeveloped land value as determined for state valuation purposes, whichever is less, minus the tax that was actually assessed on the same lands in accordance with this subchapter, and adjusted for the aggregate municipal savings in required educational costs attributable to the reduction in state valuation as a result of this subchapter. A municipality that fails to achieve the minimum assessment ratio established in section 327 loses 10% of the reimbursement provided by this section for each one percentage point the minimum assessment ratio falls below the ratio established in section 327.

A. (Repealed)

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B. (Repealed)

C. The State Tax Assessor shall distribute reimbursement under this section to each municipality in proportion to the product of the reduced tree growth valuation of the municipality multiplied by the property tax burden of the municipality. For purposes of this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(1) "Property tax burden" means the total real and personal property taxes assessed in the most recently completed municipal fiscal year, except the taxes assessed on captured value within a tax increment financing district, divided by the latest state valuation certified to the Secretary of State.

(2) "Undeveloped land" means rear acreage and unimproved nonwaterfront acreage that is not:

(a) Classified under the laws governing a current use program;

(b) A base lot; or

(c) Wasteland.

(3) "Average value of undeveloped land" means the current regional per acre undeveloped land value as determined for state valuation purposes, or the current local per acre undeveloped land value as determined for state valuation purposes, whichever is less.

(4) "Reduced tree growth valuation" means the difference between the average value of undeveloped land and the average value of classified forest lands times the total number of acres of classified forest lands.

**2. Unorganized territory.** The State Tax Assessor shall adjust the 100% valuation per acre for each type for each county by such ratio or percentage as is then being used to determine the state valuation applicable to other property in the unorganized territory to obtain the assessed values. Commencing April 1, 1973, forest land in the unorganized territory subject to taxation under this subchapter shall be taxed at the same property tax rate as is applicable to other property in the unorganized territory, which rate shall be applied to the assessed values so determined. Upon collection by the State Tax Assessor, such taxes shall be deposited in the Unorganized Territory Education and Services Fund in accordance with section 1605.

**3. Divided ownership.** In cases of divided ownership of land and the timber and grass rights thereon, the assessor shall apportion 10% of the valuation to the land and 90% of the valuation to the timber and grass rights.

### §579. Schedule, investigation

The owner or owners of forest land subject to valuation under this subchapter shall submit a signed schedule, on or before April 1st of the year in which that land first becomes subject to

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valuation under this subchapter, to the assessor upon a form prescribed by the State Tax Assessor, identifying the land to be valued under this subchapter, 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 to be harvested for commercial use. Those schedules may be required at such other times as the assessor may designate upon 120 days' written notice.

The assessor shall determine whether the land is subject to valuation and taxation under this subchapter and shall classify the 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 any information submitted by the owner or owners. A copy of the forest management and harvest plan required under section 574-B must be available to the assessor to review upon request and to the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry or the director's designee to review upon request when the assessor seeks assistance in accordance with section 575-A. For the purposes of this paragraph, "to review" means to see or possess a copy of a plan for a reasonable amount of time to verify that the plan exists or to facilitate an evaluation as to whether the plan is appropriate and is being followed. Upon completion of the review, the plan must be returned to the owner or an agent of the owner. A forest management and harvest plan provided in accordance with this section is confidential and is not a public record as defined in Title 1, section 402, subsection 3.

Upon notice in writing by certified mail, return receipt requested, or by another method that 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 questions or interrogatories the assessor considers 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 as provided under this section or fails to provide information after notice duly received as provided under this section, such owner or owners are 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 is 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 under this subchapter.

If the owner or owners fail to report to the assessor a change of use as required by the foregoing paragraph, the assessor shall assess the taxes that should have been paid, shall assess the penalty provided in section 581 and shall assess an additional penalty equal to 25% of the penalty provided in section 581. 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.

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### §580. Reclassification

Land subject to taxes under this subchapter may be reclassified as to forest type by the assessor upon application of the owner with a proper showing of the reasons justifying such reclassification or upon the initiative of the respective assessor where the facts justify same.

### §581. Withdrawal

**1. Assessor determination; owner request.** If the assessor determines that land subject to this subchapter no longer meets the requirements of this subchapter, the assessor must withdraw the land from taxation under this subchapter. An owner of land subject to taxation under this subchapter may at any time request withdrawal of that land from taxation under this subchapter by certifying in writing to the assessor that the land is no longer to be classified under this subchapter.

**1-A. Notice of compliance.** No earlier than 185 days prior to a deadline established by section 574-B, if the owner has not yet complied with the requirements of that section, the assessor must provide the owner with written notice by certified mail informing the owner of the statutory requirements that need to be met to comply with section 574-B and the date of the deadline for compliance or by which the parcel may be transferred to another current use program. The notice must also state that if the owner fails to meet the deadline for complying with section 574-B or transferring the parcel to another current use program, a supplemental assessment of \$500 will be assessed and that continued noncompliance will lead to a subsequent supplemental assessment of \$500. If the notice is issued less than 120 days before the deadline, the owner has 120 days from the date of the notice to provide the assessor with the documentation to achieve compliance with section 574-B or transfer the parcel to another current use program, and the notice must specify the date by which the owner must comply.

If the owner fails to provide the assessor with the documentation to achieve compliance with section 574-B or transfer the parcel to another current use program by the deadline specified in the notice, the assessor shall impose a \$500 penalty to be assessed and collected as a supplemental assessment in accordance with section 713-B. The assessor shall send notification of the supplemental assessment by certified mail and notify the owner that, no later than 6 months from the date of the 2nd notice, the owner must comply with the requirements of section 574-B or transfer the parcel to another current use program and that failure to comply will result in an additional supplemental assessment of \$500 and the owner will have an additional 6-month period in which to comply with these requirements before the withdrawal of the parcel and the assessment of substantial financial penalties against the owner.

At the expiration of 6 months, if the owner has not complied with section 574-B or transferred the parcel to another current use program, the assessor shall assess an additional \$500 supplemental assessment. The assessor shall send notification of the 2nd supplemental assessment by certified mail and notify the owner that, no later than 6 months from the date of the notice, the owner must comply with the requirements of section 574-B or transfer the parcel to another current use program or the land will be withdrawn from taxation under this subchapter.

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If the owner has not complied within 6 months from the date of the 2nd supplemental assessment, the assessor shall remove the parcel from taxation under this subchapter and assess a penalty for the parcel's withdrawal pursuant to subsection 3.

This subsection does not limit the assessor from issuing other notices or compliance reminders to owners at any time in addition to the notice required by this subsection.

**2. Withdrawal of portion.** In the case of withdrawal of a portion of a parcel, the owner, as a condition of withdrawal, shall file with the assessor a plan showing the area withdrawn and the area remaining subject to taxation under this subchapter. In the case of withdrawal of a portion of a parcel, the resulting portions must be treated after the withdrawal as separate parcels under section 708.

**3. Penalty.** If land is withdrawn from taxation under this subchapter, the assessor shall impose a penalty upon the owner. The penalty is the greater of:

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

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

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

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

For purposes of this subsection, just value at the time of withdrawal is the assessed just value of comparable property in the municipality adjusted by the municipality's certified assessment ratio.

**4. Assessment and collection of penalties.** The owner shall pay the penalties for withdrawal under this section upon withdrawal to the tax collector as additional property taxes. Penalties may be assessed and collected as supplemental assessments in accordance with section 713-B.

**5. Eminent domain.** A penalty may not be assessed under this section if the withdrawal of the parcel occasioned by a transfer to the State or other entity holding the power of eminent domain resulting from the exercise or threatened exercise of that power.

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**6. Relief from requirements.** Upon withdrawal, the land is relieved of the requirements of this subchapter immediately and is returned to taxation under subchapter 2 beginning the April 1<sup>st</sup> following withdrawal.

**7. Reclassification under another current use program.** A penalty may not be assessed upon the withdrawal of land from taxation under this subchapter if the owner applies for classification of that land in another current use program prior to withdrawal and that application is accepted. If a penalty is later assessed under section 1112-C or 1138, the period of time that the land was taxed as forest land under this subchapter is included for purposes of establishing the amount of the penalty.

**8. Report of penalty.** A municipality that receives a penalty for the withdrawal of land from taxation under this subchapter must report the total amount received in that reporting year to the State Tax Assessor on the municipal valuation return form described in section 383.

### **§581-A. Sale of portion of parcel of forest land**

Sale of a portion of a parcel of forest land subject to taxation under this subchapter does not affect the taxation under this subchapter of the resulting parcels, unless any is less than 10 forested acres in area. Each resulting parcel must be taxed to the owners under this subchapter until the parcel is withdrawn from taxation under this subchapter, in which case the penalties provided for in sections 579 and 581 apply only to the owner of that parcel. If a parcel resulting from that sale is less than 10 forested acres in area, that parcel must be considered withdrawn from taxation under this subchapter as a result of the sale and

### **§581-B. Reclassification and withdrawal in unorganized territory**

If forest land in the unorganized territory is reclassified or withdrawn from taxation under this subchapter, the State Tax Assessor shall make supplementary assessments or abatements as necessary to carry out the provisions of this subchapter.

### **§581-C. Mineral lands (REPEALED)**

### **§581-D. Mineral lands subject to an excise tax**

Any statutory or constitutional penalty imposed as a result of withdrawal or a change of use, whether imposed before or after January 1, 1984, shall be determined without regard to the presence of minerals, provided that when payment of the penalty is made or demanded, whichever occurs first, there is in effect a state excise tax which applies or would apply to the mining of those minerals.

### **§581-E. Report to the Bureau of Forestry (REPEALED)**

### **§581-F. Report to the Bureau of Forestry on land in unorganized territory**

On or before September 1st of each year, the State Tax Assessor shall provide to the Department of Agriculture, Conservation and Forestry, Bureau of Forestry information on land within the unorganized territory taxed according to this subchapter. The information must include



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the number of parcels enrolled, classified by parcel size categories. The State Tax Assessor shall consult with the Director of the Bureau of Forestry in determining the parcel size categories and shall provide the information in a consistent format to facilitate comparison from year to year.

### **§581-G. Report to Bureau of Forestry**

**1. Municipal report.** The municipal assessor or chief assessor of a primary assessing area shall report annually to the Department of Agriculture, Conservation and Forestry, Bureau of Forestry by November 1st or 30 days following the tax commitment date, whichever is sooner, the following information relating to land taxed according to this subchapter:

- A. The names and addresses of forest landowners;
- B. The total number of acres taxed pursuant to this subchapter, including a breakdown of forest type, by softwood, mixed wood and hardwood;
- C. The year each parcel was first accepted for taxation under this subchapter;
- D. The year of the most recent recertification of each parcel; and
- E. The tax map number, plan number and lot number for each parcel listed.

**2. Forms.** The Department of Agriculture, Conservation and Forestry, Bureau of Forestry shall annually provide municipalities with forms for submitting the information required under subsection 1. To the extent that the Bureau of Forestry has the required information, the Bureau of Forestry shall include that information on the forms.

**3. Confidentiality.** Addresses, telephone numbers and electronic mail addresses of forest landowners owning less than 1,000 acres statewide contained in reports filed under this section are confidential when in possession of the Department of Agriculture, Conservation and Forestry, Bureau of Forestry and may be disclosed only in accordance with Title 12, section 8005.

### **§582. Appeal from State Tax Assessor (REPEALED)**

#### **§582-A. Payment for tax pending review (REPEALED)**

### **§583. Abatement**

Assessments made under this subchapter and denials of applications for valuation under this subchapter are subject to the abatement procedures provided by section 841. Appeal from an abatement decision rendered under section 841 shall be to the State Board of Property Tax Review.

### **§584. Advisory Council (REPEALED)**

#### **§584-A. Construction**

This subchapter shall be broadly construed to achieve its purpose. The invalidity of any provision shall be deemed not to affect the validity of other provisions.

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### SUBCHAPTER 3 PERSONAL PROPERTY TAXES

#### §601. Personal property; defined

Personal property for the purposes of taxation includes all tangible goods and chattels wheresoever they are and all vessels, at home or abroad.

#### §602. -- where taxed

All personal property within or without the State, except in cases enumerated in section 603, shall be taxed to the owner in the place where he resides.

#### §603. Exceptions

The excepted cases referred to in section 602 are the following:

**1. Personal property employed in trade.** All personal property employed in trade, in the erection of buildings or vessels, or in the mechanic arts shall be taxed in the place where so employed, except as otherwise provided for in this subsection; provided the owner, his servant, subcontractor or agent occupies any store, storehouse, shop, mill, wharf, landing place or shipyard therein for the purpose of such employment.

A. For the purposes of this subsection, "personal property employed in trade" shall include both liquefied petroleum gas installations, and industrial and medical gas installations, together with tanks or other containers used in connection therewith.

B. (Repealed)

**1-A. Cargo trailers.** A cargo trailer must be taxed in the place of its primary location on April 1st, even though the cargo trailer may not be present in that place on April 1st.

For purposes of this subsection, "primary location" means the place where the cargo trailer is usually based and where it regularly returns for repairs, supplies and activities related to its use.

**2. Enumeration.** (Repealed)

**2-A. Enumeration.** The following personal property must be taxed in the place where it is situated:

A. Portable mills;

B. All store fixtures, office furniture, furnishings, fixtures, and equipment;

C. Professional libraries, apparatus, implements and supplies;

D. Coin-operated vending or amusement devices;

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E. All camper trailers, as defined in section 1481; and

F. Television and radio transmitting equipment.

**3. 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, or to the person owning or occupying any store, storehouse, shop, mill, wharf, landing, shipyard or other place therein where such property is.

A. A lien is created on said property for the payment of the tax, which may be enforced by the tax collector to whom the tax is committed, by a sale of the property as provided.

B. A lien is created on said property in behalf of the person in possession, which he may enforce, for the repayment of all sums by him lawfully paid in discharge of the tax. If such person pays more than his proportionate part of such tax, or if his own goods or property are applied to the payment and discharge of the whole tax, he may recover of the owner such owner's proper share thereof.

**4. Domestic fowl raised for meat purposes or egg production.** (Repealed)

**5. Mules, horses, neat cattle, and domestic fowl.** (Repealed)

**6. Belonging to minors under 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.

**7. Partners in business.** Personal property of partners in business, when subject to taxation under subsections 1 and 2, may be taxed to the partners jointly under their partnership name; and in such cases they shall be jointly and severally liable for the tax.

**8. Owned by persons unknown.** Personal property owned by persons unknown shall be taxed to the person having the same in possession. A lien is created on said property in behalf of the person in possession, which he may enforce for the repayment of all sums by him lawfully paid in discharge of the tax.

**9. 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 such property in the place where situated, except as provided in subsections 1 and 10.

**10. Tax situs.** The tax situs of tangible personal property shall be at the mine site if that property is:

A. Owned, leased or otherwise subject to possessory control of a mining company; and

B. On route to or from, being transported to or from or destined to or from a mine site.

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Except as otherwise provided in this subsection, the tax situs of tangible personal property leased to a mining company shall be in the place where the property is situated.

For the purposes of this subsection, the definitions of section 2855 shall apply.

### **§604. Mortgaged personal property; taxes**

When personal property is mortgaged, pledged or conveyed with the seller retaining title for security purposes, it shall, for the purposes of taxation, be deemed the property of the person who has it in possession, and it may be distrained for the tax thereon.

### **§605. Deceased persons**

The personal property of a deceased person must be assessed to the personal representative in the place where the deceased last resided, and such assessment continues until the personal representative gives notice to the assessors that such property has been distributed. If the deceased at the time of death did not reside in the State, such personal property must be assessed to the personal representative in the place where such property is situated. Before the appointment of a personal representative, the personal property of a deceased person must be assessed to the estate of the deceased in the place where the deceased last resided, if in the State, otherwise in the place where such property is situated, and the personal representative subsequently appointed is liable for the tax.

### **§606. Tax priority; deceased's personal property**

If a personal property tax has been assessed upon the estate of a deceased person, or if a person assessed for a personal property tax has died, the personal representative, after the personal representative has satisfied the first 4 priorities set forth in Title 18-C, section 3-805, shall, from any estate that has come to the personal representative's hands in such capacity, if such estate is sufficient therefor, pay the personal property tax so assessed to the personal representative under Title 18-C, section 3-709. In default of such payment the personal representative is personally liable for the tax to the extent of the estate that passed through the personal representative's hands that was not used to satisfy claims or expenses with a higher priority. To the extent that the personal representative is not assessed, the successors to the decedent's taxed property shall pay the tax assessed.

### **§607. Insolvent person's personal property**

If a person assessed for a personal property tax has made an assignment for the benefit of creditors, or has gone into receivership before the payment thereof, the assignee or receiver shall, from any money which has come to his hands in such capacity, over and above the reasonable expense of administration, pay the personal property tax so assessed to the extent of such money. In default of such payment the assignee or receiver shall be personally liable for the tax to the extent of the money which passed through his hands.

### **§608. Blooded animals (REPEALED)**

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### §609. Sailing vessels and barges; tax rate (REPEALED)

### §610. Rebuilt vessels and barges; tax rate (REPEALED)

### §610-A. Watercraft assessed as personal property (REPEALED)

### §611. Equipment tax

Machinery and other personal property brought into this State, after April 1st and prior to December 31st by any person upon whom no personal property tax was assessed on April 1st in the State of Maine, shall be taxed as other personal property in the town in which it is used for the first time in this State.

When the assessors are informed by the owner or otherwise of the presence within the town of such personal property, the assessors shall give notice in writing to the owner to furnish to the assessors a true and perfect list of such property within 15 days from the receipt of such notice and, except as otherwise provided in this section, section 706-A is applicable to this section.

The assessors shall assess a tax upon any such property in accordance with other property assessed for the same tax year, except that, if the tax is paid within 2 months of assessment, interest from the due date of taxes for the tax year involved does not apply.

Except as otherwise provided in this section, the collection of such taxes shall be in accordance with this chapter.

### §612. Tax lien on personal property

**1. Lien.** The legal assessment of taxes upon personal property as defined in section 601 against a particular taxpayer creates and constitutes a lien upon all of the property assessed to secure payment of the resulting taxes, provided that the inventory and valuation upon which the assessment is made contains a description of the personal property taxed that meets the requirements of Title 11, section 9-1504. Except as otherwise provided in this section, the lien takes precedence over all other claims on the personal property and continues in force until the taxes are paid or until the lien is otherwise terminated by law.

**2. Definitions.** As used in this section, unless the context otherwise indicates, the terms used in this section have the same meanings as in Title 11.

**3. Perfection of lien.** The lien established by subsection 1 attaches on the date of assessment and must be perfected as against all lien creditors, as defined in Title 11, section 9-1102, subsection (52), without the necessity of further action by the municipality or any other party. The lien becomes perfected as against parties other than lien creditors at the time when a notice of the lien is communicated, pursuant to the provisions of Title 11, section 9-1516, to the office identified in Title 11, section 9-1501, subsection (1), paragraph (b). Any filing is ineffective to perfect a lien as against parties that are not lien creditors to the extent that the filing covers taxes upon property whose status for those taxes was fixed pursuant to section 502 or 611 more than 2 years prior to the filing date. The lien does not have priority against any interest as to which it is unperfected during the period in which it is not so perfected. If the lien is perfected as

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to some interests in the property subject to the tax, but not as to other interests, and the interests as to which it is perfected are superior in priority to the interests against which the lien is unperfected, then the lien has priority over the interests against which it has not been perfected to the extent of the superior interests against which it has been perfected.

**4. Notice of lien.** Each notice of lien, which may be in the form of a financing statement, must:

A. Name the owner of the property upon which the lien is claimed, if the owner is not the taxpayer and is known to the municipality;

B. Provide the residence or business address of the owner, if known to the municipality;

C. Provide the taxpayer's name and the taxpayer's residence or business address, if known to the municipality, and if not otherwise known, the address where the property that is being taxed was located on the date the status of such taxable property was fixed pursuant to section 502 or 611;

D. Describe the property claimed to be subject to the lien in a manner that meets the requirements of Title 11, section 9-1504;

E. State the amount of tax, accrued interest and costs, as of the date on which the municipality sends the notice for filing, claimed due the municipality and secured by the lien;

F. State the tax year or years for which the lien is claimed;

G. Name the municipality claiming the lien;

H. Set forth the phrase "NOTICE OF PERSONAL PROPERTY TAX LIEN" in that part of the financing statement otherwise used to describe the collateral;

I. Indicate that the notice is filed as a non-UCC filing; and

J. Indicate that the taxpayer or owner, if an organization, has no organizational identification number, regardless of whether such a number may exist for that entity.

Except as provided in this subsection, the notice of lien need not contain the information required by Title 11, section 9-1516, subsection (2), paragraph (e), subparagraph (iii) and must be accepted for filing without that information notwithstanding the provisions of Title 11, section 9-1520, subsection (1). A copy of the notice of lien must be given by certified mail, return receipt requested, at the last known address, to the taxpayer, to the owner, if the owner is not the taxpayer, and to any party who has asserted that it holds an interest in any of the property that is subject to the lien in an authenticated notification received by the municipality within 5 years prior to the date on which the municipality sends the notice of lien for filing, or who has filed a financing statement with the office identified in Title 11, section 9-1501, subsection (1), paragraph (b) that remains effective as of the date on which the municipality sends the notice of lien for filing. Failure to give notice to any secured party who has a perfected security interest prevents the lien from taking priority over that security interest, but does not otherwise affect the validity of the lien.

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**5. Effective period of lien; limitation period.** Perfection of any lien by the filing of a notice of lien is effective for a period of 5 years from the date of filing, unless discharged as provided in this section or unless a continuation statement is filed prior to the lapse. A continuation statement may be filed on behalf of the municipality within 6 months prior to the expiration of the 5-year period provided in this section in the same manner and to the same effect as provided in Title 11, section 9-1515.

**6. Rights and remedies of municipality and taxpayer.** A municipality that has filed a notice of tax lien has the rights and remedies of a secured party, the taxpayer and the owner of the property against whom the lien has been filed have the rights and remedies of a debtor, all parties to whom the municipality is required to provide a copy of the lien notice pursuant to subsection 4 have the rights and remedies of a junior secured party and all lien creditors have the rights of lien creditors, as provided for in Title 11, Article 9-A, Part 6, except that:

- A. The municipality does not have the rights provided to a secured party in Title 11, sections 9-1620, 9-1621 and 9-1622;
- B. The municipality has no obligations to lien creditors or to secured parties except to the extent that it has received notice from such secured parties as set forth in subsection 4 or they have effective financing statements on file as provided in subsection 4;
- C. The municipality has no obligations under Title 11, section 9-1616; and
- D. The municipality is not subject to Title 11, section 9-1625, subsection (3), paragraph (b) and section 9-1625, subsections (5) to (7).

**7. Personal property liens; discharge.** If any lien created under this section is discharged, then a certificate of discharge must promptly be filed by the tax collector of the municipality which originally filed the notice of lien, or by that tax collector's successor, in the same manner as termination statements are filed under Title 11, section 9-1513. The municipal officer who has filed the notice of lien shall file a notice of discharge of the lien in the manner provided in this section, if:

- A. The taxes for which the lien has been filed are fully paid, together with all interest and costs due thereon;
- B. A cash bond or surety company bond is furnished to the municipality conditioned upon the payment of the amount liened, together with interest and cost due, within the effective period of the lien as provided in this section; or
- C. A final judgment is rendered in favor of the taxpayer or others claiming an interest in the liened personal property which determines either that the tax is not owed or that the lien is not valid. If the judgment determines that the tax is partially owed, then the officer who filed the notice of lien or that officer's successor shall, within 10 days of the rendition of the final judgment, file an amendment to the notice of lien reducing the amount claimed to the actual amount of tax found to be due, which amended lien is effective as to the revised amount of the lien as of the date of the filing of the original notice of tax lien.

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**8. Consumer goods.** In the case of consumer goods, a buyer in the ordinary course of business takes free of the lien created by this section, even though the lien is perfected and even though the buyer knows of its existence.

**9. Liens subordinate to security interests.** The lien authorized by subsection 1 is subordinated to security interests that were perfected before September 23, 1983 and that have remained perfected thereafter, except to the extent that such perfected security interests would be subordinate to the rights of the municipality if the municipality were considered, whether or not such is actually the case, to be a lien creditor under Title 11, section 9-1323 by virtue of its rights pursuant to the lien authorized by subsection 1.

**10. Collection procedure.** The collection procedure authorized by this section is optional and does not affect in any way alternate collection procedures authorized by law.

**11. Limitation of this section.** The lien authorized by this section applies to taxes assessed on or after April 1, 1984. The procedures of this section as amended effective July 1, 2001 or October 1, 2003 apply only to liens authorized in this section that are perfected by a filing made on or after July 1, 2001, or for which a continuation statement is filed on or after that date.

**12. Location of filing.** A tax lien filed on or after July 1, 2001 with the office identified in Title 11, section 9-1501, subsection (1), paragraph (b) is not invalid or otherwise ineffectual by reason of filing with that office.

**13. Application of state law.** The law of this State governs the following without recourse to this State's choice of law provisions, including those provisions found in Title 11, sections 9-1301 to 9-1307:

- A. Perfection of a personal property tax lien, as provided in this section;
- B. The effect of perfection or nonperfection of a personal property tax lien as provided in this section;
- C. The priority of a personal property tax lien as provided in this section; and
- D. All other rights and obligations of the parties with respect to personal property tax liens held by municipalities in this State.

### §613. Watercraft decal (REPEALED)

## SUBCHAPTER 4 EXEMPTIONS

### §651. Public property

The following public property is exempt from taxation:



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### 1. Public property.

A. The property of the United States so far as the taxation of such property is prohibited under the Constitution and laws of the United States;

B. The property of the State of Maine;

B-1. Real estate owned by the Water Resources Board of the State of New Hampshire and used for the preservation of recreational facilities in this State;

C. All property which by the Articles of Separation is exempt from taxation;

D. The property of any public municipal corporation of this State appropriated to public uses, if located within the corporate limits and confines of such public municipal corporation;

E. The pipes, fixtures, hydrants, conduits, gatehouses, pumping stations, reservoirs and dams, used only for reservoir purposes, of public municipal corporations engaged in supplying water, power or light, if located outside of the limits of such public municipal corporation;

F. All airports and landing fields and the structures erected thereon or contained therein of public municipal corporations whether located within or without the limits of such public municipal corporations. Any structures or land contained within such airport not used for airport or aeronautical purposes shall not be entitled to this exemption. Any public municipal corporation which is required to pay taxes to another such corporation under this paragraph with respect to any airport or landing field shall be reimbursed by the county wherein the airport is situated; and

G. The pipes, fixtures, conduits, buildings, pumping stations and other facilities of a public municipal corporation used for sewage disposal, if located outside the limits of such public municipal corporation.

### §652. Property of institutions and organizations

1. **Property of institutions and organizations.** The property of institutions and organizations is exempt from taxation as provided in this subsection.

A. The real estate and personal property owned and occupied or used solely for their own purposes by incorporated benevolent and charitable institutions are exempt from taxation. Such an institution may not be deprived of the right of exemption by reason of the source from which its funds are derived or by reason of limitation in the classes of persons for whose benefit the funds are applied.

For the purposes of this paragraph, "benevolent and charitable institutions" includes, but is not limited to, nonprofit nursing homes licensed by the Department of Health and Human Services pursuant to Title 22, chapter 405, nonprofit residential care facilities licensed by the Department of Health and Human Services pursuant to Title 22, chapter 1663, nonprofit community mental health service facilities licensed by the Commissioner of Health and Human Services in accordance with the rules adopted pursuant to Title 34-B, chapter 3 and

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nonprofit child care centers. For the purposes of this paragraph, "nonprofit" refers to an institution that has been determined by the United States Internal Revenue Service to be exempt from taxation under Section 501(c)(3) of the Code.

B. The real estate and personal property owned and occupied or used solely for their own purposes by literary and scientific institutions are exempt from taxation. If any building or part of a building is used primarily for employee housing, that building, or that part of the building used for employee housing, is not exempt from taxation.

C. Further conditions to the right of exemption under paragraphs A and B are that:

- (1) Any corporation claiming exemption under paragraph A must be organized and conducted exclusively for benevolent and charitable purposes;
- (2) A director, trustee, officer or employee of an organization claiming exemption may not receive directly or indirectly any pecuniary profit from the operation of that organization, except as reasonable compensation for services in effecting its purposes or as a proper beneficiary of its strictly benevolent or charitable purposes;
- (3) All profits derived from the operation of an organization claiming exemption and the proceeds from the sale of its property must be devoted exclusively to the purposes for which it is organized;
- (4) The institution, organization or corporation claiming exemption under this section must file with the assessors upon their request a report for its preceding fiscal year in such detail as the assessors may reasonably require;
- (5) An exemption may not be allowed under this section in favor of an agricultural fair association holding pari-mutuel racing meets unless it has qualified the next preceding year as a recipient of a stipend from the Stipend Fund provided in Title 7, section 86;
- (6) An exemption allowed under paragraph A or B for real or personal property owned and occupied or used to provide federally subsidized residential rental housing is limited as follows: Federally subsidized residential rental housing placed in service prior to September 1, 1993 by other than a nonprofit housing corporation that is acquired on or after September 1, 1993 by a nonprofit housing corporation and the operation of which is not an unrelated trade or business to that nonprofit housing corporation is eligible for an exemption limited to 50% of the municipal assessed value of that property.

An exemption granted under this subparagraph must be revoked for any year in which the owner of the property is no longer a nonprofit housing corporation or the operation of the residential rental housing is an unrelated trade or business to that nonprofit housing corporation.

- (a) For the purposes of this subparagraph, the following terms have the following meanings.

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(i) "Federally subsidized residential rental housing" means residential rental housing that is subsidized through project-based rental assistance, operating assistance or interest rate subsidies paid or provided by or on behalf of an agency or department of the Federal Government.

(ii) "Nonprofit housing corporation" means a nonprofit corporation organized in the State that is exempt from tax under Section 501(c)(3) of the Code and has among its corporate purposes the provision of services to people of low income or the construction, rehabilitation, ownership or operation of housing.

(iii) "Residential rental housing" means one or more buildings, together with any facilities functionally related and subordinate to the building or buildings, located on one parcel of land and held in common ownership prior to the conversion to nonprofit status and containing 9 or more similarly constructed residential units offered for rental to the general public for use on other than a transient basis, each of which contains separate and complete facilities for living, sleeping, eating, cooking and sanitation.

(iv) "Unrelated trade or business" means any trade or business whose conduct is not substantially related to the exercise or performance by a nonprofit corporation of the purposes or functions constituting the basis for exemption under Section 501(c)(3) of the Code.

(b) Eligibility of the following property for exemption is not affected by the provisions of this subparagraph:

(i) Property used as a nonprofit nursing home, residential care facility licensed by the Department of Health and Human Services pursuant to Title 22, chapter 1663 or a community living arrangement as defined in Title 30-A, section 4357-A or any property owned by a nonprofit organization licensed or funded by the Department of Health and Human Services to provide services to or for the benefit of persons with mental illness or intellectual disabilities;

(ii) Property used for student housing;

(iii) Property used for parsonages;

(iv) Property that was owned and occupied or used to provide residential rental housing that qualified for exemption under paragraph A or B prior to September 1, 1993; or

(v) Property exempt from taxation under other provisions of law; and

(7) In addition to the requirements of subparagraphs (1) to (4), an exemption is not allowed under paragraph A or B for real or personal property owned and occupied or used to provide residential rental housing that is transferred or placed in service on or after September 1, 1993, unless the property is owned by a nonprofit housing

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corporation and the operation of the residential rental housing is not an unrelated trade or business to the nonprofit housing corporation.

For the purposes of this subparagraph, the following terms have the following meanings.

(a) "Nonprofit housing corporation" means a nonprofit corporation organized in the State that is exempt from tax under Section 501(c)(3) of the Code and has among its corporate purposes the provision of services to people of low income or the construction, rehabilitation, ownership or operation of housing.

(b) "Residential rental housing" means one or more buildings, together with any facilities functionally related and subordinate to the building or buildings, containing one or more similarly constructed residential units offered for rental to the general public for use on other than a transient basis, each of which contains separate and complete facilities for living, sleeping, eating, cooking and sanitation.

(c) "Unrelated trade or business" means any trade or business whose conduct is not substantially related to the exercise or performance by a nonprofit organization of the purposes constituting the basis for exemption under Section 501(c)(3) of the Code.

### D. (Repealed)

E. The real estate and personal property owned, occupied and used for their own purposes by posts of the American Legion, Veterans of Foreign Wars, American Veterans, Sons of Union Veterans of the Civil War, Disabled American Veterans and Navy Clubs of the U.S.A. that are used solely by those organizations for meetings, ceremonials or instruction or to further the charitable activities of the organization, including all facilities that are appurtenant to that property and used in connection with those purposes, are exempt from taxation. If an organization is not the sole occupant of the property, the exemption granted under this paragraph applies only to that portion of the property owned, occupied, and used by the organization for its purposes.

Further conditions to the right of exemption are that:

(1) A director, trustee, officer or employee of any organization claiming exemption may not receive directly or indirectly any pecuniary profit from the operation of that organization, except as reasonable compensation for services in effecting its purposes or as a proper beneficiary of its purposes;

(2) All profits derived from the operation of the organization and the proceeds from the sale of its property must be devoted exclusively to the purposes for which it is organized; and

(3) The institution, organization or corporation claiming exemption under this paragraph must file with the assessors upon their request a report for its preceding fiscal year in such detail as the assessors may reasonably require.

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F. The real estate and personal property owned and occupied or used solely for their own purposes by central labor councils, chambers of commerce or boards of trade in this State are exempt from taxation. For the purposes of this paragraph, "central labor council" means an association or network of labor unions designed to promote and protect the interests of their members.

Further conditions to the right of exemption are that:

- (1) A director, trustee, officer or employee of any organization claiming exemption may not receive directly or indirectly any pecuniary profit from the operation of that organization, except as reasonable compensation for services in effecting its purposes or as a proper beneficiary of its purposes;
- (2) All profits derived from the operation of the organization and the proceeds from the sale of its property must be devoted exclusively to the purposes for which it is organized; and
- (3) The institution, organization or corporation claiming exemption under this paragraph must file with the assessors upon their request a report for its preceding fiscal year in such detail as the assessors may reasonably require.

G. Houses of religious worship, including vestries, and the pews and furniture within them; tombs and rights of burial; and property owned and used by a religious society as a parsonage up to the value of \$20,000, and personal property not exceeding \$6,000 in value are exempt from taxation, except that any portion of a parsonage that is rented is subject to taxation. For purposes of this paragraph, "parsonage" means the principal residence provided by a religious society for its cleric whether or not the principal residence is located within the same municipality as the house of religious worship where the cleric regularly conducts religious services.

H. Real estate and personal property owned by or held in trust for fraternal organizations, except college fraternities, operating under the lodge system that are used solely by those fraternal organizations for meetings, ceremonials or religious or moral instruction, including all facilities that are appurtenant to that property and used in connection with those purposes are exempt from taxation. If a building is used in part for those purposes and in part for any other purpose, only the part used for those purposes is exempt.

Further conditions to the right of exemption under this paragraph are that:

- (1) A director, trustee, officer or employee of any organization claiming exemption may not receive directly or indirectly any pecuniary profit from the operation of that organization, except as reasonable compensation for services in effecting its purposes or as a proper beneficiary of its purposes;
- (2) All profits derived from the operation of the organization and the proceeds from the sale of its property must be devoted exclusively to the purposes for which it is organized; and

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(3) The institution, organization or corporation claiming exemption under this paragraph must file with the assessors upon their request a report for its preceding fiscal year in such detail as the assessors may reasonably require.

I. (Repealed)

J. The real and personal property owned by one or more of the organizations in paragraphs A and B and E to H and occupied or used solely for their own purposes by one or more other such organizations are exempt from taxation.

K. Except as otherwise provided in this subsection, the real and personal property leased by and occupied or used solely for its own purposes by an incorporated benevolent and charitable organization that is exempt from taxation under section 501 of the Code and the primary purpose of which is the operation of a hospital licensed by the Department of Health and Human Services, a health maintenance organization or a blood bank are exempt from taxation. For property tax years beginning on or after April 1, 2012, the exemption provided by this paragraph does not include real property.

L. (Repealed)

An organization or institution that desires exemption under this section must file a written application accompanied by written proof of entitlement for each parcel on or before the first day of April in the year in which the exemption is first requested with the assessors of the municipality in which the property would otherwise be taxable. If granted, the exemption continues in effect until the assessors determine that the organization or institution is no longer qualified. Proof of entitlement must indicate the specific basis upon which exemption is claimed.

### **§653. Estates of veterans**

The following estates of veterans are exempt from taxation:

#### **1. Estates of veterans and servicemen.**

A. (Repealed)

B. (Repealed)

C. The estates up to the just value of \$6,000, having a taxable situs in the place of residence, of veterans who served in the Armed Forces of the United States:

(1) During any federally recognized war period, including the Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period from February 1, 1955 to February 27, 1961, or who were awarded the Armed Forces Expeditionary Medal, when they have reached the age of 62 years or when they are receiving any form of pension or compensation from the United States Government for total disability, service-connected or nonservice-connected, as a veteran. A veteran of the Vietnam War must have served

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on active duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period; or

(2) Who are disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or compensation from the United States Government for total, service-connected disability.

The exemptions provided in this paragraph apply to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

C-1. The estates up to the just value of \$7,000, having a taxable situs in the place of residence of veterans who served in the Armed Forces of the United States during any federally recognized war period during or before World War I and who would be eligible for an exemption under paragraph C.

The exemption provided in this paragraph is in lieu of any exemption under paragraph C to which the veteran may be eligible and applies to the property of that veteran, including property held in joint tenancy with that veteran's spouse or held in a revocable living trust for the benefit of that veteran.

D. The estates up to the just value of \$6,000, having a taxable situs in the place of residence, of the unremarried widow or widower or minor child of any veteran who would be entitled to the exemption if living, or who is in receipt of a pension or compensation from the Federal Government as the widow or widower or minor child of a veteran.

The estates up to the just value of \$6,000, having a taxable situs in the place of residence, of the parent of a deceased veteran who is 62 years of age or older and is an unremarried widow or widower who is in receipt of a pension or compensation from the Federal Government based upon the service-connected death of that parent's child.

The exemptions provided in this paragraph apply to the property of an unremarried widow or widower or minor child or parent of a deceased veteran, including property held in a revocable living trust for the benefit of that unremarried widow or widower or minor child or parent of a deceased veteran.

D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of residence, for specially adapted housing units, of veterans who served in the Armed Forces of the United States during any federally recognized war period, including the Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period from February 1, 1955 to February 27, 1961, or who were awarded the Armed Forces Expeditionary Medal, and who are paraplegic veterans within the meaning of 38 United States Code, Chapter 21, Section 2101, and who received a grant from the United States Government for any such housing, or of the unremarried widows or widowers of those veterans. A veteran of the Vietnam War must have served on active duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War"

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means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period. The exemption provided in this paragraph applies to the property of the veteran including property held in joint tenancy with a spouse or held in a revocable living trust for the benefit of that veteran.

D-2. The estates up to the just value of \$7,000, having a taxable situs in the place of residence of the unremarried widow or widower or minor child of any veteran who would be entitled to an exemption under paragraph C-1, if living, or who is in receipt of a pension or compensation from the Federal Government as the widow or widower or minor child of a veteran, and who is the unremarried widow or widower or minor child of a veteran who served during any federally recognized war period during or before World War I.

The exemption provided in this paragraph is in lieu of any exemption under paragraph D to which the person may be eligible and applies to the property of that person, including property held in a revocable living trust for the benefit of that person.

D-3. The estates up to the just value of \$7,000, having a taxable situs in the place of residence of the parent of a deceased veteran who is 62 years of age or older and is an unremarried widow or widower who is in receipt of a pension or compensation from the Federal Government based upon the service-connected death of that parent's child and who is receiving the pension or compensation from the Federal Government based upon the service-connected death of the parent's child during any federally recognized war period during or before World War I.

The exemption provided in this paragraph is in lieu of any exemption under paragraph D to which the person may be eligible and applies to the property of that person, including property held in a revocable living trust for the benefit of that person.

E. The word "veteran" as used in this subsection means any person, male or female, who was on active duty in the Armed Forces of the United States and who, if discharged, retired or separated from the Armed Forces, was discharged, retired or separated under other than dishonorable conditions.

F. An exemption may not be granted to any person under this subsection unless the person is a resident of this State.

G. Any person who desires to secure exemption under this subsection shall make written application and file written proof of entitlement on or before the first day of April, in the year in which the exemption is first requested, with the assessors of the place in which the person resides. Notwithstanding Title 1, chapter 13, an application and proof of entitlement filed pursuant to this paragraph is confidential and may not be made available for public inspection. The application and proof of entitlement must be made available to the State Tax Assessor upon request. The assessors shall thereafter grant the exemption to any person who is so qualified and remains a resident of that place or until they are notified of reason or desire for discontinuance.

H. A municipality granting exemptions under this subsection is entitled to reimbursement from the State of 90% of that portion of the property tax revenue lost as a result of the



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exemptions that exceeds 3% of the total municipal property tax levy, upon submission of proof in a form satisfactory to the State Tax Assessor. Exemptions granted under this subsection that are reimbursable pursuant to section 661 are not eligible for reimbursement under this paragraph.

I. No property conveyed to any person for the purpose of obtaining exemption from taxation under this subsection may be so exempt, except property conveyed between spouses, and the obtaining of exemption by means of fraudulent conveyance must be punished by a fine of not less than \$100 and not more than 2 times the amount of the taxes evaded by the fraudulent conveyance, whichever amount is greater.

J. No person may be entitled to property tax exemption under more than one paragraph of this subsection.

K. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return to the State Tax Assessor.

**2. Cooperative housing corporations.** A cooperative housing corporation is entitled to an exemption to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. An application for exemption must include a list of all qualifying shareholders and any information required by the municipality to verify eligibility of qualifying shareholders and the applicable exemption amount. The application must be updated annually to reflect changes in eligibility. The exemption is equal to the total amount calculated under subsection 1 as if the qualifying shareholders were owners of the property. A cooperative housing corporation that receives an exemption pursuant to this section shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders according to the proportion of the total exemption that each qualifying shareholder would be entitled to if the qualifying shareholder were the owner of property. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies. For the purposes of this subsection, the following terms have the following meanings.

A. "Cooperative housing corporation" means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle them to inhabit a designated space within a residential dwelling.

B. "Qualifying shareholder" means a person who is a shareholder in a cooperative housing corporation who would qualify for an exemption under subsection 1 if the person were the owner of the property.

### **§654. Estates of certain persons (REPEALED)**

#### **§654-A. Estates of legally blind persons**

**1. Exemption.** The residential real estate up to the just value of \$4,000, having a taxable situs in the place of residence, of inhabitants of the State who are legally blind as determined by a

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properly licensed Doctor of Medicine, Doctor of Osteopathy or Doctor of Optometry is exempt from taxation.

**2. Revocable living trust.** The exemption provided by subsection 1 also applies to residential real estate held in a revocable living trust for the benefit of and occupied as a permanent residence by a person who is legally blind.

**3. Cooperative housing.** A cooperative housing corporation is also entitled to an exemption under subsection 1 to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. An application for exemption must include a list of all qualifying shareholders and any information required by the municipality to verify eligibility of qualifying shareholders and the applicable exemption amount. The application must be updated annually to reflect changes in eligibility. The exemption is equal to the total amount calculated under subsection 1 as if the qualifying shareholders were owners of the property. A cooperative housing corporation that receives an exemption pursuant to this subsection shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders according to the proportion of the total exemption that each qualifying shareholder would be entitled to if the qualifying shareholder were the owner of the property. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies. For the purposes of this subsection, the following terms have the following meanings.

A. "Cooperative housing corporation" means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle them to inhabit a designated space within a residential dwelling.

B. "Qualifying shareholder" means a person who is a shareholder in a cooperative housing corporation who would qualify for an exemption under subsection 1 if the person were the owner of the property.

**4. Multiple properties.** (Repealed)

**5. Fraudulent transfer.** Property conveyed to a person for the purpose of obtaining exemption from taxation under this section is not exempt. A person who makes a conveyance for the purpose of obtaining the exemption commits fraud and is subject to a fine of not less than \$100 and not more than 2 times the amount of the taxes evaded by such fraudulent conveyance, whichever amount is greater.

### §655. Personal property

The following personal property is exempt from taxation:

#### 1. Personal property.

A. Industrial inventories including raw materials, goods in process and finished work on hand;

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- B. Stock-in-trade, including inventory held for resale by a distributor, wholesaler, retail merchant or service establishment. "Stock-in-trade" also includes unoccupied manufactured housing, as defined in Title 10, section 9002, subsection 7, paragraph A or C, that was not previously occupied at its present location, that is not connected to water or sewer and that is owned and offered for sale by a person licensed for the retail sale of manufactured housing pursuant to Title 10, chapter 951, subchapter 2;
- C. Agricultural produce and forest products, including logs, pulpwood, woodchips, and lumber;
- D. Livestock, including farm animals, neat cattle and fowl;
- E. The household furniture, including television sets and musical instruments of each person in any one household; and his wearing apparel, farming utensils and mechanical tools necessary for his business;
- F. All radium used in the practice of medicine;
- G. Property in the possession of a common carrier while in interstate transportation or held en route awaiting further transportation to the destination named in a through bill of lading;
- H. Vessels built, in the process of construction, or undergoing repairs, which are within the State on the first day of each April and are owned by persons residing out of the State. "Vessels" as used in this paragraph shall not be construed to include pleasure vessels and boats;
- I. Pleasure vessels and boats in the State on the first day of each April whose owners reside out of the State, and which are left in this State by the owners for the purpose of repair or storage, except those regularly kept in the State during the preceding year;
- J. Personal property in another state or country and legally taxed there;
- K. Vehicles exempt from excise tax in accordance with section 1483;
- L. Registered snowmobiles as defined in Title 12, section 13001, subsection 25;
- M. All farm machinery used exclusively in production of hay and field crops to the aggregate actual market value not exceeding \$10,000, excluding motor vehicles. Motor vehicle shall mean any self-propelled vehicle;
- N. Water pollution control facilities and air pollution control facilities as defined in section 656, subsection 1, paragraph E;
- O. All beehives;
- P. All items of individually owned personal property with a just value of less than \$1,000, except:

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- (1) Items used for industrial or commercial purposes; and
- (2) Vehicles as defined in section 1481 that are not subject to an excise tax;

Q. (Repealed)

R. (Repealed)

S. Mining property as provided in section 2854;

T. Trail-grooming equipment registered under Title 12, section 13113; and

U. Solar and wind energy equipment that generates heat or electricity if all of the energy is:

- (1) Used on the site where the property is located; or
- (2) Transmitted through the facilities of a transmission and distribution utility, and a utility customer or customers receive a utility bill credit for the energy generated by the equipment pursuant to Title 35-A.

On or before April 1st of the first property tax year for which a taxpayer claims an exemption under this paragraph, the taxpayer claiming the exemption shall file a report with the assessor. The report must identify the property for which the exemption is claimed and must be made on a form prescribed by the State Tax Assessor or substitute form approved by the State Tax Assessor. The State Tax Assessor shall furnish copies of the form to each municipality in the State and make the forms available to taxpayers.

### **§656. Real estate**

The following real estate is exempt from taxation:

#### **1. Real estate.**

A. The aqueducts, pipes and conduits of any corporation supplying a municipality with water are exempt from taxation, when such municipality takes water therefrom for the extinguishment of fires without charge.

B. Mines of gold, silver, or baser metals, when opened and in the process of development, are exempt from taxation for 10 years from the time of such opening. This exemption does not apply to the taxation of the lands or the surface improvements of such mines;

C. The landing area of a privately owned airport, the use of which is approved by the Department of Transportation, is exempt from taxation when the owner grants free use of that landing area to the public.

D. (Repealed)

E. Pollution control facilities.

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(1) Water pollution control facilities having a capacity to handle at least 4,000 gallons of waste per day, certified as such by the Commissioner of Environmental Protection, and all parts and accessories thereof.

As used in this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(a) "Facility" means any disposal system or any treatment works, appliance, equipment, machinery, installation or structures installed, acquired or placed in operation primarily for the purpose of reducing, controlling or eliminating water pollution caused by industrial, commercial or domestic waste.

(b) "Disposal system" means any system used primarily for disposing of or isolating industrial, commercial or domestic waste and includes thickeners, incinerators, pipelines or conduits, pumping stations, force mains and all other constructions, devices, appurtenances and facilities used for collecting or conducting water borne industrial, commercial or domestic waste to a point of disposal, treatment or isolation, except that which is necessary to the manufacture of products.

(c) "Industrial waste" means any liquid, gaseous or solid waste substance capable of polluting the waters of the State and resulting from any process, or the development of any process, of industry or manufacture.

(d) "Treatment works" means any plant, pumping station, reservoir or other works used primarily for the purpose of treating, stabilizing, isolating, or holding industrial, commercial, or domestic waste.

(e) "Commercial waste" means any liquid, gaseous or solid waste substance capable of polluting the waters of the State and resulting from any activity which is primarily commercial in nature.

(f) "Domestic waste" means any liquid, gaseous or solid waste substance capable of polluting the waters of the State and resulting from any activity which is primarily domestic in nature.

(2) Air pollution control facilities, certified as such by the Commissioner of Environmental Protection, and all parts and accessories thereof.

As used in this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(a) "Facility" means any appliance, equipment, machinery, installation, or structures installed, acquired or placed in operation primarily for the purpose of reducing, controlling, eliminating or disposing of industrial air pollutants.

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Facilities such as air conditioners, dust collectors, fans and similar facilities designed, constructed or installed solely for the benefit of the person for whom installed, or the personnel of that person may not be deemed air pollution control facilities.

(3) The Commissioner of Environmental Protection shall issue a determination regarding certification on or before April 1st for any air or water pollution control facility for which the commissioner has received a complete application on or before December 15th of the preceding year.

F. (Repealed)

G. (Repealed)

H. (Repealed)

I. Mining property as provided in section 2854.

J. An animal waste storage facility. For the purposes of this section, "animal waste storage facility" means a structure or pit constructed and used solely for storing manure, animal bedding waste or other wastes generated by animal production. For a facility to be eligible for this exemption, the Commissioner of Agriculture, Conservation and Forestry must certify that a nutrient management plan has been prepared in accordance with Title 7, section 4204 for the farm utilizing that animal waste storage facility.

K. Solar and wind energy equipment that generates heat or electricity if all of the energy is:

(1) Used on the site where the property is located; or

(2) Transmitted through the facilities of a transmission and distribution utility, and a utility customer or customers receive a utility bill credit for the energy generated by the equipment pursuant to Title 35-A.

On or before April 1st of the first property tax year for which a taxpayer claims an exemption under this paragraph, the taxpayer claiming the exemption shall file a report with the assessor. The report must identify the property for which the exemption is claimed and must be made on a form prescribed by the State Tax Assessor or substitute form approved by the State Tax Assessor. The State Tax Assessor shall furnish copies of the form to each municipality in the State and make the forms available to taxpayers.

**§657. Purpose (REPEALED)**

**§658. Application (REPEALED)**

**§659. Recovery by a municipality (REPEALED)**

**§660. Legislative review of exemptions (REPEALED)**

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### §661. Reimbursement for exemptions

As required by the Constitution of Maine, Article IV, Part 3, Section 23, the Treasurer of State shall reimburse each municipality 50% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of statutory property tax exemptions or credits enacted after April 1, 1978. The property tax revenue loss shall be determined pursuant to the following procedure.

**1. Filing claim.** If a municipality suffers property tax revenue loss as a result of exemptions and credits enacted after April 1, 1978, it may file a claim for reimbursement by November 1st of the following year with the State Tax Assessor on the form prescribed by the State Tax Assessor in section 383. The form shall contain the following information:

- A. The total amount of property taxes levied by the municipality in the previous calendar year;
- B. The valuation of the property taxed by the municipality which resulted in paragraph A; and
- C. The valuation of the property which is exempt as a result of exemptions and credits enacted after April 1, 1978.

**2. Valuation.** The State Tax Assessor shall add the valuation as determined in subsection 1, paragraph B, to the valuation as determined in subsection 1, paragraph C, and divide the sum into the figure determined in subsection 1, paragraph A.

**3. Amount of tax revenue loss.** The State Tax Assessor shall apply the rate in subsection 2 to the valuation of the exempt property to determine the amount of tax revenue loss.

**4. Payment.** The Treasurer of State shall pay to the municipality 50% of the property tax revenue loss by December 15th of the year following the year in which property tax revenue was lost by the municipality.

**5. Unorganized territory.** The unorganized territory shall be entitled to reimbursement under this section in the same manner provided by this section for municipalities. The amount of reimbursement due shall be paid into the Unorganized Territory Education and Services Fund established in chapter 115.

**6. Audits; determinations of bureau.** The bureau may audit the records of a municipality to ensure compliance with this subchapter. The bureau may independently review the records of a municipality to determine if exemptions subject to reimbursement under this section have been properly approved. If the bureau determines that an exemption was improperly approved, the bureau shall ensure, either by setoff against other payments due the municipality or otherwise, that the municipality is not reimbursed for the exemption. A municipality that is aggrieved by a determination of the bureau under this section may appeal pursuant to section 151.

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### SUBCHAPTER 4-B MAINE RESIDENT HOMESTEAD PROPERTY TAX EXEMPTION

#### §681. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Applicant.** "Applicant" means an individual who has applied for a homestead property tax exemption pursuant to this subchapter.

**1-A. Cooperative housing corporation.** "Cooperative housing corporation" means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle the shareholder to inhabit a certain space within a residential dwelling.

**1-B. Cooperative property.** "Cooperative property" means the real property, including mobile and manufactured homes, owned by a cooperative housing corporation for the primary purpose of residential use.

**2. Homestead.** "Homestead" means any residential property, including cooperative property, in this State assessed as real property owned by an applicant or held in a revocable living trust for the benefit of the applicant and occupied by the applicant as the applicant's permanent residence or owned by a cooperative housing corporation and occupied as a permanent residence by a resident who is a qualifying shareholder. A "homestead" does not include any real property used solely for commercial purposes.

**3. Permanent residence.** "Permanent residence" means that place where an individual has a true, fixed, and permanent home and principal establishment to which the individual, whenever absent, has the intention of returning. An individual may have only one permanent residence at a time and, once a permanent residence is established, that residence is presumed to continue until circumstances indicate otherwise.

**4. Permanent resident.** "Permanent resident" means an individual who has established a permanent residence. For purposes of this subchapter, a person on active duty serving in the Armed Forces of the United States who is permanently stationed at a military or naval post, station or base in this State is deemed to be a permanent resident. A member of the Armed Forces of the United States stationed in the State who applies for an exemption shall present certification from the commander of the member's post, station or base or from the commander's designated agent that the member is permanently stationed at that post, station or base. For purposes of this subsection, "a person on active duty serving in the Armed Forces of the United States" does not include a member of the National Guard or the Reserves of the United States Armed Forces.

**5. Qualifying shareholder.** "Qualifying shareholder" means a person who is a:

A. Shareholder in a cooperative housing corporation that owns a homestead in this State;

B. Shareholder for the preceding 12 months in the cooperative housing corporation specified in paragraph A; and



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C. Permanent resident of this State.

### §682. Permanent residency; factual determination by assessor

The assessor shall determine whether an applicant has a permanent residence in this State. In making a determination as to the intent of an individual to establish a permanent residence in this State, the assessor may consider the following:

1. **Formal declarations.** Formal declarations of the applicant or any other individual;
2. **Informal statements.** Informal statements of the applicant or any other individual;
3. **Place of employment.** The place of employment of the applicant;
4. **Previous permanent residence.** The previous permanent residence of the applicant and the date the previous permanent residency was terminated;
5. **Voter registration.** The place where the applicant is registered to vote;
6. **Driver's license.** The place of issuance to the applicant of a driver's license and the address listed on the license;
7. **Certificate of motor vehicle registration.** The place of issuance of a certificate of registration of a motor vehicle owned by the applicant and the address listed on the certificate;
8. **Income tax returns.** The residence claimed on any income tax return filed by the applicant;
9. **Motor vehicle excise tax.** The place of payment of a motor vehicle excise tax by the applicant; or
10. **Military residence.** A declaration by the applicant of permanent residence registered with any branch of the Armed Forces of the United States.

### §683. Exemption of homesteads

1. **Exemption amount.** Except for assessments for special benefits, the just value of \$10,000 of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months is exempt from taxation. Notwithstanding this subsection, a permanent resident of this State who loses ownership of a homestead in this State due to a tax lien foreclosure and subsequently regains ownership of the homestead from the municipality that foreclosed on the tax lien is deemed to have continuously owned the homestead and may not be determined ineligible for the exemption provided in this section due to the ownership of the homestead by the municipality. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to the homestead is held by the applicant jointly or in common with others, the exemption

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may not exceed \$10,000 of the just value of the homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

### **1-A. Local assessed value of the exemption.** (Repealed)

**1-B. Additional exemption.** A homestead eligible for an exemption under subsection 1 is eligible for an additional exemption of \$5,000 of the just value of the homestead for property tax years beginning on April 1, 2016, \$10,000 of the just value of the homestead for property tax years beginning on April 1, 2017, April 1, 2018 and April 1, 2019 and \$15,000 of the just value of the homestead for property tax years beginning on or after April 1, 2020.

**2. Exemption in addition to other exemptions.** The exemption provided in this subchapter is in addition to the exemptions provided in sections 653 and 654-A.

**3. Effect on state valuation.** For property tax years beginning before April 1, 2018, 50% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on April 1, 2018 and April 1, 2019, 62.5% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on April 1, 2020 and April 1, 2021, 70% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on or after April 1, 2022, a percentage of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. The percentage for each property tax year is the same as the percentage of state reimbursement for that property tax year under section 685, subsection 2.

**4. Property tax rate.** For property tax years beginning before April 1, 2018, 50% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on April 1, 2018 and April 1, 2019, 62.5% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on April 1, 2020 and April 1, 2021, 70% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on or after April 1, 2022, a percentage of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. The percentage for each property tax year is the same as the percentage of state reimbursement for that property tax year under section 685, subsection 2. The municipal tax rate as finally determined may be applied to only the taxable portion of each homestead qualified for that tax year.

**5. Determination of exemption for cooperative housing corporation.** A cooperative housing corporation may apply for an exemption under this subchapter to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. The application must include a list of all qualifying shareholders and must be updated annually to

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reflect changes in the ownership and residency of qualifying shareholders. The exemption is equal to the amounts specified in subsections 1 and 1-B multiplied by the number of units in the cooperative property occupied by qualifying shareholders. A cooperative housing corporation that receives an exemption pursuant to this section shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders on a per unit basis. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

### **§684. Forms; application**

**1. Generally.** The bureau shall furnish to the assessor of each municipality a sufficient number of printed forms to be filed by applicants for an exemption under this subchapter and shall determine the content of the forms. A municipality shall provide to its inhabitants' reasonable notice of the availability of application forms. An individual claiming an exemption under this subchapter for the first time shall file the application form with the assessor or the assessor's representative. The application must be filed on or before April 1st of the year on which the taxes are based.

**2. False filing.** An individual who knowingly gives false information for the purpose of claiming a homestead exemption under this subchapter commits a Class E crime. Except for a person on active duty serving in the Armed Forces of the United States who is permanently stationed at a military or naval post, station or base in the State, an individual who claims to be a permanent resident of this State under this subchapter who also claims to be a permanent resident of another state for the tax year for which an application for a homestead exemption is made commits a Class E crime.

**3. Continuation of eligibility.** The assessor shall evaluate annually the ongoing eligibility of property for which a homestead exemption has been approved under this subchapter. The evaluation must be based on the status of the property on April 1st of the year on which the homestead exemption is based. The evaluation must include, but is not limited to, a review of whether the ownership of the property has changed in any manner that would disqualify the property for an exemption under this subchapter or whether the owner has ceased to use the property as a homestead. Unless the assessor determines that the property is no longer entitled to an exemption under this subchapter, the owner is entitled to receive the exemption without having to reapply. If the assessor determines that the property is no longer entitled to an exemption under this subchapter, the assessor shall notify the owner as provided in section 686 that the property is no longer entitled to an exemption under this subchapter.

**4. Owner notification.** An owner of property receiving an exemption under this subchapter shall notify the assessor promptly when the ownership or use of the property changes so as to change the qualification of the property for an exemption under this subchapter.

### **§685. Duty of assessor; reimbursement by State**

**1. Examination and identification.** The assessor shall examine each application for homestead exemption that is timely filed with the assessor, determine whether the property is entitled to an exemption under this subchapter and identify the exemption in the municipal valuation.

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**2. Entitlement to reimbursement by the State; calculation.** A municipality that has approved homestead exemptions under this subchapter may recover from the State:

- A. For property tax years beginning before April 1, 2018, 50% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B;
- B. For property tax years beginning on April 1, 2018 and April 1, 2019, 62.5% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B;
- C. For property tax years beginning on April 1, 2020 and April 1, 2021, 70% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B;
- D. For property tax years beginning on April 1, 2022, 73% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; and
- E. For property tax years beginning on or after April 1, 2023, the percentage of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B that is 3 percentage points over the percentage for the previous year until the percentage of reimbursement reaches 100%.

The municipality must provide proof in a form satisfactory to the bureau. The bureau shall reimburse the Unorganized Territory Education and Services Fund in the same manner for taxes lost by reason of the exemptions.

**3. Information provided to State; deviations in assessment ratio.** The assessor shall provide by June 1st, annually, any relevant information requested by the bureau for the purpose of determining the actual assessment ratio for developed parcels in use in a municipality. The certified ratio declared by the municipality must be considered accurate by the bureau if it is within 10% of the assessment ratio last determined by the bureau in its annual report of ratio studies involving developed parcels of property. The assessor may submit additional information on the relevant assessment ratio to the bureau in order to prove that a different ratio should apply. The bureau may accept a certified ratio that deviates more than 10% from the last reported developed parcel ratio only if the information submitted by the municipality clearly indicates that the certified ratio is more accurate than the assessment ratio contained in the bureau's most recent annual report.

**4. Estimated and final payments by the State.** Reimbursement to municipalities must be made in the following manner.

- A. The bureau shall estimate the amount of reimbursement required under this section for each municipality and certify 75% of the estimated amount to the Treasurer of State by August 1st, annually. The Treasurer of State shall pay by August 15th, annually, the amount certified to each municipality entitled to reimbursement.
- B. A municipality claiming reimbursement under this section shall submit a claim to the bureau by November 1st of the year in which the exemption applies or within 30 days of commitment of taxes, whichever occurs later. The bureau shall review the claims and

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determine the total amount to be paid. The bureau shall certify and the Treasurer of State shall pay by July 15th of the year following the year in which the exemption applies the difference between the estimated payment issued and the amount that the bureau finally determines for the year in which the exemption applies. If the total amount of reimbursement to which a municipality is entitled is less than the amount received under paragraph A, the municipality shall repay the excess to the State by December 30th of that year, or the amount may be offset against the amount of state-municipal revenue sharing due the municipality under Title 30-A, section 5681.

**5. Reimbursement for state mandated costs.** The bureau shall reimburse municipalities and the Unorganized Territory Education and Services Fund for state mandated costs in the manner provided in Title 30-A, section 5685.

### **§686. Denial of homestead exemption; appeals**

If the assessor determines that a property is not entitled to a homestead exemption under this subchapter, the assessor shall promptly provide a notice of denial, including the reasons for the denial, to the applicant by either personal delivery or regular mail. An applicant may appeal a denial of an exemption under this subchapter using the procedures provided in subchapter 8. If the assessor determines that a property receiving an exemption under this subchapter any year within the 10 preceding years was not eligible for the exemption, the assessor shall immediately notify the bureau in writing.

### **§687. Supplemental assessment**

If the assessor notifies the bureau under section 686, or the bureau otherwise determines that a property improperly received an exemption under this subchapter for any of the 10 years immediately preceding the determination, the assessor shall supplementally assess the property for which the exemption was improperly received, plus costs and interest. The supplemental assessment must be assessed and collected pursuant to section 713-B. The bureau shall deduct the value of the portion of the supplemental assessment that pertains to any funds previously reimbursed to the municipality under section 685 from the next reimbursement issued to the municipality.

### **§688. Effect of determination of residence**

A determination of permanent residence made for purposes of this subchapter is not binding on the bureau with respect to the administration of Part 8 and has no effect on determination of domicile for purposes of the Maine individual income tax.

### **§689. Audits; determinations of bureau**

The bureau may audit the records of a municipality to ensure compliance with this subchapter. The bureau may independently review the records of a municipality to determine if homestead exemptions have been properly approved. If the bureau determines that a homestead exemption was improperly approved, the bureau shall ensure, either by setoff against other payments due the municipality or otherwise, that the municipality is not reimbursed for the

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exemption. A municipality that is aggrieved by a determination of the bureau under this section may appeal pursuant to section 151.

### SUBCHAPTER 4-C BUSINESS EQUIPMENT TAX EXEMPTION

#### §691. Definitions; exemption limitations

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

A. "Eligible business equipment" means qualified property that, in the absence of this subchapter, would first be subject to assessment under this Part on or after April 1, 2008. "Eligible business equipment" includes, without limitation, repair parts, replacement parts, replacement equipment, additions, accessions and accessories to other qualified property that first became subject to assessment under this Part before April 1, 2008 if the part, addition, equipment, accession or accessory would, in the absence of this subchapter, first be subject to assessment under this Part on or after April 1, 2008. "Eligible business equipment" also includes inventory parts. "Eligible business equipment" does not include property to the extent it is eligible for exemption from property tax under any other provision of law.

"Eligible business equipment" does not include:

- (1) Office furniture, including, without limitation, tables, chairs, desks, bookcases, filing cabinets and modular office partitions;
- (2) Lamps and lighting fixtures used primarily for the purpose of providing general purpose office or worker lighting;
- (3) Property owned or used by an excluded person;
- (4) Telecommunications personal property subject to the tax imposed by section 457;
- (5) Gambling machines or devices, including any device, machine, paraphernalia or equipment that is used or usable in the playing phases of any gambling activity as that term is defined in Title 8, section 1001, subsection 15, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine. "Gambling machines or devices" includes, without limitation:
  - (a) Associated equipment as defined in Title 8, section 1001, subsection 2;
  - (b) Computer equipment used directly and primarily in the operation of a slot machine as defined in Title 8, section 1001, subsection 39;
  - (c) An electronic video machine as defined in Title 17, section 1831, subsection 4;
  - (d) Equipment used in the playing phases of lottery schemes; and

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(e) Repair and replacement parts of a gambling machine or device;

(6) Property located at a retail sales facility and used primarily in a retail sales activity unless the property is owned by a business that operates a retail sales facility in the State exceeding 100,000 square feet of interior customer selling space that is used primarily for retail sales and whose Maine-based operations derive less than 30% of their total annual revenue on a calendar year basis from sales that are made at a retail sales facility located in the State. For purposes of this subparagraph, the following terms have the following meanings:

(a) "Primarily" means more than 50% of the time;

(b) "Retail sales activity" means an activity associated with the selection and retail purchase of goods or rental of tangible personal property. "Retail sales activity" does not include production as defined in section 1752, subsection 9-B; and

(c) "Retail sales facility" means a structure used to serve customers who are physically present at the facility for the purpose of selection and retail purchase of goods or rental of tangible personal property. "Retail sales facility" does not include a separate structure that is used as a warehouse or call center facility;

(7) Property that is not entitled to an exemption by reason of the additional limitations imposed by subsection 2; or

(8) Personal property that would otherwise be entitled to exemption under this subchapter used primarily to support a telecommunications antenna used by a telecommunications business subject to the tax imposed by section 457.

B. "Excluded person" means:

(1) A public utility as defined in Title 35-A, section 102, subsection 13;

(2) A person that provides radio paging service as defined in Title 35-A, section 102, subsection 15;

(3) A person that provides mobile telecommunications services as defined in Title 35-A, section 102, subsection 9-A;

(4) A cable television company as defined in Title 30-A, section 2001, subsection 2;

(5) A person that provides satellite-based direct television broadcast services; or

(6) A person that provides multichannel, multipoint television distribution services.

C. "Exempt business equipment" means eligible business equipment that is exempt under this subchapter.

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D. "Inventory parts" includes repair parts, replacement parts, replacement equipment, additions, accessions and accessories on hand but not in service and stocks or inventories of repair parts, replacement parts, replacement equipment, additions, accessions and accessories on hand but not in service and other machinery and equipment on hand for future use but not in service if acquired after April 1, 2007, regardless of when placed in service.

E. "Municipal tax increment percentage" means, with respect to tax increment financing districts, the specified percentage of captured assessed value retained as provided in Title 30-A, section 5227 and allocated to the municipality for the municipality's own authorized project costs as provided in Title 30-A, section 5225. With respect to tax increment financing districts authorized pursuant to Title 30-A, former chapter 207, "municipal tax increment percentage" means the specified percentage of captured assessed value retained as provided in Title 30-A, former section 5254, subsection 1 and allocated to the municipality for the municipality's own authorized project costs as provided in Title 30-A, former section 5252, subsection 8.

F. "Qualified property" means tangible personal property that:

(1) Is used or held for use exclusively for a business purpose by the person in possession of it or, in the case of construction in progress or inventory parts, is intended to be used exclusively for a business purpose by the person who will possess that property; and

(2) Either:

(a) Was subject to an allowance for depreciation under the Code on April 1st of the property tax year for which a claim for exemption under this subchapter is filed or would have been subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated; or

(b) In the case of construction in progress or inventory parts, would be subject under the Code to an allowance for depreciation when placed in service or would have been subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated.

"Qualified property" also includes all property that is affixed or attached to a building or other real estate if the property is used primarily to further a particular trade or business activity taking place in that building or on that real estate.

"Qualified property" does not include a building or components or attachments to a building if they are used primarily to serve the building as a building, regardless of the particular trade or activity taking place in or on the building. "Qualified property" also does not include land improvements if they are used primarily to further the use of the land as land, regardless of the particular trade or business activity taking place in or on the land. In the case of construction in progress or inventory parts, the term "used" means "intended to be used." "Qualified property" also does not include any vehicle on which a tax assessed pursuant to chapter 111 has been paid or any watercraft registered for use on state waters on which a tax assessed pursuant to chapter 112 has been paid.



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G. "TIF exempt business equipment" means exempt business equipment that is located within a tax increment financing district.

**2. Additional limitations.** The exemptions provided pursuant to this subchapter are limited pursuant to this subsection.

A. Exemption for certain energy facilities under this subchapter is limited as follows.

(1) The exemption provided by this subchapter does not apply to a natural gas pipeline, including pumping or compression stations, storage depots and appurtenant facilities used in the transportation, delivery or sale of natural gas, but not including a pipeline that is less than a mile in length and is owned by a consumer of natural gas delivered through the pipeline.

(2) The exemption provided in this subchapter does not apply to property used to produce or transmit energy primarily for sale. Energy is primarily for sale if during the immediately preceding property tax year 2/3 or more of the useful energy is directly or indirectly sold and transmitted through the facilities of a transmission and distribution utility.

(3) For purposes of this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(a) "Transmission and distribution utility" has the same meaning as in Title 35-A, section 102, subsection 20-B.

(b) "Useful energy" is energy in any form that does not include waste heat, efficiency losses, line losses or other energy dissipation.

B. Pollution control facilities that are entitled to exemption pursuant to section 656, subsection 1, paragraph E are not entitled to an exemption under this subchapter, except if:

(1) The property is entitled to an exemption under section 656, subsection 1, paragraph E but has not yet been certified for exemption under that paragraph;

(2) The property has been placed in service after the December 1st immediately preceding April 1st of the tax year for which the exemption is sought but prior to April 1st of the property tax year for which the exemption is sought; and

(3) The taxpayer has submitted the required application for certification to the Commissioner of Environmental Protection prior to April 1st.

The exemption under this subchapter continues for property that meets the requirements of subparagraphs (1), (2) and (3) only until the certification for exemption under section 656, subsection 1, paragraph E has been granted. If the State Tax Assessor or an assessor denies an exemption on the ground that the property in question is entitled to exemption under section 656, subsection 1, paragraph E and the taxpayer appeals the denial, the State Tax Assessor or assessor shall, at the taxpayer's request, allow the taxpayer up to one year to

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obtain a statement from the Commissioner of Environmental Protection that the property at issue is not exempt under section 656, subsection 1, paragraph E. If the taxpayer timely produces such a statement or otherwise demonstrates that the property is not exempt under section 656, subsection 1, paragraph E, the State Tax Assessor or an assessor shall allow the exemption under this subchapter, but only for the year in question.

### §692. Exemption of business equipment

**1. Eligible business equipment exempt.** Eligible business equipment is exempt from all taxation under this Part, except chapters 111 and 112.

**2. Just value of exemption.** In determining the just value of exempt business equipment, the assessor shall determine the just value of the property in the same manner as prescribed in section 701-A as if the property were subject to taxation.

**3. Effect on state valuation.** The exemption has the following effect on state valuation.

A. Except as provided in paragraph B, the percentage of just value of exempt business equipment to be included in the annual determination of state valuation under sections 208 and 305 for tax year 2008 and subsequent tax years is as follows:

(1) The applicable percentage specified in section 694, subsection 2, paragraph A for exempt business equipment for which the municipality receives reimbursement under section 694, subsection 2, paragraph A;

(2) The applicable percentage calculated under section 694, subsection 2, paragraph B for exempt business equipment for which the municipality receives reimbursement under section 694, subsection 2, paragraph B; and

(3) Zero for exempt business equipment for which the municipality receives reimbursement under section 694, subsection 2, paragraph C.

B. In the case of a municipality that has one or more tax increment financing districts authorized pursuant to Title 30-A, chapter 206, subchapter 1 and effective under Title 30-A, section 5226, subsection 3 prior to April 1, 2008 or authorized pursuant to Title 30-A, former chapter 207 and effective under Title 30-A, former section 5253, subsection 1, paragraph F prior to April 1, 2008, for the 2008 tax year and subsequent tax years, the percentage of just value of TIF exempt business equipment located in such a tax increment financing district that must be included in the annual determination of state valuation pursuant to paragraph A, subparagraph (1) or (2) is decreased, but not below zero, by a percentage amount equal to the municipal tax increment percentage for the tax increment financing district in which the TIF exempt business equipment is located.

**4. Property tax rate.** The following percentages of the value of exempt business equipment must be included in the total municipal valuation used to determine the municipal tax rate for 2008 and subsequent tax years:

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- A. The applicable percentage specified in section 694, subsection 2, paragraph A for exempt business equipment for which the municipality is entitled to receive reimbursement under section 694, subsection 2, paragraph A;
- B. The applicable percentage calculated under section 694, subsection 2, paragraph B for exempt business equipment for which the municipality receives reimbursement under section 694, subsection 2, paragraph B; and
- C. The applicable percentage calculated under section 694, subsection 2, paragraph C for exempt business equipment for which the municipality receives reimbursement under section 694, subsection 2, paragraph C.

For purposes of this subsection, the value of exempt business equipment must be adjusted by the percentage of just value upon which the assessment of the total value of all assessed property in the municipality is based, as certified pursuant to section 383.

### **§693. Forms; reporting**

**1. Reporting.** On or before April 1st of each year, a taxpayer claiming an exemption under this subchapter shall file a report with the assessor of the taxing jurisdiction in which the property would otherwise be subject to taxation on April 1st of that year. The report must identify the property for which exemption is claimed that would otherwise be subject to taxation on April 1st of that year and must be made on a form prescribed by the State Tax Assessor or substitute form approved by the State Tax Assessor. The State Tax Assessor shall furnish copies of the form to each municipality in the State and the form must be made available to taxpayers prior to April 1st annually. The assessor of the taxing jurisdiction may require the taxpayer to sign the form and make oath to its truth. If the report is not filed by April 1st, the filing deadline is automatically extended to May 1st without the need for the taxpayer to request or the assessor to grant that extension. Upon written request, before the commitment of taxes, the assessor may grant further extensions of time to file the report. If a taxpayer fails to file the report in a timely manner, including any extensions of time, the taxpayer may not obtain an exemption for that property under this subchapter for that tax year. The assessor of the taxing jurisdiction may require in writing that a taxpayer answer in writing all reasonable inquiries as to the property for which exemption is requested. A taxpayer has 30 days from receipt of such an inquiry to respond. Upon written request, a taxpayer is entitled to a 30-day extension to respond to the inquiry and the assessor may at any time grant additional extensions upon written request. The answer to any such inquiry is not binding on the assessor.

All notices and requests provided pursuant to this subsection must be made by personal delivery or certified mail and must conspicuously state the consequences of the taxpayer's failure to respond to the notice or request in a timely manner.

If an exemption has already been accepted and the State Tax Assessor subsequently determines that the property is not entitled to exemption, a supplemental assessment must be made within 3 years of the original assessment date with respect to the property in compliance with section 713, without regard to the limitations contained in that section regarding the justification necessary for a supplemental assessment.

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**2. False filing.** An individual who knowingly gives false information for the purpose of claiming an exemption under this subchapter commits a Class E crime.

**3. Continuation of eligibility.** A person must annually file the report required by this section for all eligible business equipment, even though there may be no substantive change in the property from one year to the next.

**4. Information confidential.** (Repealed)

### §694. Duty of assessor; reimbursement by State

**1. Examination and identification.** The assessor shall examine each report pursuant to section 693 that is timely filed, determine whether the property identified in the report is entitled to an exemption under this subchapter and determine the just value of the property.

**2. Entitlement to reimbursement by State; calculation.** Reimbursement is calculated as follows.

A. Notwithstanding section 661, upon proof in a form satisfactory to the bureau, unless a municipality chooses reimbursement under paragraph B, a municipality that has accepted a valid exemption under this subchapter is entitled to recover from the State the applicable percentage of property tax revenue lost by reason of the exemption. Except as otherwise provided in this subsection, the applicable percentage is:

(1) For property tax years beginning April 1, 2008, 100%;

(2) For property tax years beginning April 1, 2009, 90%;

(3) For property tax years beginning April 1, 2010, 80%;

(4) For property tax years beginning April 1, 2011, 70%;

(5) For property tax years beginning April 1, 2012, 60%; and

(6) For property tax years beginning April 1, 2013 and for subsequent tax years, 50%.

B. In the case of a municipality that chooses reimbursement under this paragraph in which the personal property factor exceeds 5%, the applicable percentage for exempt business equipment is 50% plus an amount equal to 1/2 of the personal property factor. For purposes of this paragraph, "personal property factor" means the percentage derived from a fraction, the numerator of which is the value of business personal property in the municipality, whether taxable or exempt, and the denominator of which is the value of all taxable property in the municipality plus the value of exempt business equipment. For purposes of this paragraph, the taxable value of exempt business equipment is the value that would have been assessed on that equipment if it were taxable.

C. In the case of a municipality that has one or more tax increment financing districts authorized pursuant to Title 30-A, chapter 206, subchapter 1 and effective under Title 30-A,

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section 5226, subsection 3 prior to April 1, 2008 or authorized pursuant to Title 30-A, former chapter 207 and effective under Title 30-A, former section 5253, subsection 1, paragraph F, prior to April 1, 2008, the applicable percentage with respect to TIF exempt business equipment is 50% plus a percentage amount equal to the percentage amount, if any, by which the municipal tax increment percentage for the tax increment financing district in which the TIF exempt business equipment is located exceeds 50%. This paragraph applies only when it will result in a greater percentage of reimbursement for the TIF exempt business equipment than would be provided under the greater of paragraph A or B and the reimbursement has been used to fund a development program pursuant to Title 30-A, section 5224.

**3. Reimbursement to unorganized territory education and services.** The bureau shall calculate the reimbursement to the Unorganized Territory Education and Services Fund for property tax revenue lost by reason of the exemption in the same manner as it does for municipalities and at the same percentages as are applicable to municipalities.

**4. Information provided to State; deviations in assessment ratio.** (Repealed)

**5. Payments by State.** Reimbursements to municipalities must be made as described in this subsection. A municipality claiming reimbursement under this section shall submit a claim to the bureau by November 1st of the year in which the exemption applies or within 30 days of commitment of taxes, whichever occurs later. The bureau shall review the claims and determine the total amount to be paid. The bureau shall certify and the Treasurer of State shall pay by December 15th of the year in which the exemption applies the amount that the bureau determines for that tax year. Municipal claims that are timely filed after November 1st must be paid as soon as reasonably possible after the December 15th payment date.

### **§695. Denial of exemption; appeals**

If the assessor determines that a property is not entitled to an exemption under this subchapter, the assessor shall provide a written notice of denial prior to the tax commitment date in that municipality, including the reasons for the denial, to the applicant by either personal delivery or certified mail. An applicant may contest a denial by the assessor of an exemption under this subchapter either by using the procedures provided in subchapter 8 or by pursuing such other actions or proceedings by which other property tax exemptions under this chapter may be reviewed or adjudicated. If the assessor determines that a property receiving an exemption under this subchapter in any year within the 3 preceding years was not eligible for the exemption, the assessor shall immediately notify the bureau in writing.

### **§696. Supplemental assessment**

If the assessor makes a determination under section 695 or the bureau makes a determination pursuant to section 697 that property receiving an exemption under this subchapter was not entitled to an exemption under this subchapter, the assessor shall by means of a supplemental assessment assess the property for which the exemption was improperly received, plus costs and interest. The taxpayer may contest a supplemental assessment under this subchapter either by using the procedures provided in subchapter 8 or by pursuing such other actions or proceedings by which other property tax exemptions under this chapter may be reviewed or adjudicated. The

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supplemental assessment must be assessed and collected pursuant to section 713. The bureau shall deduct the amount of the portion of the supplemental assessment that pertains to any funds previously reimbursed to the municipality under section 694 from the next reimbursement issued to the municipality.

### **§697. Audits; determination of bureau**

The bureau may audit the records of a municipality to ensure compliance with this subchapter. The bureau may independently review the records of a municipality to determine if exemptions have been properly approved. If the bureau determines that an exemption was improperly approved, the bureau shall ensure, by setoff against other payments due the municipality or otherwise, that the municipality is not reimbursed for the exemption. A municipality that is aggrieved by a determination of the bureau under this section may appeal pursuant to section 151.

### **§698. Appeals (REPEALED)**

### **§699. Legislative findings; intent**

**1. Findings.** The Legislature finds that encouragement of the growth of capital investment in this State is in the public interest and promotes the general welfare of the people of the State. The Legislature further finds that the high cost of owning qualified business property in this State is a disincentive to the growth of capital investment in this State. The Legislature further finds that the tax exemption set forth in this subchapter is a reasonable means of overcoming this disincentive and will encourage capital investment in this State.

**2. Intent.** It is the intent of the Legislature to fund fully transfers to the Disproportionate Tax Burden Fund under section 700-A, subsection 1 and reimbursements under the business equipment tax reimbursement program under section 6652, subsection 4, paragraph B.

### **§700. Reimbursement for state-mandated costs**

The bureau shall reimburse municipalities and the Unorganized Territory Education and Services Fund for state-mandated costs in the manner provided in Title 30-A, section 5685.

### **§700-A. Additional municipal compensation**

**1. Transfers to Disproportionate Tax Burden Fund.** Pursuant to section 699, subsection 2 and in order to provide additional compensation to municipalities affected by property tax exemptions provided under this subchapter, the Treasurer of State shall make the following transfers as provided in section 700-B to the Disproportionate Tax Burden Fund established in Title 30-A, section 5681, subsection 3:

A. In fiscal year 2009-10, \$2,000,000;

B. In fiscal year 2010-11, \$2,500,000;

C. In fiscal year 2011-12, \$3,000,000;

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D. In fiscal year 2012-13, \$3,500,000; and

E. In fiscal year 2013-14 and subsequent fiscal years, \$4,000,000.

### **§700-B. Adjustments to revenue**

**1. Certification.** By June 30, 2009 and each subsequent year, the State Tax Assessor shall certify to the State Controller amounts certified to the Treasurer of State as reimbursements to be paid to municipalities during the fiscal year under section 694, subsection 5. The Treasurer of State shall certify to the State Controller payments due under section 700-A.

**2. Transfer.** The State Controller shall transfer amounts certified under subsection 1 to the Business Equipment Tax Reimbursement reserve account established, maintained, and administered by the State Controller from General Fund undedicated revenue. The assessor and the Treasurer of State shall pay amounts required under section 694, subsection 5 and section 700-A.

## **SUBCHAPTER 5 POWERS AND DUTIES OF ASSESSORS**

### **§701. Rules for assessment**

In the assessment of all taxes, assessors shall govern themselves by this chapter and, when applicable, chapter 102 and shall obey all warrants received by them while in office.

#### **§701-A. Just value defined**

In the assessment of property, assessors in determining just value are to define this term in a manner that recognizes only that value arising from presently possible land use alternatives to which the particular parcel of land being valued may be put. In determining just value, assessors must consider all relevant factors, including without limitation the effect upon value of any enforceable restrictions to which the use of the land may be subjected including the effect on value of designation of land as significant wildlife habitat under Title 38, section 480-BB, current use, physical depreciation, sales in the secondary market, functional obsolescence and economic obsolescence. Restrictions include but are not limited to zoning restrictions limiting the use of land, subdivision restrictions and any recorded contractual provisions limiting the use of lands. The just value of land is determined to arise from and is attributable to legally permissible use or uses only.

For the purpose of establishing the valuation of unimproved acreage in excess of an improved house lot, contiguous parcels and parcels divided by road, powerline or right-of-way may be valued as one parcel when: each parcel is 5 or more acres; the owner gives written consent to the assessor to value the parcels as one parcel; and the owner certifies that the parcels are not held for sale and are not subdivision lots.

For the purpose of establishing the valuation of improved real property, the property must be valued based on its highest and best use as of April 1st of each year, taking all of the following 3 approaches to value into consideration: cost, income capitalization and sales comparison. In

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establishing the valuation of improved real property, assessors shall consider age, condition, use, type of construction, location, design, physical features and economic characteristics.

In determining just value, consistent with the Constitution of Maine, Article IX, Section 8, a property subject to restrictions, contractual or otherwise, that restrict the permitted use of a property may not be considered comparable to property not so restricted.

### **§702. Assessors' liability**

Assessors of municipalities and primary assessing areas are not responsible for the assessment of any tax which they are by law required to assess; but the liability shall rest solely with the municipality for whose benefit the tax was assessed, and the assessors shall be responsible only for their own personal faithfulness and integrity.

### **§703. Select board to act as assessors**

If any municipality does not choose assessors and is not a part of a primary assessing area, the members of the select board are the assessors, and each of them must be sworn as an assessor. A member of the select board who is an assessor pursuant to this paragraph may resign the position of assessor without resigning office as a member of the select board. The position of assessor must then be filled by appointment pursuant to Title 30-A, section 2602, subsection 2.

### **§704. Delinquent assessors; violation**

Any assessor who refuses to assess a state, county or municipal tax as required by law, or shall knowingly omit or fail to perform any duty imposed upon him by law, commits a civil violation for which a forfeiture not to exceed \$100 may be adjudged.

### **§705. County commissioners may appoint assessors; procedure**

If for 3 months after any warrant for a county tax has been issued, a municipality that is not part of a primary assessing area or is not a primary assessing area has neglected to choose assessors, or the assessors chosen have neglected to assess and certify such tax, the treasurer of the county in which that municipality is located may so notify the county commissioners.

On receipt of such notification the county commissioners shall appoint 3 or more suitable persons in the county to be assessors for such municipality. New warrants must be issued to those assessors; those warrants supersede the county warrants originally issued to the assessors of the delinquent municipality.

Assessors appointed under this section must be duly sworn; are subject to the same duties and penalties as other assessors; and shall assess upon the polls and estates of the municipality its due proportion of county taxes, and such reasonable charges for time and expense in making the assessment as the county commissioners may approve; such charges must be paid from the county treasury.

### **§706. Taxpayers to list property, notice, penalty, verification (REPEALED)**



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### **§706-A. Taxpayers to list property; notice; penalty; verification**

**1. Taxpayers to list property; inquiries.** Before making an assessment, the assessor may give timely notice in writing to all persons liable to taxation or qualifying for an exemption subject to full or partial reimbursement by the State to furnish to the assessor true and perfect lists of all the property the taxpayer possessed on the first day of April of the same year and may at the time of the notice or thereafter require the taxpayer to answer in writing all proper inquiries as to the nature, situation and value of the taxpayer's property liable to be taxed in the State or subject to an exemption subject to full or partial reimbursement by the State. The list and answers are not conclusive upon the assessor.

As may be reasonably necessary to ascertain the value of property according to the income approach to value pursuant to the requirements of section 208-A or generally accepted assessing practices, these inquiries may seek information about income and expense, manufacturing or operational efficiencies, manufactured or generated sales price trends or other related information.

A taxpayer has 30 days from receipt of a request for a true and perfect list or of proper inquiries to respond to the request or inquiries. Upon written request to the assessor, a taxpayer is entitled to a 30-day extension to respond to the request for a true and perfect list or proper inquiries, and the assessor may at any time grant additional extensions upon written request. Information provided by the taxpayer in response to an inquiry that is proprietary information and is clearly labeled by the taxpayer as proprietary and confidential information, is confidential and is not a public record for purposes of Title 1, chapter 13.

A notice to or inquiry of a taxpayer made under this section may be by mail directed to the last known address of the taxpayer or by any other method that provides reasonable notice to the taxpayer.

If notice is given by mail and the taxpayer does not furnish the list and answers to all proper inquiries, the taxpayer may not apply to the assessor for an abatement or appeal an application for abatement of those taxes unless the taxpayer furnishes the list and answers with the application and satisfies the assessing authority or authority to whom an appeal is made that the taxpayer was unable to furnish the list and answers in the time required. The list and answers are not conclusive upon the assessor.

If the assessor fails to give notice by mail, the taxpayer is not prohibited from applying for an abatement; however, upon demand, the taxpayer shall furnish the list and answer in writing all proper inquiries as to the nature, situation and value of the taxpayer's property liable to be taxed in the State. A taxpayer's refusal or neglect to answer the inquiries bars an appeal, but the list and answers are not conclusive upon the assessor.

The assessor may require the person furnishing the list and answers to all proper inquiries to subscribe under oath to the truth of the list and answers.

**2. Penalty.** It is unlawful for any public official or any employee, agent, attorney or consultant of the taxing jurisdiction to willfully disclose any taxpayer information made confidential by this section or examine information made confidential by this section for any

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purpose other than the conduct of official duties pertaining to property tax administration. Information made confidential by this section may be disclosed:

- A. To the State Tax Assessor, who shall treat such information as confidential for purposes of section 191, subsection 2, paragraph I;
- B. To a mediator retained pursuant to section 271, subsection 5-A;
- C. In a judicial proceeding in camera;
- D. In an administrative proceeding, in executive session, pursuant to Title 1, section 405, subsection 6, paragraph F;
- E. To the person who filed the confidential information or that person's representative authorized by the person in writing to receive the information;
- F. To a public official or any employee, agent, attorney, or consultant of the taxing jurisdiction; and
- G. To any other person with the taxpayer's written consent.

A person who knowingly violates the confidentiality provisions of this subsection commits a Class E crime.

**3. Proprietary information.** For the purposes of this section, "proprietary information" means information that is a trade secret or production, commercial or financial information the disclosure of which would impair the competitive position of the person submitting the information and would make available information not otherwise publicly available and information protected from disclosure by federal or state law, rules or regulations.

### **§707. Exempt property; inventory required**

Assessors shall include in their inventory, but not in the tax list, every 5 years beginning in 1963:

- 1. Neat cattle.**
- 2. Property of veterans.** The value of the real property of veterans, their widows, widowers, and minor children not taxed;
- 3. Houses of religious worship.** The value of the real estate of all houses of religious worship and parsonages not taxed;
- 4. Property of benevolent and charitable institutions.** The value of all real property of benevolent and charitable institutions not taxed;
- 5. Property of literary institutions.** The value of all real property of literary and scientific institutions not taxed;

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**6. Property of governmental units.** The value of the real property of the United States, the State of Maine and any public municipal corporation;

**7. Other property.** The value of all other real property not taxed.

### **§708. Assessors to value real estate and personal property**

The assessors and the chief assessor of a primary assessing area shall ascertain as nearly as may be the nature, amount and value as of the first day of each April of the real estate and personal property subject to be taxed, and shall estimate and record separately the land value, exclusive of buildings, of each parcel of real estate.

### **§708-A. Certification of valuation lists (REPEALED)**

### **§709. Assessment and commitment**

The assessors shall assess upon the estates in their municipality all municipal taxes and their due proportion of any state or county tax payable during the municipal year for which municipal taxes are being raised, make perfect lists thereof and commit the same, when completed and signed by a majority of them, to the tax collector of their municipality, if any, otherwise to the sheriff of the county or his deputy, with a warrant under their hands, in the form prescribed by section 753.

### **§709-A. Primary assessing areas; assessment and commitment**

The municipal officers after receipt of the valuation lists from the primary assessing areas shall assess upon the estates in their municipality all municipal taxes and their due proportion of any state or county tax, make perfect lists thereof and commit the same, when completed and signed by a majority of them, to the tax collector of their municipality, if any, otherwise to the sheriff of the county or his deputy, with a warrant under their hands in the form prescribed by section 753.

The municipal officers may delegate the preparation of such lists to any municipal employee, appropriately designated in writing, or may contract with the primary assessing area for the preparation of such lists.

### **§709-B. Extension of commitment time limit for 1977 (REPEALED)**

### **§710. Overlay**

The assessors or, in primary assessing areas, the municipal officers may assess on the estates such sum above the sum necessary for them to assess, not exceeding 5% thereof as a fractional division renders convenient and certify that fact to their municipal treasurer.

### **§711. Assessment record**

The assessors or, in primary assessing areas, the municipal officers shall make a record of their assessment and of the invoice and valuation from which it was made. Before the taxes are

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committed to the officer for collection, they shall deposit such record, or a copy of it, in the assessor's office, or, in the case of a primary assessing area, with the municipal clerk, there to remain. Any place where the assessors usually meet to transact business and keep their papers or books is considered their office. An assessor, the municipal officers or any other municipal official with custodial authority over the assessing records shall make the entire assessing record related to any taxable property within the municipality available to the owner of that property upon request in a timely manner.

### **§712. Certificate of assessment**

When the assessors or, in primary assessing areas, the municipal officers have assessed any tax and committed it to the tax collector, they shall return to the appropriate treasurer a certificate thereof with the name of such officer.

### **§713. Supplemental assessments**

Supplemental assessments may be made within 3 years from the last assessment date whenever it is determined that any estates liable to taxation have been omitted from assessment or any tax on estates is invalid or void by reason of illegality, error or irregularity in assessment. A supplemental assessment may be made during the municipal year whenever, through error or inadvertence, the assessors have omitted from their assessment or commitment taxes duly raised by the municipality or its proportion of any state or county tax payable during the municipal year. In municipalities not a part of a primary assessing area, the assessors for the time being may, by a supplement to the invoice and valuation and the list of assessments, assess such estates for their due proportion of such tax, according to the principles on which the previous assessment was made. In primary assessing areas, the chief assessor may, by a supplement to the valuation list, certify the valuation of such estates to the municipal officers who shall assess such estates according to the principles upon which the previous assessment was made.

Such supplemental assessments shall be committed to the collector for the time being with a certificate as provided in sections 709 and 709-A stating that they were invalid or void or omitted and that the powers in the previous warrant, naming the date of it, are extended thereto. The tax collector has the same power, and is under the same obligation to collect them, as if they had been contained in the original list. Interest shall accrue on all unpaid balances of any supplemental tax, beginning on the 60th day after the date of commitment of the supplemental tax to the collector or the date interest accrues for delinquent taxes under the original commitment, whichever occurs later. The rate of interest shall be the same as specified by the municipality for the current tax year, in accordance with section 505, subsection 4.

All assessments shall be valid, notwithstanding that by such supplemental assessment the whole amount exceeds the sum to be assessed by more than 5%.

The lien on real estate created by section 552 may be enforced as provided in section 948.

Persons subjected to a tax under this section are deemed to have received sufficient notice if the notice required by section 706-A was given.

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### **§713-A. Certain supplemental assessments**

Notwithstanding section 713, when a municipality has foreclosed on a parcel of real estate and the owner recovers the real estate because of errors in the lien and foreclosure process, supplemental assessments may be made for any year back to the year of the foreclosure which is determined to be erroneous.

### **§713-B. Penalties assessed as supplemental assessments**

Penalties imposed under section 581, 1112-C or 1138 may be assessed as supplemental assessments pursuant to section 713 regardless of the number of years applicable in determining the penalty.

### **§714. State-municipal revenue sharing aid**

The assessors shall deduct from the total amount required to be assessed an amount equal to the amount that the municipal officers estimate will be received under Title 30-A, section 5681, during the municipal fiscal year.

## **SUBCHAPTER 6 POWERS AND DUTIES OF TAX COLLECTORS**

### **§751. County taxes; collection**

The tax collector shall collect county taxes and pay those taxes to the treasurer of the municipality as other taxes are paid.

### **§752. -- payment**

On or before the first day of September in each year, the Treasurer of State shall issue his warrant to the treasurer of each municipality requiring him to transmit and pay to the Treasurer of State, on or before the time fixed by law, that municipality's proportion of the state tax for the current year. Warrants for county taxes shall be issued by the county treasurers in the same manner with proper changes.

### **§753. Municipal tax commitment; form**

The State Tax Assessor shall annually, before April 1st, prescribe the form of the municipal tax commitment to be used by municipal assessors in committing property taxes to the municipal tax collector.

### **§754. -- lost or destroyed**

When a warrant for the collection of taxes has been lost or destroyed, the assessors or, in the case of primary assessing areas, the municipal officers may issue a new warrant, which shall have the same force as the original.

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### **§755. Bond**

The municipal officers shall require each tax collector to give a corporate surety bond for the faithful discharge of his duty, to the inhabitants of the municipality, in the sum, and with such sureties as the municipal officers approve. The tax collector may furnish a bond signed by individuals if such individuals submit to the municipal officers a detailed sworn statement as to their personal financial ability, which shall be found acceptable by the municipal officers.

Such bond shall, after its approval and acceptance, be recorded by the clerk in the municipal records, and such record shall be prima facie evidence of the contents of such bond, but a failure to so record shall be no defense in any action upon such bond.

### **§756. Compensation**

When municipalities choose tax collectors, they may agree what sum shall be allowed for performance of their duties. If the basis of compensation agreed upon is a percentage of tax collections, such percentage shall be computed only upon the cash collections of taxes committed to him. Tax liens filed but not discharged prior to the time that the tax collector is to perfect his collections and the amounts paid by the municipality to the tax collector upon the sale of tax deeds shall not be included in computing such percentage. Nothing in this section shall be construed as relieving the tax collector from the duty of perfecting liens for the benefit of the municipality by one of the methods prescribed by law in all cases where taxes on real estate remain unpaid.

### **§757. Receipts for taxes**

When a tax is paid to a tax collector, he shall prepare a receipt for each payment; and upon reasonable request therefor, shall furnish a copy of such receipt to the taxpayer.

### **§757-A. Collector to furnish certificate to boat registration applicants (REPEALED)**

### **§758. Notification to assessors of invalid tax**

Tax collectors and municipal treasurers on receipt of information that a tax may be invalid by reason of error, omission or irregularity in assessment shall at once notify the assessors or the chief assessor of the primary assessing area in writing stating the name of the proper party to be assessed, if known, and the reason why such tax is believed to be invalid, in order that a supplemental assessment may be made.

### **§759. Accounting; penalties**

Every tax collector shall, on the last day of each month, pay to the municipal treasurer all moneys collected by him, and once in 2 months at least shall exhibit to the municipal officers a just and true account of all moneys received on taxes committed to him and excise taxes collected by him, and produce the treasurer's receipt for money by him paid. For each neglect, he forfeits to the municipality \$100 to be recovered by the municipal officers thereof in a civil action.

### **§759-A. Prohibition on commingling funds**

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A tax collector is prohibited from commingling personal funds with any funds collected for a municipality while performing the duty of tax collector.

### **§760. Perfection of collections**

Municipal assessors, or municipal officers in the case of primary assessing areas, shall specify in the collector's warrant the date on or before which the tax collector shall perfect his collections. Such date shall not be less than one year from the date of the commitment of taxes. In the event that no time is specified in the collector's warrant, tax collectors shall perfect their collections within 2 years after the date of the commitment of taxes.

### **§760-A. Minor or burdensome amounts**

**1. Not collected.** After the date for perfection of collections, municipal officers may discharge collectors from any obligation to collect unpaid personal property taxes that the municipal officers determine are too small or too burdensome to collect economically and authorize the municipal treasurer to remove those taxes from the municipal books.

**2. Discharged.** Collectors shall identify the unpaid taxes discharged under subsection 1 on the tax lists.

### **§761. -- failure; action**

An action against a tax collector for failure to perfect his tax collections shall be commenced within 6 years after the date of such collector's warrant.

### **§762. Collections completed by new collectors**

When new tax collectors are chosen and sworn before the former officers have perfected their collections, the latter shall complete the same, as if others had not been chosen and sworn.

### **§763. Settlement procedure; removal from municipality; resignation**

When a tax collector asks the municipal officers to resign the position of tax collector, or when a tax collector has removed, or in the judgment of the municipal officers is about to remove from the municipality before the time set for perfecting his collections, said officers may settle with him for the money that he has received on his tax lists, demand and receive of him such lists, and discharge him therefrom. Said officers may appoint another tax collector, and the assessors or, in the case of primary assessing areas, the municipal officers shall make a new warrant and deliver it to him with said lists, to collect the sums due thereon, and he shall have the same power in their collection as the original tax collector.

If such tax collector refuses to deliver the tax lists and to pay all moneys in his hands collected by him, when duly demanded, he shall be subject to section 894, and is liable to pay what remains due on the tax lists, said sum to be recovered by the municipal officers in a civil action.

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### **§764. -- incapacity**

When a tax collector becomes mentally ill, has a guardian or by bodily infirmities is incapable of performing the duties of his office before completing the collection, the municipal officers may demand and receive the tax lists from any person in possession thereof, settle for the money received thereon and discharge said tax collector from further liability. The tax lists may be committed to a new tax collector.

### **§765. -- death**

If a tax collector dies without perfecting the collection of taxes committed to him, his executor or administrator, within 2 months after his acceptance of the trust, shall settle with the municipal officers for what was received by the deceased in his lifetime. For the amount so received, such executor or administrator is chargeable as the deceased would be if living. If he fails to so settle when he has sufficient assets in his hands, he shall be chargeable with the whole sum committed to the deceased for collection.

### **§766. Warrant for completion of collection; form**

The State Tax Assessor shall prescribe the form of the warrant to be used by the assessors or municipal officers for the completion of the collection of taxes under sections 763 to 765.

## **SUBCHAPTER 7 POWERS AND DUTIES OF SHERIFFS**

### **§801. Sheriff may collect taxes**

If at the time of the completion of the assessment a tax collector has not been chosen or appointed, or if the tax collector neglects to collect a state or county tax, the sheriff of the county shall collect it, on receiving an assessment thereof, with a warrant under the hands of the municipal assessors, or in the case of primary assessing areas, the municipal officers, or the assessors appointed in accordance with section 705, as the case may be.

### **§802. Proceedings by sheriff**

The sheriff or his deputy, on receiving the assessment and warrant for collection provided for in section 801, shall forthwith post in some public place in the municipality assessed, an attested copy of such assessment and warrant, and shall make no distress for any of such taxes until after 30 days therefrom. Any person paying his tax to such sheriff within that time shall pay 5% over and above his tax for sheriff's fees, but those who do not pay within that time shall be distrained or arrested by such officer, as by tax collectors. The same fees shall be paid for travel and service of the sheriff, as in other cases of distress.

### **§803. Sheriff's duty in respect to warrant; alias warrant**

On each execution or warrant of distress issued in accordance with sections 891 and 895, and delivered to a sheriff or his deputy, he shall make return of his doings to such treasurer, with such money, if any, that he has received by virtue thereof. If he neglects to comply with any direction of



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such warrant or execution, he shall pay the whole sum mentioned therein. When it is returned unsatisfied, or satisfied in part only, such treasurer may issue an alias for the sum remaining due on the return of the first; and so on, as often as occasion occurs.

An officer executing an alias warrant against a delinquent tax collector may arrest the tax collector and proceed as on execution for debt. Such delinquent tax collector shall have the same rights and privileges as a debtor arrested or committed on execution in favor of a private creditor.

### SUBCHAPTER 8 ABATEMENT

#### §841. Abatement procedures

**1. Error or mistake.** The assessors, either upon written application filed within 185 days from commitment stating the grounds for an abatement or on their own initiative within one year from commitment, may make such reasonable abatement as they consider proper to correct any illegality, error or irregularity in assessment if the taxpayer has complied with section 706-A.

The municipal officers, either upon written application filed after one year but within 3 years from commitment stating the grounds for an abatement or on their own initiative within that time period, may make such reasonable abatement as they consider proper to correct any illegality, error or irregularity in assessment if the taxpayer has complied with section 706-A. The municipal officers may not grant an abatement to correct an error in the valuation of property.

**2. Hardship or poverty.** The municipal officers, or the State Tax Assessor for the unorganized territory, within 3 years from commitment, may, on their own knowledge or on written application, make such abatements as they believe reasonable on the real and personal taxes on the primary residence of any person who, by reason of hardship or poverty, is in their judgment unable to contribute to the public charges. The municipal officers, or the State Tax Assessor for the unorganized territory, may extend the 3-year period within which they may make abatements under this subsection.

As used in this subsection, "primary residence" means the home, appurtenant structures necessary to support the home and acreage sufficient to satisfy the minimum lot size as required by the municipality's land use or building permit ordinance or regulations or, in the absence of any municipal minimum lot size requirement, as required by Title 12, section 4807-A.

Municipal officers or the State Tax Assessor for the unorganized territory shall:

- A. Provide that any person indicating an inability to pay all or part of taxes that have been assessed because of hardship or poverty be informed of the right to make application under this subsection;
- B. Assist individuals in making application for abatement;
- C. Make available application forms for requesting an abatement based on hardship or poverty and provide that those forms contain notice that a written decision will be made within 30 days of the date of application;

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D. Provide that persons are given the opportunity to apply for an abatement during normal business hours;

E. Provide that all applications, information submitted in support of the application, files and communications relating to an application for abatement and the determination on the application for abatement are confidential. Hearings and proceedings held pursuant to this subsection must be in executive session;

F. Provide to any person applying for abatement under this subsection, notice in writing of their decision within 30 days of application; and

G. Provide that any decision made under this subsection include the specific reason or reasons for the decision and inform the applicant of the right to appeal and the procedure for requesting an appeal.

**3. Inability to pay after 2 years.** If after 2 years from the date of assessment a collector is satisfied that a tax upon real or personal property committed to him for collection cannot be collected by reason of the death, absence, poverty, insolvency, bankruptcy or other inability of the person assessed to pay, he shall notify the municipal officers thereof in writing, under oath, stating the reason why that tax cannot be collected. The municipal officers, after due inquiry, may abate that tax or any part thereof.

**4. Veteran's widow or widower or minor child.** Notwithstanding failure to comply with section 706-A, the assessors, on written application within one year from the date of commitment, may make such abatement as they think proper in the case of the unremarried widow or widower or the minor child of a veteran, if the widow, widower or child would be entitled to an exemption under section 653, subsection 1, paragraph D, except for the failure of the widow, widower or child to make application and file proof within the time set by section 653, subsection 1, paragraph G, if the veteran died during the 12-month period preceding the April 1st for which the tax was committed.

**5. Certification; record.** Whenever an abatement is made, other than by the State Tax Assessor, the abating authority shall certify it in writing to the collector, and that certificate shall discharge the collector from further obligation to collect the tax so abated. When the abatement is made, other than an abatement made under subsection 2, a record setting forth the name of the party or parties benefited, the amount of the abatement and the reasons for the abatement shall, within 30 days, be made and kept in suitable book form open to the public at reasonable times. A report of the abatement shall be made to the municipality at its annual meeting or to the mayor and aldermen of cities by the first Monday in each March.

**6. Appeals.** The decision of a chief assessor of a primary assessing area or the State Tax Assessor shall not be deemed "final agency action" under the Maine Administrative Procedure Act, Title 5, chapter 375.

**7. Assessors defined.** For the purposes of this subchapter the word "assessors" includes assessor, chief assessor of a primary assessing area and State Tax Assessor for the unorganized territory.

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**8. Approval of the Governor.** The State Tax Assessor may abate taxes under this section only with the approval of the Governor or the Governor's designee.

**§841-A. Abatement by municipal officers; procedure (REPEALED)**

**§841-B. Land Classification Appeals Board; purpose; composition (REPEALED)**

**§841-C. Hearing (REPEALED)**

**§842. Notice of decision**

The assessors or municipal officers shall give to any person applying to them for an abatement of taxes notice in writing of their decision upon the application within 10 days after they take final action thereon. The notice of decision must include the reason or reasons supporting the decision to approve or deny the abatement request and state that the applicant has 60 days from the date the notice is received to appeal the decision. It must also identify the board or agency designated by law to hear the appeal. If the assessors or municipal officers, before whom an application in writing for the abatement of a tax is pending, fail to give written notice of their decision within 60 days from the date of filing of the application, the application is deemed to have been denied, and the applicant may appeal as provided in sections 843 and 844, unless the applicant has in writing consented to further delay. Denial in this manner is final action for the purposes of notification under this section but failure to send notice of decision does not affect the applicant's right of appeal. This section does not apply to applications for abatement made under section 841, subsection 2.

**§843. Appeals**

**1. Municipalities.** If a municipality has adopted a board of assessment review and the assessors or the municipal officers refuse to make the abatement asked for, the applicant may apply in writing to the board of assessment review within 60 days after notice of the decision from which the appeal is being taken or after the application is deemed to have been denied, and, if the board thinks the applicant is over-assessed, the applicant is granted such reasonable abatement as the board thinks proper. Except with regard to nonresidential property or properties with an equalized municipal valuation of \$1,000,000 or greater either separately or in the aggregate, either party may appeal from the decision of the board of assessment review directly to the Superior Court, in accordance with Rule 80B of the Maine Rules of Civil Procedure. If the board of assessment review fails to give written notice of its decision within 60 days of the date the application is filed, unless the applicant agrees in writing to further delay, the application is deemed denied and the applicant may appeal to Superior Court as if there had been a written denial.

**1-A. Nonresidential property of \$1,000,000 or greater.** With regard to nonresidential property or properties with an equalized municipal valuation of \$1,000,000 or greater either separately or in the aggregate, either party may appeal the decision of the local board of assessment review or the primary assessing area board of assessment review to the State Board of Property Tax Review within 60 days after notice of the decision from which the appeal is taken or after the application is deemed to be denied, as provided in subsections 1 and 2. The board shall hold a

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hearing de novo. If the board thinks that the applicant is over-assessed, it shall grant such reasonable abatement as the board thinks proper. For the purposes of this section, "nonresidential property" means property that is used primarily for commercial, industrial, or business purposes, excluding unimproved land that is not associated with a commercial, industrial, or business use.

**2. Primary assessing areas.** If a primary assessing area has adopted a board of assessment review and the assessors or municipal officers refuse to make the abatement asked for, the applicant may apply in writing to the board of assessment review within 60 days after notice of the decision from which the appeal is being taken or after the application is deemed to have been denied, and if the board thinks the applicant is over-assessed, the applicant is granted such reasonable abatement as the board thinks proper. Except with regard to nonresidential property or properties with an equalized municipal valuation of \$1,000,000 or greater, either separately or in the aggregate, either party may appeal the decision of the board of assessment review directly to the Superior Court, in accordance with the Maine Rules of Civil Procedure, Rule 80B. If the board of assessment review fails to give written notice of its decision within 60 days of the date the application was filed, unless the applicant agrees in writing to further delay, the application is deemed denied and the applicant may appeal to the Superior Court as if there had been a written denial.

**3. Notice of decision.** Any agency to which an appeal is made under this section is subject to the provisions for notice of decision in section 842.

**4. Payment requirements for taxpayers.** A taxpayer filing an appeal under this section must pay an amount of current taxes equal to the greater of the amount of taxes paid in the immediately preceding tax year, to the extent that amount does not exceed the amount of taxes due in the current tax year, and the amount of taxes in the current tax year that is not in dispute. If the taxpayer has filed an appeal under this section without paying the appropriate amount of taxes by or after the due date or according to a payment schedule mutually agreed to in writing by the taxpayer and the municipal officers, the appeal process must be suspended until the taxes, together with any accrued interest and costs, have been paid. If an appeal is in process upon expiration of a due date or written payment schedule date for payment of taxes in a particular municipality, without the appropriate amount of taxes having been paid, whether the taxes are due for the year under appeal or a subsequent tax year, the appeal process must be suspended until the appropriate amount of taxes described in this subsection, together with any accrued interest and costs, has been paid. This subsection does not apply to property with a valuation of less than \$500,000.

### **§843-A. Appeals to Forestry Appeal Board (REPEALED)**

### **§843-B. Hearing (REPEALED)**

### **§844. Appeals to county commissioners**

**1. Municipalities without board of assessment review.** Except when the municipality or primary assessing area has adopted a board of assessment review, if the assessors or the municipal officers refuse to make the abatement asked for, the applicant may apply to the county commissioners within 60 days after notice of the decisions from which the appeal is being taken or within 60 days after the application is deemed to have been denied. If the commissioners think

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that the applicant is over-assessed, the applicant is granted such reasonable abatement as the commissioners think proper. If the applicant has paid the tax, the applicant is reimbursed out of the municipal treasury, with costs in either case. If the applicant fails, the commissioners shall allow costs to the municipality, taxed as in a civil action in the Superior Court, and issue their warrant of distress against the applicant for collection of the amount due the municipality. The commissioners may require the assessors or municipal clerk to produce the valuation by which the assessment was made or a copy of it. Either party may appeal from the decision of the county commissioners to the Superior Court, in accordance with the Maine Rules of Civil Procedure, Rule 80B. If the county commissioners fail to give written notice of their decision within 60 days of the date the application is filed, unless the applicant agrees in writing to further delay, the application is deemed denied and the applicant may appeal to the Superior Court as if there had been a written denial.

**1-A. County board of assessment review.** The county commissioners in a county may establish a county board of assessment review to hear all appeals to the county commissioners. The board has the powers and duties of a municipal board of assessment review, including those provided under section 844-M.

**2. Nonresidential property of \$1,000,000 or greater.** Notwithstanding subsection 1, the applicant may appeal the decision of the assessors or the municipal officers on a request for abatement with respect to nonresidential property or properties having an equalized municipal valuation of \$1,000,000 or greater, either separately or in the aggregate, to the State Board of Property Tax Review within 60 days after notice of the decision from which the appeal is taken or after the application is deemed to be denied. If the State Board of Property Tax Review determines that the applicant is over-assessed, it shall grant such reasonable abatement as it determines proper. For the purposes of this subsection, "nonresidential property" means property that is used primarily for commercial, industrial, or business purposes, excluding unimproved land that is not associated with a commercial, industrial, or business use.

**3. Notice of decision.** An appeal to the county commissioners is subject to the provisions for notice of decision in section 842.

**4. Payment requirements for taxpayers.** If the taxpayer has filed an appeal under this section without having paid an amount of current taxes equal to the amount of taxes paid in the next preceding tax year, as long as that amount does not exceed the amount of taxes due in the current tax year or the amount of taxes in the current tax year not in dispute, whichever is greater, by or after the due date, or according to a payment schedule mutually agreed to in writing by the taxpayer and the municipal officers, the appeal process must be suspended until the taxes, together with any accrued interest and costs, have been paid. If an appeal is in process upon expiration of a due date or written payment schedule date for payment of taxes in a particular municipality, without the appropriate amount of taxes having been paid, whether the taxes are due for the year under appeal or a subsequent tax year, the appeal process must be suspended until the appropriate amount of taxes described in this subsection, together with any accrued interest and costs, has been paid. This subsection does not apply to property with a valuation of less than \$500,000.

**§844-A. Board of Assessment Review (REPEALED)**

**§844-B. Definitions (REPEALED)**

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**§844-C. Composition (REPEALED)**

**§844-D. Jurisdiction (REPEALED)**

**§844-E. Assignment of hearing (REPEALED)**

**§844-F. Place of hearing (REPEALED)**

**§844-G. Appeal to State Board of Assessment Review (REPEALED)**

**§844-H. Hearing procedure (REPEALED)**

**§844-I. Production of documents (REPEALED)**

**§844-J. Evidence (REPEALED)**

**§844-K. Compensation (REPEALED)**

**§844-L. Appeal to the Superior Court (REPEALED)**

**§844-M. County board of assessment review**

**1. Organization.** A county board of assessment review, as authorized by section 844, subsection 1-A, consists of 5 or 7 members, at least one of whom must be a licensed real estate appraiser and one of whom must be a member of the general public, who serve staggered terms of at least 3 but no more than 5 years. The terms must be determined by rule of the board. The board shall elect annually a chair and a secretary from among its members. A county official or the spouse of a county official may not be a member of the board. Any question of whether a particular issue involves a conflict of interest sufficient to disqualify a member from voting on that issue must be decided by a majority vote of the members, excluding the member who is being challenged. The county commissioners may dismiss a member of the board for cause before the member's term expires.

**2. Meetings; records.** The chair shall call meetings of the board as required. The chair shall also call meetings of the board when requested to do so by a majority of the board members or by the county commissioners. A majority of the board's members constitutes a quorum. The chair shall preside at the meetings of the board and is the official spokesperson of the board. The secretary shall maintain a permanent record of the board meetings, the correspondence of the board and the records that are required as part of the various proceedings brought before the board. The records maintained or prepared by the secretary must be filed in the county commissioners' office and subject to public inspection in accordance with Title 1, chapter 13, unless excepted from the definition of public records under Title 1, section 402, subsection 3 or otherwise exempt from disclosure under Title 1, chapter 13.

**3. Hearing.** The board shall adopt rules to establish the procedure for the conduct of a hearing; however, the chair may waive any rule upon good cause shown.

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**4. Evidence.** The board shall receive oral or documentary evidence and, as a matter of policy, provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. Each party may present its case or defense by oral or documentary evidence, submit rebuttal evidence and conduct cross-examination that is required for a full and true disclosure of the facts.

**5. Testimony; record; notice.** The transcript or tape recording of testimony, if such a transcript or tape recording has been prepared by the board, and the exhibits, with all papers and requests filed in the proceeding, constitute the record. Decisions become a part of the record and must include a statement of findings and conclusions, as well as the reasons or basis for those findings and conclusions, upon the material issues of fact, law or discretion presented and the appropriate order, relief or denial of relief. If the board determines that the applicant is over-assessed, it shall grant such reasonable abatement as the board determines proper. Notice of a decision must be mailed or hand delivered to all parties and the county commissioners within 10 days of the board's decision.

**6. Appeals.** A party may appeal the decision of the county board of assessment review to the Superior Court in accordance with the Maine Rules of Civil Procedure, Rule 80B. If the county board of assessment review fails to give written notice of its decision within 60 days of the date the application was filed, unless the applicant agrees in writing to further delay, the application is deemed denied and the applicant may appeal to the Superior Court as if there had been a written denial.

### §844-N. Primary assessing area board of assessment review

**1. Organization.** A primary assessing area board of assessment review, as authorized by section 471-A, consists of 5 or 7 members who serve staggered terms of at least 3 but no more than 5 years. The terms must be determined by rule of the board. The board shall elect annually a chair and a secretary from among its members. A municipal officer or the spouse of a municipal officer may not be a member of the board. Any question of whether a particular issue involves a conflict of interest sufficient to disqualify a member from voting on that issue must be decided by a majority vote of the members, excluding the member who is being challenged. The municipal officers or the executive committee, where applicable, may dismiss a member of the board for cause before the member's term expires.

**2. Meetings; records.** The chair shall call meetings of the board as required. The chair shall also call meetings of the board when requested to do so by a majority of the board members or by the municipal officers or the executive committee, where applicable. A majority of the board's members constitutes a quorum. The chair shall preside at the meetings of the board and is the official spokesperson of the board. The secretary shall maintain a permanent record of the board meetings, the correspondence of the board and the records that are required as part of the various proceedings brought before the board. The records maintained or prepared by the secretary must be filed in the primary assessing area board of assessment review office and subject to public inspection in accordance with Title 1, chapter 13, unless excepted from the definition of public records under Title 1, section 402, subsection 3 or otherwise exempt from disclosure under Title 1, chapter 13.

**3. Hearing.** The board shall adopt rules to establish the procedure for the conduct of a hearing; however, the chair may waive any rule upon good cause shown.

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**4. Evidence.** The board shall receive oral or documentary evidence and, as a matter of policy, provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. Each party may present its case or defense by oral or documentary evidence, submit rebuttal evidence and conduct cross-examination that is required for a full and true disclosure of the facts.

**5. Testimony; record; notice.** The transcript or tape recording of testimony, if such a transcript or tape recording has been prepared by the board, and the exhibits, with all papers and requests filed in the proceeding, constitute the record. Decisions become a part of the record and must include a statement of findings and conclusions, as well as the reasons or basis for those findings and conclusions, upon the material issues of fact, law or discretion presented and the appropriate order, relief or denial of relief. If the board determines that the applicant is over-assessed, it shall grant such reasonable abatement as the board determines proper. Notice of a decision must be mailed or hand delivered to all parties and the municipal officers or the executive committee, where applicable, within 10 days of the board's decision.

### **§845. Appeals; to Superior Court (REPEALED)**

### **§846. – hearing (REPEALED)**

### **§847. -- Commissioner's hearing and report (REPEALED)**

### **§848. – Trial (REPEALED)**

### **§848-A. Assessment ratio evidence**

Reports of assessment ratios contained in assessment ratio studies of the Bureau of Revenue Services are prima facie evidence of what the reported ratio is in fact, unless a party to proceedings related to a protested assessment establishes that the ratio was derived or established in a manner contrary to law or proves the existence of a different ratio.

In any proceedings relating to a protested assessment, it is a sufficient defense of the assessment that it is accurate within reasonable limits of practicality, except when a proven deviation of 10% or more from the relevant assessment ratio of the municipality or primary assessing area exists.

### **§849. -- judgment and execution**

Claims for abatement on several parcels of real estate may be embraced in one appeal, but judgment shall be rendered, and execution shall issue for the amount of taxes due on each separate parcel.

The lien created by statute on real estate to secure the payment of taxes shall be continued for 60 days after the rendition of judgment, and may be enforced by sale of said real estate on execution, in the same manner as attachable real estate may be sold under Title 14, section 2201, and with the same right of redemption.

### **§850. Assessment of costs (REPEALED)**



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### SUBCHAPTER 9 DELINQUENT TAXES

#### ARTICLE 1 GENERAL PROVISIONS

##### **§891. Collection of delinquent state and county taxes**

When the time for the payment of a county tax has expired and it is unpaid, the county treasurer shall give notice thereof to the treasurer of any delinquent municipality, and unless such tax is paid within 60 days, the county treasurer may issue a warrant to the sheriff of the county, returnable in 90 days, requiring the sheriff to levy by distress and sale upon the real and personal property of any of the inhabitants of the municipality. The sheriff or the sheriff's deputy shall execute such warrants, observing the regulations provided for satisfying warrants against delinquent collectors prescribed by sections 803, 896 and 897.

##### **§891-A. School subsidies withheld from delinquent municipalities**

When any state tax assessed upon any city, town or plantation remains unpaid, such city, town or plantation may be precluded from drawing from the Treasurer of State the school subsidy set apart for such city, town or plantation so long as such tax remains unpaid.

##### **§892. Interest on delinquent state taxes**

Beginning with the first day of January, following the date on which state taxes are levied, interest shall accrue on any unpaid balances that are then due. All provisions of law that relate to the collection of such taxes shall apply to the collection of interest on overdue taxes.

##### **§892-A. Interest on delinquent county taxes**

Interest shall accrue on all unpaid balances of the county tax that are then due, beginning on the 60th day after the date for payment set by the county commissioners under Title 30-A, section 706. County taxes, not paid prior to the 60th day after the date for payment, are delinquent.

The rate of interest shall be specified by vote of the county commissioners and a notification of this rate shall be included in the warrant to assessors required under Title 30-A, section 706. The rate of interest may not exceed the rate of interest established by the State Tax Assessor under section 186. The specified rate of interest shall apply to delinquent taxes committed during the taxable year until those taxes are paid in full and the interest shall be added to and become part of the taxes.

##### **§893. Collector liable to inhabitants**

A delinquent tax collector shall at all times be answerable to the inhabitants of his municipality for all sums which they have been obliged to pay by means of his deficiency and for all consequent damages.

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### **§894. Delinquent tax collectors; forfeiture**

Any tax collector who refuses to collect a state, county or municipal tax as required by law, or who shall knowingly omit or fail to perform any duty imposed upon him by law, commits a civil violation for which a forfeiture not to exceed \$100 may be adjudged.

### **§895. Warrant form; for completion of collection by treasurer**

The State Tax Assessor shall prescribe the form of the warrant for use by the municipal treasurer where the tax collector has failed to collect and pay the taxes to the treasurer as required.

### **§896. Personal property distrained; sold as on execution**

Any officer selling personal property, distrained under a treasurer's warrant against a tax collector or against the inhabitants of a municipality, shall proceed as in the sale of such property on execution.

### **§897. Real estate levied on; sold as on execution**

When a treasurer's warrant of distress is levied on the real estate of a delinquent tax collector or against the inhabitants of a municipality, the officer shall proceed as in the sale of such property on execution.

### **§898. Collector to account when taken on execution**

When any tax collector is taken on execution under section 895, the municipal officers may demand of him a true copy of the tax lists, with the evidence of all payments made thereon. If he complies with this demand, he shall receive such credit as the municipal officers, on inspection of the tax lists, adjudge him entitled to, and account for the balance; but if he refuses, he shall forthwith be committed to jail by the officer who so took him or by a warrant from a justice of the peace, there to remain until he complies.

### **§899. Municipalities may choose another tax collector**

The same municipality may, at any time, proceed to the choice of another collector, to complete the collection of taxes, who shall be sworn and give the security required of the first collector. The assessors or, in the case of primary assessing areas, the municipal officers shall deliver to him the uncollected assessments, with a proper warrant for their collection, and he shall proceed as prescribed.

### **§900. Payments to former collector in dispute; procedure**

When the tax of any person named in said tax lists does not thereby appear to have been paid, but such person declares that it was paid to the former tax collector, the new tax collector shall not distrain or commit him without a vote of the municipal officers.

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### **§901. Remedy of owners of property taken for default of others**

When the estate of an inhabitant of a municipality, who is not a tax collector thereof, is levied upon and taken as mentioned in section 891, he may maintain an action against such municipality, and recover the full value of the estate so levied on, with interest at the rate of 20% from the time it was taken, with costs. Such value may be proved by any other legal evidence, as well as by the result of the sale under such levy.

### **§902. Amendments permitted in actions to collect taxes**

At the trial of any action for the collection of taxes, or of any civil action involving the validity of any sale of real estate for nonpayment of taxes, or involving any tax lien certificate under sections 942 and 943 and the title to real estate acquired upon foreclosure of the tax lien mortgage, if it shall appear that the tax in question was lawfully assessed, the court may permit the tax collector or other officer to amend his record, return, deed or certificate in accordance with the fact, when circumstantial errors or defects appear therein, provided the rights of 3rd parties are not injuriously affected thereby. If a deed be so amended, and the amended deed be thereupon recorded, it shall have the same effect as if it had been originally made in its amended form.

### **§903. Defendant estopped to deny title; exceptions**

In all civil actions to enforce the collection of a tax on real estate, if it appears that on April 1st of the year for which such tax was assessed, the record title to the real estate listed was in the defendant, he shall not deny his title thereto. If any owner of real estate who has conveyed the same shall forthwith file a copy of the description as given in his deed with the date thereof and the name and last known address of his grantee, in the registry of deeds where such deed should be recorded, he shall be free from any liability under this section.

### **§904. Treasurer's receipt as evidence of redemption**

The municipal treasurer's receipt or certificate of payment of a sufficient sum to redeem any real estate taxed shall be legal evidence of such payment and redemption.

### **§905. Municipalities may set off moneys due against taxes**

Subject to the approval of the municipal officers, the treasurer or any disbursing officer of any municipality may, and if so requested by the tax collector shall, withhold payment of any money then due and payable to any taxpayer whose taxes are due and wholly or partially unpaid, to an amount not in excess of the unpaid taxes together with any interest and costs. The sum withheld shall be paid to the tax collector, who shall, if required, give a receipt in writing therefor to the officer withholding payment and to the taxpayer. The tax collector's rights under this section shall not be affected by any assignment or trustee process.

### **§906. Application of payments to unpaid taxes**

The municipal officers of a municipality may, upon request of the municipal treasurer or the tax collector, require that any tax payment received from an individual as payment for any property tax be applied against outstanding or delinquent taxes due on that property in

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chronological order beginning with the oldest unpaid tax bill. Taxes may not be applied to a period for which an abatement request or appeal has not been resolved unless approved in writing by the taxpayer.

### ARTICLE 2 ENFORCEMENT OF LIEN ON REAL ESTATE

#### **§941. Civil action with special attachments; procedure**

The lien on real estate created by section 552 may be enforced in the following manner.

The tax collector may, after the expiration of 8 months and within one year from the date of original commitment of the tax or, in the case of deferred taxes pursuant to chapter 908-A, after the due and payable date established pursuant to section 6271, subsection 5, give to the person against whom the tax is assessed, or leave at the person's last and usual place of abode, or send by registered mail to the person's last known address, a notice in writing signed by said tax collector stating the amount of the tax, describing the real estate on which the tax is assessed and demanding the payment of such tax within 10 days after service of such notice.

After the expiration of said 10 days a civil action for the collection of the tax may be brought in the county where the real estate lies, against the person to whom said tax is assessed. Such action may be brought in the name of the tax collector or the municipal officers may in writing direct the action to be brought in the name of the municipality. Such action shall be begun by a writ of attachment commanding the officer serving it to specially attach the real estate upon which the lien is claimed, which shall be served as other writs of attachment to enforce liens on real estate.

The complaint in such action shall contain a statement of such tax, a description of the real estate contained in said notice and an allegation that a lien is claimed on said real estate to secure the payment of the tax. If no service is made upon the defendant, or if it shall appear that other persons are interested in such real estate, the court shall order such notice of said action as appears proper and shall allow such other persons to become parties thereto.

If it shall appear upon trial of said action that the tax was legally assessed on said real estate, and is unpaid, and that there is an existing lien on said real estate for the payment of the tax, judgment shall be rendered for the tax, interest and costs of suit against the defendants and against the real estate attached, and execution shall issue thereon to be enforced by the sale of such real estate in the manner provided for in a sale on execution of real estate attached on original writs. In all actions brought in the Superior Court under this section or section 1284, full costs shall be recovered notwithstanding the amount of the judgment be \$20 or less.

Any person interested in the real estate may redeem it at any time within one year after its sale by the officer on that execution by paying the amount for which it was sold with interest at the rate determined by the State Tax Assessor pursuant to section 186.

This section shall not affect any other provision of law for the enforcement and collection of taxes upon real estate.

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### §942. Tax lien certificate; procedure

Except as provided in section 942-A, liens on real estate created by section 552, in addition to other methods established by law, may be enforced in the following manner.

The tax collector may, after the expiration of 8 months and within one year after the date of original commitment of a tax or, in the case of deferred taxes pursuant to chapter 908-A, after the due and payable date established pursuant to section 6271, subsection 5, give to the person against whom the tax is assessed, or leave at the person's last and usual place of abode, or send by certified mail, return receipt requested, to the person's last known address, a notice in writing signed by the tax collector or bearing the tax collector's facsimile signature, stating the amount of the tax, describing the real estate on which the tax is assessed, alleging that a lien is claimed on the real estate to secure the payment of the tax, and demanding the payment of the tax within 30 days after service or mailing of the notice with \$3 for the tax collector for making the demand together with the certified mail, return receipt requested, fee. In the case of taxes supplementally assessed, the tax collector may give that notice after the expiration of 8 months and within one year after the date of commitment of the supplementally assessed taxes. If an owner or occupant of real estate to whom the real estate is taxed dies before that demand is made on that owner or occupant, the demand may be made upon the personal representative of that owner's or occupant's estate or upon any of that owner's or occupant's heirs or devisees.

For property that constitutes a homestead for which a property tax exemption is claimed under subchapter 4-B, the tax collector shall include with the written notice authorized under this section written notice to the person named on the tax lien mortgage that that person may be eligible to file an application for tax abatement under section 841, subsection 2, indicating that the municipality, upon request, will assist the person in requesting an abatement and provide information regarding the procedures for making such a request. The notice must also indicate that the person may seek assistance from the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection regarding options for finding an advisor who can help the person work with the municipality to avoid tax lien foreclosure and provide information regarding ways to contact the bureau. The Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection, by July 15th annually, shall provide to a statewide organization representing municipalities information regarding assistance in avoiding tax lien foreclosure to assist municipalities in providing the information required in the notice.

After the expiration of the 30 days and within 10 days thereafter, the tax collector shall record in the registry of deeds of the county or registry district where the real estate is situated a tax lien certificate signed by the tax collector or bearing the tax collector's facsimile signature, setting forth the amount of the tax, a description of the real estate on which the tax is assessed and an allegation that a lien is claimed on the real estate to secure the payment of the tax, that a demand for payment of the tax has been made in accordance with this section, and that the tax remains unpaid. When the undivided real estate of a deceased person has been assessed to the deceased's heirs or devisees without designating any of them by name it will be sufficient to record in said registry a tax lien certificate in the name of the heirs or the devisees of said decedent without designating them by name.

At the time of the recording of the tax lien certificate in the registry of deeds, in all cases the tax collector shall file with the municipal treasurer a true copy of the tax lien certificate and shall

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hand deliver or send by certified mail, return receipt requested, to each record holder of a mortgage on that real estate, to the holder's last known address, a true copy of the tax lien certificate. If the real estate has not been assessed to its record owner, the tax collector shall send by certified mail, return receipt requested, a true copy of the tax lien certificate to the record owner.

The costs to be paid by the taxpayer are the sum of the fees for recording and discharge of the lien as established by Title 33, section 751, plus \$13, plus the fee established by section 943 for sending a notice 30 to 45 days prior to the foreclosing date of the tax lien mortgage if that notice is actually sent and all certified mail, return receipt requested, fees. In the case of a lien in effect pursuant to chapter 908-A, the costs to be paid include interest in the amount established under section 6271, subsection 3. Upon redemption, the municipality shall prepare and record a discharge of the tax lien mortgage.

The municipality shall pay the tax collector \$3 for the notice, \$1 for filing the tax lien certificate and the amount paid for certified mail, return receipt requested, fees. The fees for recording the tax lien certificate and for discharging the tax lien mortgage must be paid by the municipality to the register of deeds.

### **§942-A. Aggregate tax lien certificate for time-share units; procedure**

Liens created by section 552 on time-share units owned by the same person and in the same time-share project, in addition to other methods established by law, may be enforced in the following manner if requested by the taxpayer prior to notification of filing of a tax lien certificate.

**1. Aggregate notice.** If a taxpayer owns more than one time-share unit in the same project, the tax collector may send the notice required by section 942 to be sent before filing the tax lien certificate as one aggregate notice covering all time-share units owned by that taxpayer. The tax collector must specifically describe all units on which the taxes are due and which will be covered by the tax lien certificate by listing each unit in the notice or by appending to the notice a list or computer printout describing the units. The notice must state if a list or printout is appended.

**2. Aggregate tax lien certificate.** If a taxpayer owns more than one time-share unit in the same project, the tax collector shall specifically describe all units covered by the aggregate tax lien certificate by listing each unit on the certificate or by appending to the certificate a list or computer printout describing the units. The certificate must state if a list or printout is appended.

**3. Total or partial discharge.** The taxpayer may discharge all the liens included in the aggregate tax lien certificate by payment of all the taxes due on all the tax liens, plus the fees required by subsection 4. The taxpayer may discharge less than all the liens included in the aggregate tax lien certificate by payment of all the taxes due on one or more of the time-share units, plus the fees required by subsection 5 for each partial discharge.

**4. Total discharge.** The taxpayer shall pay the following fees for the total discharge of liens covered by the aggregate tax lien certificate:

- A. Thirty-five cents per time-share unit listed for the tax collector, for making one aggregate notice and demand for payment of all the assessed taxes on all time-share units owned by the taxpayer together with the certified mail, return receipt requested, fee;

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B. The fees established by Title 33, section 751 for the register of deeds for recording one aggregate tax lien certificate;

C. The fees established by Title 33, section 751 for the register of deeds for recording one aggregate discharge of the tax lien mortgage;

D. Ten dollars; and

E. Three dollars established by section 943 for sending one aggregate notice 30 to 45 days prior to the foreclosing date of the tax lien mortgage if that notice is actually sent and all the certified mail, return receipt requested, fees.

**5. Partial discharge.** The taxpayer shall pay the following fees for the partial discharge of liens covered by the aggregate tax lien certificate:

A. Thirty-five cents per time-share unit listed for the tax collector for making one aggregate notice and demand for payment of all the assessed taxes on all time-share units owned by the taxpayer together with the certified mail, return receipt requested, fee;

B. The fees established by Title 33, section 751 for the register of deeds for recording one aggregate tax lien certificate;

C. The fees established by Title 33, section 751 for the register of deeds for recording the discharge of the tax lien mortgage on the first 4 time-share units and \$0.25 for each additional time-share unit;

D. Ten dollars; and

E. Three dollars established by section 943 for sending one aggregate notice 30 to 45 days prior to the foreclosing date of the tax lien mortgage if that notice is actually sent and all the certified mail, return receipt requested, fees.

**6. Application.** This section applies to all taxes assessed on time-share units on or after April 1, 1986.

**7. Effect on foreclosure procedure.** A partial discharge does not affect the foreclosure date for any liens not discharged.

### **§943. Tax lien mortgage; redemption; discharge; foreclosure**

The filing of the tax lien certificate in the registry of deeds shall create a tax lien mortgage on said real estate to the municipality in which the real estate is situated having priority over all other mortgages, liens, attachments and encumbrances of any nature, and shall give to said municipality all the rights usually incident to a mortgagee, except that the municipality shall not have any right of possession of said real estate until the right of redemption shall have expired.

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The filing of the tax lien certificate in the registry of deeds shall be sufficient notice of the existence of the tax lien mortgage.

In the event that the tax, interest and costs underlying the tax lien are paid within the period of redemption, the municipal treasurer or assignee of record shall prepare and record a discharge of the tax lien mortgage in the same manner as is now provided for the discharge of real estate mortgages, except that a facsimile signature of the treasurer or treasurer's assignee may be used.

If the tax lien mortgage, together with interest and costs, shall not be paid within 18 months after the date of the filing of the tax lien certificate in the registry of deeds, the said tax lien mortgage shall be deemed to have been foreclosed and the right of redemption to have expired.

The municipal treasurer shall notify the party named on the tax lien mortgage and each record holder of a mortgage on the real estate not more than 45 days nor less than 30 days before the foreclosing date of the tax lien mortgage, in a writing signed by the treasurer or bearing the treasurer's facsimile signature and left at the holder's last and usual place of abode or sent by certified mail, return receipt requested, to the holder's last known address, of the impending automatic foreclosure and indicating the exact date of foreclosure. For sending this notice, the municipality is entitled to receive \$3 plus all certified mail, return receipt requested, fees. These costs must be added to and become a part of the tax. If notice is not given in the time period specified in this section to the party named on the tax lien mortgage or to any record holder of a mortgage, the person not receiving timely notice may redeem the tax lien mortgage until 30 days after the treasurer does provide notice in the manner specified in this section.

Beginning with taxes that are assessed after April 1, 1985, the notice of impending automatic foreclosure must be substantially in the following form:

STATE OF MAINE  
NOTICE OF IMPENDING AUTOMATIC FORECLOSURE  
Title 36, M.R.S.A. Section 943

**IMPORTANT: DO NOT DISREGARD  
THIS NOTICE. YOU WILL LOSE  
YOUR PROPERTY UNLESS YOU PAY  
YOUR 20 PROPERTY TAXES,  
INTEREST AND COSTS.**

TO:

You are the party named on a tax lien certificate filed on \_\_\_\_\_, 20\_\_\_\_, and recorded in Book \_\_\_\_\_, Page \_\_\_\_\_ in the County Registry of Deeds. This filing has created a tax lien mortgage on the real estate described therein.

On \_\_\_\_\_, 20\_\_\_\_, the tax lien mortgage will be foreclosed and your right to recover your property by paying the taxes, interest and costs that are owed will expire.

**IF THE TAX LIEN FORECLOSES,  
THE MUNICIPALITY WILL OWN**



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### YOUR PROPERTY.

If you cannot pay the property taxes you owe please contact me to discuss this notice.

Municipal Treasurer

After the expiration of the 18-month period for redemption, the mortgagee of record of said real estate or the mortgagee's assignee and the owner of record if the said real estate has not been assessed to the owner or the person claiming under the owner, in the event the notice provided for said mortgagee and said owner has not been given as provided in section 942, has the right to redeem the real estate within 3 months after receiving actual knowledge of the recording of the tax lien certificate by payment or tender of the amount of the tax lien mortgage, together with interest and costs, and the tax lien mortgage must then be discharged by the owner thereof in the manner provided.

The tax lien mortgage shall be prima facie evidence in all courts in all proceedings by and against the municipality, its successors and assigns, of the truth of the statements therein and after the period of redemption has expired, of the title of the municipality to the real estate therein described, and of the regularity and validity of all proceedings with reference to the acquisition of title by such tax lien mortgage and the foreclosure thereof.

Whenever the person against whom the tax is assessed shall have died after the tax has been committed and prior to the expiration of the 18-months period of foreclosure and such person shall have left a will offered for probate, the probate judge of the county wherein said will is offered upon petition of any devisee of the real estate on which said tax is unpaid may grant a period of redemption not to exceed 60 days following the final allowance or disallowance of said will. Notice of said petition shall be given to the tax collector of the town wherein said property is located and a certified copy of the court order shall be filed in the registry of deeds of the county wherein the property is located.

A discharge of a municipal tax lien mortgage given after the right of redemption has expired, which discharge has been recorded in the Registry of Deeds for more than one year, terminates all title of the municipality derived from such tax lien mortgage or any other recorded tax lien mortgage for which the right of redemption expired 10 years or more prior to the foreclosure date of this discharged lien, unless the municipality has conveyed any interest based upon the title acquired from any of the affected liens. This paragraph applies to discharges of municipal tax lien mortgages given after October 1, 1935.

When a municipality conveys the premises back to the former record titleholder or to a successor of that holder who obtained title before the foreclosure for a consideration of the taxes and costs due, the rights of the other parties claiming an interest of record in the premises at the time of foreclosure, including mortgagees, lien creditors or other secured parties, are revived as if the tax lien mortgage had not been foreclosed. PL 1993, c. 373, §4 (NEW).]

#### **§943-A. Application for abatement**

Each notice under sections 942 and 1281 that is sent by a municipality or the State Tax Assessor to a person on whose primary residence taxes have been assessed must contain a

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statement that that person may apply for an abatement of those taxes if the person cannot pay the taxes that have been assessed because of poverty or hardship.

### **§943-B. Credit reporting; payment during redemption period**

If a municipality takes action under section 942 or 943 to enforce a lien in effect pursuant to chapter 908-A that results in a record of a lien in a party's name being placed in that party's file with a consumer reporting agency, that lien must be considered inaccurate information under 15 United States Code, Section 1681i if the party submits proof to the consumer reporting agency that the deferred taxes were paid during the 18-month redemption period provided for in section 943.

### **§943-C. Sale of homesteads formerly owned by persons 65 years of age or older**

Notwithstanding any provision of law to the contrary, after the foreclosure process under sections 942 and 943 or sections 1281 and 1282 is completed and the right of redemption has expired, if a municipality chooses to sell to someone other than the immediate former owner or owners property that immediately prior to foreclosure received a property tax exemption as a homestead under subchapter 4-B, the municipal officers or their designee shall notify the immediate former owner or owners of the right to require the municipality to use the sale process under subsection 3 as long as the immediate former owner or owners demonstrate that the property meets the requirements of subsection 1. The notice must be sent by first-class mail to the last known address of the immediate former owner or owners. If the municipality agrees to sell the property back to the immediate former owner or owners, the alternative sale process under this section does not apply. If the sale to the immediate former owner or owners is not completed, the requirements of this section are reinstated.

**1. Subject property.** Property is subject to the requirements of this section if:

A. Immediately prior to foreclosure the property was owned by at least one person who, on the date the tax lien certificate was recorded, was 65 years of age or older and occupied the property as a homestead as defined in section 681, subsection 2; and

B. The former owner or owners of the property demonstrate to the municipal officers or their designee that:

(1) The income, as defined in section 5219-KK, subsection 1, paragraph D, of the former owner or owners of the property was less than \$40,000, after medical expenses have been deducted, for the calendar year immediately preceding the calendar year in which the right of redemption expired; and

(2) The value of liquid assets of the former owner or owners of the property is less than \$50,000 in the case of a single individual or \$75,000 in the case of 2 or more individuals. For the purposes of this paragraph, "liquid assets" means something of value available to an individual that can be converted to cash in 3 months or less and includes bank accounts, certificates of deposit, money market or mutual funds, life insurance policies, stocks and bonds, lump-sum payments and inheritances and funds from a home equity conversion mortgage that are in the individual's possession whether they are in cash or have been converted to another form.

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The former owner or owners must provide documentation verifying the former owner's or owners' income and liquid assets.

All applications or information submitted in support of an application under this subsection, files and communications relating to the application and the determination on the application are confidential records. Hearings and proceedings held pursuant to this subsection must be held in executive session.

**2. Notification; appeal.** At least 90 days prior to listing property described in subsection 1 for sale, the municipal officers or their designee shall notify the former owner or owners, by first-class mail, of the former owner's or owners' right to require the sale process described in subsection 3. The municipal officers or their designee shall include with the notice an application form with instructions concerning application procedures and submission of information necessary for the municipality to determine whether the former owner or owners meet the conditions required under subsection 1. The former owner or owners must be allowed at least 30 days from the date the notice is mailed to submit the required application form and information. The municipal officers or their designee, within 30 days after receiving the required form and information, shall notify the former owner or owners whether the former owner or owners have been determined to be eligible for the sale process described in subsection 3 and inform the former owner or owners of the right to appeal pursuant to the Maine Rules of Civil Procedure, Rule 80B. The State Tax Assessor shall prepare application forms, notices and instructions that must be used by municipalities to inform former owners of their right to apply for the sale process provided under subsection 3.

**3. Sale process requirements.** If a municipality determines that the former owner or owners meet the conditions specified under subsection 1, the municipal officers or their designee shall:

- A. List the property for sale with a real estate broker licensed under Title 32, chapter 114 who does not hold an elected or appointed office in the municipality and is not employed by the municipality;
- B. Sell the property at fair market value or the price at which the property is anticipated by the real estate broker to sell within 6 months after listing; and
- C. Pay to the former owner or owners any proceeds from the sale in excess of:
  - (1) The sum of all taxes owed on the property;
  - (2) Property taxes that would have been assessed on the property during the period following foreclosure when the property is owned by the municipality;
  - (3) All accrued interest;
  - (4) Fees, including real estate broker's fees; and
  - (5) Any other expenses incurred by the municipality in selling or maintaining the property, including, but not limited to, reasonable attorney's fees.

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4. **Effect of inability to contract or sell property.** If, after attempting to contract with at least 3 real estate brokers who meet the requirements of subsection 3, paragraph A, a municipality is unable to contract with a real estate broker for the sale of the property as described in subsection 3 or the broker cannot sell the property within 6 months after listing, the municipality may retain, sell or dispose of the property in the same manner as other property acquired through the tax lien foreclosure process.

5. **Property in the unorganized territory.** With regard to the sale of property acquired by the State through tax lien foreclosure in the unorganized territory, the State Tax Assessor has the obligations of a municipality under this section.

§944. **Foreclosure for equitable relief, procedure**

A tax lien mortgage filed in accordance with sections 942 and 943 may be foreclosed by an action for equitable relief in the following manner.

1. **Waiver of foreclosure.** The municipal treasurer, when so authorized by the inhabitants of the municipality, or in the case of a city by the legislative body thereof, may waive the foreclosure of a tax lien mortgage by recording a waiver of foreclosure in the registry of deeds in which the tax lien certificate is recorded before the right of redemption therefrom shall have expired.

The tax lien mortgage, after the recording of such waiver, shall then continue to be in full force and effect.

2. **Form.** The waiver of foreclosure must be substantially in the following form:

The foreclosure of the tax lien mortgage on real estate for a tax assessed against ..... to ..... dated ..... (name) (name of municipality) and recorded in .... registry of deeds in Book ...., Page .... is hereby waived.

Dated this ..... date of ..... 20..

..... A.B. ....  
Treasurer of .....

State of Maine  
..... ss.

..... 20....

Then personally appeared the above named ..... A.B. .... Treasurer and acknowledged the foregoing instrument to be a free act and deed in the Treasurer's said capacity.

Before me, .....  
.....  
Notary Public

The form required by this subsection must be dated, signed by the treasurer, or bear the treasurer's facsimile signature and notarized.

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A charge to the municipality of 50¢ for the waiver of foreclosure and the charges of the registry of deeds for the recording of the waiver in accordance with the fees set forth in Title 33, section 751, subsection 1 must be included in the amount secured by the tax lien mortgage.

**3. Foreclosure of tax lien mortgage.** If said tax lien mortgage together with interest and costs shall not be paid within 6 months after the date of recording the waiver of foreclosure thereof, the tax lien mortgage may be foreclosed in an action for equitable relief.

**4. Right of redemption.** In such action the court shall provide a period for the exercise of the right of redemption from the tax lien mortgage which shall expire in not less than 90 days from the decree of the court and in no event before the expiration of 18 months from the date of filing of the tax lien certificate in the registry of deeds as provided in section 942.

### §945. Foreclosure in action for equitable relief; alternative procedure; class action

In addition to and as an alternative to the proceedings for foreclosure of a tax lien mortgage under section 944, a municipality may, provided a waiver of foreclosure thereof has been recorded in accordance with section 944, foreclose any tax lien mortgage held by the municipality for a period of at least 4 years from the date of filing of the tax lien certificate in the registry of deeds by an action in rem for equitable relief in the following manner:

**1. Action in rem for equitable relief.** Such actions may be commenced on or before the first day of April in each year and each such action shall relate only to tax lien mortgages arising from taxes assessed in a given year. The action in rem for equitable relief shall be entitled substantially as follows: (Name of municipality) against all persons having, or claiming to have, an interest in sundry parcels of real estate in (name of municipality) for the foreclosure of tax lien mortgages arising from taxes assessed in the year ..... the defendants in said action shall be described as aforesaid in lieu of naming them.

**2. Complaint.** The municipality shall set forth in substance in the complaint the following:

A. That the municipality holds the tax lien mortgages referred to in the complaint;

B. That the tax lien mortgages arose from taxes assessed in a given year;

C. That the real estate described in the tax lien mortgages is located in (name of municipality), and the tax lien mortgages are recorded in a named registry of deeds.

D. The municipality shall further set forth in the complaint with respect to each tax lien mortgage in substance the following:

That a tax of \$.... was duly assessed against.....(name of person) on real estate bounded and described as follows:.....for the year....; that on.... (date) a tax lien certificate thereon was recorded in .... County registry of deeds in Book ..., Page....; that on.... (date) a waiver of foreclosure thereof was recorded in said registry of deeds in Book ..., Page ....; that said tax of \$....., costs to date of \$....., together with interest at .... percent per annum from .... (date) is and still remains unpaid.

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**3. Notice.** The court shall order that notice of the pendency of the complaint be given to the defendants:

A. By publication of a true copy of the complaint and the order of notice thereon, attested by the clerk of courts, in a newspaper published or printed in whole or in part in the county where the municipality is situated, if any, or if none, in the state paper, once a week for 3 successive weeks with the last publication not less than 30 days before the time set for appearance of the defendants;

B. By posting a true copy of the complaint and the order of notice thereof, attested by the clerk of courts, in at least 3 public places within the municipality not less than 30 days before the time set for appearance of the defendants; and

C. By mailing a copy of the published notice to the defendants at their last known addresses.

**4. No personal judgment.** In such action, no personal judgment against a defendant shall be entered. Each person answering the complaint shall have the right to the severance of the action as to the parcel of real estate in which he is interested.

### **§946. Action for equitable relief after period of redemption; procedure**

A municipality which has become the purchaser at a sale of real estate for nonpayment of taxes or which as to any real estate has pursued the alternative method for the enforcement of liens for taxes provided in sections 942 and 943, whether in possession of such real estate or not, after the period of redemption from such sale or lien has expired, may maintain an action for equitable relief against any and all persons who claim or may claim some right, title or interest in the premises adverse to the estate of such municipality.

Any purchaser or his successors in interest from a municipality of real estate or lien thereon acquired by a municipality as a purchaser at a sale thereof for nonpayment of taxes, or acquired under the alternative method for the enforcement of liens for taxes provided in sections 942 and 943, whether in possession of such real estate or not, after the period of redemption from such sale or lien has expired, may maintain an action for equitable relief against any and all persons who claim or may claim some right, title or interest in the premises adverse to the estate of such municipality or purchaser.

No municipal officer shall, while holding municipal office, acquire from that municipality any interest in real estate acquired by that municipality on account of nonpayment of taxes, unless such sale occurs by sealed bid after duly advertising the same at least twice during a 7-day period prior to the acceptance of bids. Any town official who submits a sealed bid shall not take part in the bid acceptance process except that a municipal officer may purchase tax acquired property if the property was owned by the municipal officer's son, daughter, spouse or parent immediately prior to its acquisition by the municipality and if such purchase is authorized by the municipality.

**1. Service.** Service shall be made as in other actions on all defendants who can with due diligence be personally served within the State. If any defendants cannot be so served or are described in the complaint as being unascertained, service shall be made by publication as in other

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actions in which publication is required. A copy of the published notice shall be mailed to all known defendants at their last known addresses if they have not been personally served.

If, after notice has been given or served as ordered by the court and the time limited in such notice for the appearance of the defendants has expired, the court finds that there are or may be defendants who have not been actually served with process and who have not appeared in the action, it may of its own motion, or on the representation of any party, appoint an agent, guardian ad litem or next friend for any such defendant, and if any such defendants have or may have conflicting interests, it may appoint different agents, guardians ad litem or next friends to represent them. The cost of appearance of any such agent, guardian ad litem or next friend, including the cost of compensation of his counsel, shall be determined by the court and paid by the plaintiff, against whom execution may issue therefor in the name of the agent, guardian ad litem or next friend.

**2. Decree; effect.** The plaintiff in such action shall pray the court to establish and confirm its title to the premises described in the complaint as against all the defendants named or described therein, and if upon hearing the court shall find the plaintiff's title so to be good it shall make and enter its decree accordingly, which decree when recorded in the registry of deeds for the county or district where the real estate lies shall have the effect of a deed of quitclaim of the premises involved in the action from all the defendants named or described therein to the plaintiff.

**3. Jury.** If the cause is tried in the Superior Court, issues of fact may be framed upon application of any party to be tried by a jury whose verdict shall have the same effect as the verdict of a jury in other civil actions.

### **§946-A. Tax-acquired property and the restriction of title action (REPEALED)**

### **§946-B. Tax-acquired property and the restriction of title action**

**1. Tax liens recorded after October 13, 2014.** Except as provided in section 946-C, a person may not commence an action against the validity of a governmental taking of real estate for nonpayment of property taxes upon the expiration of a 5-year period immediately following the expiration of the period of redemption. This subsection applies to a tax lien recorded after October 13, 2014.

**2. Tax liens recorded after October 13, 1993 and on or before October 13, 2014.** A person may not commence an action against the validity of a governmental taking of real estate for nonpayment of property taxes after the earlier of the expiration of a 15-year period immediately following the expiration of the period of redemption and October 13, 2019. This subsection applies to a tax lien recorded after October 13, 1993 and on or before October 13, 2014.

**3. Tax liens recorded on or before October 13, 1993.** For a tax lien recorded on or before October 13, 1993, a person must commence an action against its validity no later than 15 years after the expiration of the period of redemption or no later than July 1, 1997, whichever occurs later.

**4. Disability or lack of knowledge.** Disability or lack of knowledge of any kind does not suspend or extend the time limits provided in this section.

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### §946-C. Abandoned tax-acquired property

**1. Evidence of abandonment.** For the purposes of this section, evidence of abandonment showing that the property taken for nonpayment of property taxes is vacant and the occupant has no intent to return may include, but is not limited to, the following:

- A. Doors and windows on the property are continuously boarded up, broken, or left unlocked;
- B. Rubbish, trash, or debris has observably accumulated on the property;
- C. Furnishings and personal property are absent from the property;
- D. The property is deteriorating so as to constitute a threat to public health or safety;
- E. Reports of trespassers, vandalism or other illegal acts being committed on the property have been made to local law enforcement authorities; and
- F. Other reasonable indicia of abandonment.

**2. Determination of abandonment.** Upon acquiring title to residential real estate for nonpayment of property taxes under section 943, a municipality may, through its code enforcement officer or other public official, make a determination that the property is abandoned. The code enforcement officer or other public official making the determination that the property is abandoned shall certify that determination and file a copy of that certification with the registry of deeds in the county in which the property is located. The certification must contain the following information:

- A. The name and title of the code enforcement officer or other public official making the determination of abandonment;
- B. A description of the real estate and information regarding the filing of a tax lien and foreclosure with regard to the property;
- C. The name of the owner of the property at the time of foreclosure;
- D. A description of the factors considered by the code enforcement officer or other public official that contributed to the determination of abandonment; and
- E. The signature of the code enforcement officer or other public official making the determination of abandonment.

The code enforcement officer or other public official making the determination that the property is abandoned shall certify that the property is abandoned and file a copy of that certification with the registry of deeds in the county in which the property is located.

For the purposes of this subsection, "residential real estate" means property that includes a residential structure that has one to 4 residential units.



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### **3. Tax liens for abandoned property recorded after December 1, 2021.**

Notwithstanding section 946-B, a person may not commence an action against the validity of a governmental taking of real estate for nonpayment of property taxes upon the expiration of a 6-month period immediately following a certification under subsection 2 that the property is abandoned. This subsection applies to a tax lien recorded after December 1, 2021.

**4. Program to monitor municipal abandoned property.** A municipality that certifies abandoned property under this section shall submit the address and parcel data for the abandoned property to the Maine State Housing Authority for use in determining opportunities for redevelopment, programs supporting first-time home buyers and similar programs and data analysis.

### **§947. Presumption of validity**

In an action to foreclose a tax lien mortgage under sections 944, 945, or 946, the proceedings from and including the assessment of the tax upon which such tax lien mortgage is based to and including the time of filing the complaint in such action need not be set forth in the complaint, pleaded or proved and shall be presumed to be valid. A defendant alleging any invalidity or defect in such proceedings must specify in his answer such invalidity or defect and must establish such defense.

### **§948. Supplemental assessments; enforcement of lien**

When taxes are assessed under section 713, the lien upon real estate shall be enforced as provided in sections 941 to 943; except that if real estate shall have been transferred to a bona fide purchaser for value since the assessment was omitted or invalidly made with the transfer duly recorded, prior to the date of the supplemental assessment, the lien shall terminate.

### **§949. Disbursement of excess funds**

**1. Authorization to adopt ordinance.** A municipality that obtains title to property acquired under the operation of this article may, by ordinance, disburse to the former owner the excess of any funds received from the disposition of that property. The ordinance must contain standards governing the disbursement of the excess of any funds and the procedures that protect the interests of the taxpayers of the municipality.

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

A. "Excess of any funds" means the amount obtained by the municipality for the disposition of the property less:

- (1) All taxes and interest owed on the property and the amount of taxes and interest that would have been assessed had the property not been acquired by the municipality;
- (2) The municipality's cost of the lien and foreclosure process;

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- (3) The municipality's cost of maintaining and disposing of the property; and
- (4) Unpaid sewer, water or other charges and fees imposed by the municipality or a quasi-governmental authority.

B. "Former owner" means a party named on a tax lien mortgage at the time of the levy of a tax lien or that party's successors, heirs, or assigns.

**3. Unorganized territory.** The obligations of a municipality under this section apply to the State with regard to property in the unorganized territory. The State Tax Assessor may adopt routine technical rules providing for the disbursement of the excess of any funds received from the disposition of property in the unorganized territory for nonpayment of taxes under chapter 115.

**4. Application.** An ordinance or rule adopted under this section may apply to sales of property acquired through the tax lien and foreclosure process occurring on or after January 1, 2015.

### ARTICLE 3 DISTRRAINT OR ARREST

#### **§991. Distraint for taxes; procedure; sale**

If any resident or nonresident taxpayer after a reasonable demand refuses or neglects to pay any part of the tax assessed against him in accordance with this chapter, the tax collector may distraint him in any part of the State by any of his goods and chattels not exempt from attachment for debt, for the whole or any part of his tax, and may keep such distress for not less than 4 days nor more than 7 days at the expense of the owner, and if he does not pay his tax within that time, the distress shall be openly sold at vendue by the tax collector after the 4th day but on or before the 7th day. The place of sale may be other than where the tax was assessed or where the property was seized. Notice of such sale shall be posted in some public place in the municipality where the tax was assessed and in the place where the sale is to be held at least 48 hours before the time set for sale.

#### **§992. Disposition of surplus**

The officer, after deducting the tax and expense of sale, shall restore the balance to the former owner, with a written account of the sale and charges. For distress for nonpayment of taxes the officer shall have the same fees as for levying executions, but his travel shall be computed only from his dwelling house to the place where it is made.

#### **§993. Arrest; notice; procedure; fees**

If any resident or nonresident taxpayer assessed in accordance with this chapter, for 12 days after demand, refuses or neglects to pay his tax and to show the tax collector sufficient goods and chattels to pay it, such officer may arrest him in the county where found and commit him there to jail, until he pays it or is discharged by law.

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If the tax collector thinks that there are just grounds to fear that such person may abscond before the end of said 12 days, the tax collector may demand immediate payment and, on failure to pay, he may commit such person as provided.

For commitment for nonpayment of taxes, the tax collector shall have the same fees as sheriffs have for levying executions, but his travel shall be computed only from his dwelling house to the place of commitment.

### **§994. Collector may issue warrant of distress to sheriff**

Any tax collector after 3 months from the date of commitment may issue his warrant to the sheriff of any county, or his deputy, or to a constable of his municipality, directing him to distrain the person or property of any taxpayer not paying his taxes, which warrant shall be of the same tenor as that prescribed to be issued to tax collectors with the appropriate changes returnable to the tax collector issuing the same in 30, 60 or 90 days.

### **§995. Warrant of distress; service, notice, fees**

Before the officer serves any such warrant, he shall deliver to the taxpayer or leave at his last and usual place of abode a summons from said tax collector stating the amount of tax due, and that it must be paid within 10 days from the time of leaving such summons. If not so paid, the officer shall serve such warrant the same as tax collectors may do and shall receive the same fees as for levying executions in personal actions.

For the service of such warrant, the officer shall have the same fees as sheriffs have for serving warrants, but his travel shall be computed only from his place of abode to place of service.

### **§996. Distraint before tax due to prevent loss**

When a tax collector has reason to believe that there is danger of losing, by delay, a tax assessed upon any taxpayer, at any time after commitment:

**1. Warrant issued.** He may issue the warrant provided for in section 994 prior to the expiration of the 3-month period; or

**2. When served.** He may in the warrant authorized by section 994, or in subsection 1, direct the officer to demand immediate payment, and if not so paid, the officer shall serve such warrant without further notice; or

**3. When notice period unexpired.** He may, after the issuance of such warrant, in writing direct the officer to whom the warrant has been issued to demand immediate payment, and if not so paid to serve such warrant without further notice notwithstanding any unexpired portion of the 10-day notice period required by section 995; or

**4. Distrain or arrest.** He may himself demand immediate payment and upon failure he may distrain the property or arrest the person of such taxpayer.

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### **§997. Arrest and commitment; procedure**

When a tax collector or any officer by virtue of a warrant, for want of property, arrests any person and commits him to jail, he shall give an attested copy of his warrant to the jailer and certify, under his hand, the sum that such person is to pay as his tax and the costs of arresting and committing, and that for want of goods and chattels whereon to make distress, he has been arrested. Such copy and certificate are a sufficient warrant to require the jailer to receive and keep such person in custody until he pays his tax, charges, and 33¢ for the copy of the warrant. Such person shall have the same rights and privileges as a debtor arrested or committed on execution in favor of a private creditor.

### **§998. Collector liable unless he commits within one year**

When a person imprisoned for not paying his tax is discharged, the tax collector committing him shall not be discharged from such tax without a vote of the municipality, unless the taxpayer was imprisoned within one year after the date of commitment of such tax.

## ARTICLE 4 CIVIL ACTION

### **§1031. Collector may bring action in own name**

Any tax collector or his executor or administrator may bring a civil action in his own name for any tax, and no Judge of any District Court before whom such action is brought is incompetent to try the same by reason of his residence in the municipality assessing said tax. No defendant is liable for any costs of the action, unless it appears by the complaint and by proof that payment of said tax had been duly demanded before the action.

### **§1032. Action may be brought in name of municipality**

In addition to other provisions for the collection of taxes, the municipal officers of any municipality to which a tax is due may in writing direct a civil action to be commenced in the name of such municipality against the party liable; but no such defendant is liable for any costs of the action, unless it appears by the declaration and by proof that payment of said tax had been duly demanded before the action.

## ARTICLE 5 SALE OF REAL ESTATE

### **§1071. Collector's tax auction sale; notice; procedure**

If any tax on real estate remains unpaid on the first Monday in February next after said tax was assessed, the tax collector shall sell at public auction so much of such real estate as is necessary for the payment of said tax, interest and all the charges, at 9 o'clock in the forenoon of said first Monday in February at the office of the tax collector or at the place where the last preceding annual municipal meeting was held. In case of the absence or disability of the tax collector, the sale shall be made by some constable of the municipality who shall have the same powers as the tax collector.

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In the case of the real estate of resident owners, the tax collector may give notice of the sale and of his intention to sell so much of said real estate as is necessary for the payment of delinquent taxes and all charges by posting notices thereof in the same manner and at the same places that warrants for municipal meetings are therein required to be posted, at least 6 weeks and not more than 7 weeks before such first Monday in February, designating the name of the owner if known, the right, lot and range, the number of acres as nearly as may be, the amount of tax due and such other short description as is necessary to render its identification certain and plain.

In the case of taxes assessed on the real estate of nonresident owners, he shall cause said notices to be published in some newspaper, if any, published in the county where said real estate lies, 3 weeks successively, such publication to begin at least 6 weeks before said first Monday in February. If no newspaper is published in said county, said notices shall be published in like manner in the state paper. He shall, in the advertisements so published, state the name of the municipality and if within 3 years it has been changed for the whole or a part of the territory, both the present and former name shall be stated; and that, if the taxes, interest and charges are not paid on or before such first Monday in February, so much of the estate as is sufficient to pay the amount due therefor with interest and charges will be sold without further notice, at public auction, on said first Monday in February at 9 o'clock in the forenoon at the office of the tax collector or at the place where the last preceding annual municipal meeting was held. The date of the commitment shall be stated in the advertisement.

In all cases said tax collector shall lodge with the municipal clerk a copy of each such notice, with his certificate thereon that he has given notice of the intended sale as required by law. Such copy and certificate shall be recorded by said clerk and the record so made shall be open to the inspection of all persons interested. The clerk shall furnish to any person desiring it an attested copy of such record, on receiving payment or tender of payment of a reasonable sum therefor; but notice of sales of real estate within any village corporation for unpaid taxes of said corporation may be given by notices thereof, posted in the same manner, and at the same places as warrants for corporation meetings, and by publication, as provided.

No irregularity, informality or omission in giving the notices required by this section, or in lodging copy of any of the same with the municipal clerk, as required, shall render such sale invalid, but such sale shall be deemed to be legal and valid, if made at the time and place provided, and in other respects according to law, except as to the matter of notice. For any irregularity, informality, or omission in giving notice as required by this section, and in lodging copy of the same with the municipal clerk, the tax collector shall be liable to any person injured thereby.

### **§1072. -- form**

The notice for posting, or the advertisement, as the case may be, of the tax collector required by section 1071 shall be in substance as follows:

Unpaid taxes on real estate situated in the municipality of ....., in the County of ....., for the year ....., The name of the municipality was formerly ....., (to be stated in the case of change of name, as mentioned in the preceding section). The following list of taxes on real estate of resident (or nonresident, as the case may be,) owners in the municipality of ....., for the year ....., committed to me for collection for said municipality on the ..... day of ....., remain unpaid; and notice is hereby given that if said taxes, interest and charges are not previously paid, so much of the real estate

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taxed as is sufficient to pay the amount due therefor, including interest and charges, will be sold at public auction at ..... in said municipality, on the first Monday of February, 19.., at nine o'clock a. m. (Here follows the list, a short description of each parcel taken from the inventory, to be inserted in an additional column.) C. D., Tax collector of the municipality of .....

### **§1073. Notice to owners of time and place of sale**

After the real estate is so advertised, and at least 10 days before the day of sale, the tax collector shall notify the owner, if resident, or the occupant thereof, if any, of the time and place of sale by delivering to him in person, or by registered mail with receipt demanded, or by leaving at his last and usual place of abode, a written notice signed by him stating the time and place of sale and the amount of taxes due. In case of nonresident owners of real estate, such notice shall be sent by mail to the last and usual address, if known to the tax collector, at least 10 days before the day of sale. If such tax is paid before the time of sale, the amount to be paid for such advertisement and notice shall not exceed \$1, in addition to the sum paid the printer, if any.

### **§1074. Sale; procedure; costs**

When no person appears to discharge the taxes duly assessed on any such real estate of resident or nonresident owners, with costs of advertising, on or before the time of sale, the tax collector shall proceed to sell at public auction, to the highest bidder, so much of such real estate as is necessary to pay the tax due, in the case of each person assessed, with \$3 for advertising and selling it, the sum paid to the printer, 25¢ for each copy required to be lodged with the municipal clerk, 25¢ for the return required to be made to the municipal clerk, and 67¢ for the deed thereof and certificate of acknowledgment. If the bidding is for less than the whole, it shall be for a fractional part of the estate, and the bidder who will pay the sum due for the least fractional part shall be the purchaser. If more than one right, lot or parcel of real estate assessed to the same person is so advertised and sold, said charge of \$3, the 25¢ for each copy lodged with the municipal clerk, and the 25¢ for the return made to the municipal clerk, shall be divided equally among the several rights, lots or parcels advertised and sold at any one time; and in addition, the sum paid to the printer shall be divided equally among the nonresident rights, lots or parcels so advertised and sold; and the tax collector shall receive in addition, 50¢ on each parcel of real estate so advertised and sold, when more than one parcel is advertised and sold. The tax collector may, if necessary to complete the sales, adjourn the auction from day to day.

### **§1075. Collector's return of sale; form**

The tax collector making any sale of real estate for nonpayment of taxes shall, within 30 days after such sale make a return, with a particular statement of his doings in making such sale, to the municipal clerk who shall receive and file it. Said return shall be evidence of the facts therein set forth in all cases where such tax collector is not personally interested. The tax collector's return to the municipal clerk shall be in substance as follows:

Pursuant to law, I caused the taxes assessed on the real estate of nonresident owners described herein, situated in the municipality of ..... for the year ....., to be advertised according to law by advertising in the ..... three weeks successively, the first publication being on the ..... day of ....., and at least six weeks before the day of sale; and caused the taxes assessed on the real estate of resident owners described herein, situated in the municipality of ..... for the year ....., to be

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advertised according to law by posting notice as required by law, at the following places, six weeks before the day of sale, being public and conspicuous places in said municipality. I also, at least ten days before the day of sale, gave to each resident owner of said real estate, or the occupant thereof, if any, in hand, or forwarded to him by registered mail with receipt demanded, or left at his last and usual place of abode, and sent by mail to the last and usual address of each nonresident owner of said real estate, whose address was known to me, written notice of the time and place of said sale, in the manner provided by law; and afterwards on the first Monday of February, 19.., at nine o'clock a.m., being the time and place of sale, I proceeded to sell, according to the tenor of the advertisement, the estates upon which the taxes so assessed remained unpaid; and in the schedules following is set forth each parcel of the estate so offered for sale, the amount of taxes and the name of the purchaser; and I have made and executed deeds of the several parcels to the several persons entitled thereto, and placed them on file in the municipal treasurer's office, to be disposed of as the law requires.

### SCHEDULE NO. 1 Nonresident Owners

Name of owner	Description of property	Amount of tax, interest, and charges	Quantity sold	Name of Purchaser
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### SCHEDULE NO. 2 Resident Owners

Name of owner	Description of property	Amount of tax, interest, and charges	Quantity sold	Name of purchaser
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In witness whereof I have hereunto subscribed my name, this ..... day of ....., 19...

C.D., Tax Collector of the municipality of .....

### **§1076. Purchaser to notify mortgagee of sale; right of redemption**

When real estate is so sold for taxes, the tax collector shall, within 30 days after the day of sale, lodge with the municipal treasurer a certificate under oath, designating the quantity of real estate sold, the names of the owners of each parcel and the names of the purchasers; what part of the amount of each was tax and what was cost and charges; also a deed of each parcel sold, running to the purchasers. The treasurer shall not at that time deliver the deeds to the grantees, but put them on file in his office, to be delivered at the expiration of 2 years from the day of sale, and the treasurer shall after the expiration of 2 years deliver said deed to the grantee or his heirs, provided

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the owner, the mortgagee or any person in possession or other person legally taxable therefor does not within such time redeem the estate from such sale, by payment or tender of the taxes, all the charges and interest on the whole at the rate of 8% a year from the date of sale to the time of redemption, and costs as provided, with 67¢ for the deed and certificate of acknowledgment.

If there is an undischarged mortgage duly recorded on the real estate sold for taxes, the purchaser at such sale shall notify the holder of record of each such mortgage within 60 days from the date of said sale, by sending a notice in writing by registered letter addressed to the record holder of such mortgage at the residence of such holder as given in the registry of deeds in the county where said real estate is situated, stating that he has purchased the estate at a tax sale on such date and request the mortgagee to redeem the same. If such notice is not given, the holder of record of any mortgage, which mortgage was on record in the registry of deeds at the time of said sale, may redeem the real estate sold at any time within 3 months after receiving actual notice of such sale, by the payment or tender of the amounts, interest and costs as specified, and the registry fee for recording and discharging the deed, if the deed has been recorded, and the deed shall be discharged by the grantee therein, or the owner under the tax deed at the time of redemption, in manner provided for the discharge of mortgages of real estate.

If any owner of real estate which is assessed to any former owner who was not the owner on April 1st of the taxable year as assessed, or to owners unknown, does not have actual notice of the sale of his real estate for taxes within said 2 years, he may, at any time within 3 months after he has had actual notice, redeem the real estate sold from such sale although the deed may have been recorded, by payment or tender of the amounts, interest and costs as specified and the registry fee for recording and discharging the deed, in case the deed has been recorded, and the deed shall be discharged by the grantee therein, or the owner under the tax deed at the time of redemption, in manner provided for the discharge of mortgages on real estate.

If the real estate is redeemed before the deed is delivered, the municipal treasurer shall give the owner, mortgagee or party to whom the real estate is assessed or other person legally taxable therefor a certificate thereof, cancel the deed and pay to the grantee on demand the amount so received from him. If the amounts, interest and costs specified are not paid to the treasurer within the time as specified, he shall deliver to the grantee his deed upon the payment of the fees for the deed and acknowledgment and 30¢ more for receiving and paying out the proceeds of the sale, but all tax deeds of real estate upon which there is an undischarged mortgage duly recorded shall carry no title except subject to such mortgage, unless the purchaser at such tax sale gives to the record holder of the mortgage, notice as provided. For the fidelity of the treasurer in discharging his duties required, the municipality is responsible, and has a remedy on his bond in case of default.

### **§1077. Purchaser's failure to pay in 20 days voids sale**

If the purchaser of real estate sold for taxes under section 1074 fails to pay the tax collector within 20 days after the sale of the amount bid by him, the sale shall be void, and the municipality in which such sale was made shall be deemed to be the purchaser of the real estate so sold, the same as if purchased by someone in behalf of the municipality under section 1082. If a municipality becomes a purchaser under this section, the deed to it shall set forth the fact that a sale was duly made, the amount bid for the real estate included in said deed, and that the purchaser failed to pay the amount bid within 20 days after the sale. The said deed shall confer upon said municipality the same rights and duties as if it had been the purchaser under section 1082.



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### **§1078. Owner's right to redeem**

Any person to whom the right by law belongs may, at any time within 2 years from the day of sale, redeem any real estate sold for taxes on paying into the municipal treasury for the purchaser the full amount certified to be due, including taxes, costs and charges, with interest on the whole at the rate of 8% a year from the date of the sale, which shall be received and held by said treasurer as the property of the purchaser aforesaid. The treasurer shall pay it to said purchaser, his heirs or assigns, on demand. If not paid when demanded, the purchaser may recover it in any court of competent jurisdiction, with costs and interest at the rate of 8%, after such demand. The sureties of the treasurer shall pay the same on failure of said treasurer. In default of payment by either, the municipality shall pay the same with costs and interest as provided.

### **§1079. Refund of taxes paid by purchaser**

Any person interested in the estate, by the purchase at the sale, may pay any tax assessed thereon, before or after that so advertised, and for which the estate remains liable, and on filing with the municipal treasurer the receipt of the officer to whom it was paid, the amount so paid shall be added to that for which the estate was liable, and shall be paid by the owner redeeming the estate, with interest at the same rate as on the other sums.

### **§1080. Delivery of deed to purchaser after 2 years**

If the estate is not redeemed within the time specified by payment of the full amount required by this chapter, the municipal treasurer shall deliver to the purchaser the deeds lodged with him by the tax collector. If he willfully refuses to deliver such deed to said purchaser, on demand, after said 2 years and forfeiture of the land, he forfeits to said purchaser the full value of the property so to be conveyed, to be recovered in a civil action, with costs and interest as in other cases. The sureties of said treasurer shall make good the payment required in default of payment by the principal. On the failure of both, the municipality is liable.

### **§1081. Nonresident owner's action; time limit**

Any nonresident owner of real estate sold under section 1074, having paid the taxes, costs, charges and interest as provided, may, at any time within one year after making such payment, commence a civil action against the municipality to recover the amount paid, and if on trial it appears that the money raised was for an unlawful purpose, he shall have judgment for the amount so paid. If not commenced within the year, the claim shall be forever barred. The action may be in the Superior Court and the plaintiff recovering judgment therein shall have full costs, although the amount of damages is less than \$20.

### **§1082. Municipal officers may bid at sale**

The municipal officers may employ one of their own number, or some other person, to attend the sale for taxes of any real estate in which their municipality is interested, and bid therefor a sum sufficient to pay the amount due and charges, in behalf of the municipality, and the deed shall be made to it.

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### §1083. Collector's deed; prima facie evidence of validity of sale

In the trial of any civil action, involving the validity of any sale of real estate for nonpayment of taxes, it shall be sufficient for the party claiming under it, in the first instance to produce in evidence the tax collector's deed, duly executed and recorded, which shall be prima facie evidence of his title, and if the other party claims and offers evidence to show that such sale was invalid and ineffectual to convey the title, the party claiming under it shall have judgment in his favor so far as relates to said tax title, if he then produces the assessment, signed by the assessors, and their warrant to the tax collector, and proves that such tax collector complied with the requirements of law in selling such real estate. In all civil actions involving the validity of such sales the tax collector's return to the municipal clerk shall be prima facie evidence of all facts therein set forth.

### §1084. Posting notices; evidence of

The affidavit of any disinterested person as to posting notifications required for the sale of any real estate to be sold by the sheriff or his deputy, constable or tax collector, in the execution of his office, may be used in evidence in any trial to prove the fact of notice, if such affidavit, made on one of the original advertisements, or on a copy of it, is filed in the registry of the county where the real estate lies, within 6 months.

## SUBCHAPTER 10 FARM AND OPEN SPACE TAX LAW

### §1101. Purpose

It is declared that it is in the public interest to encourage the preservation of farmland and open space land in order to maintain a readily available source of food and farm products close to the metropolitan areas of the State to conserve the State's natural resources and to provide for the welfare and happiness of the inhabitants of the State, that it is in the public interest to prevent the forced conversion of farmland and open space land to more intensive uses as the result of economic pressures caused by the assessment thereof for purposes of property taxation at values incompatible with their preservation as such farmland and open space land, and that the necessity in the public interest of the enactment of this subchapter is a matter of legislative determination.

### §1102. Definitions

When used in this subchapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. **Assessor.** (Repealed)

2. **Comprehensive plan.** "Comprehensive plan" means zoning or a plan of development, including any amendment thereto, prepared or adopted by the planning board.

3. **Cropland.** "Cropland" means acreage within a farm unit of land in tillage rotation, open land formerly cropped and land in bush fruits.

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**4. Farmland.** "Farmland" means any tract or tracts of land, including woodland and wasteland, of at least 5 contiguous acres on which farming or agricultural activities have contributed to a gross annual farming income of at least \$2,000 per year from the sales value of agricultural products as defined in Title 7, section 152, subsection 2 in one of the 2, or 3 of the 5, calendar years preceding the date of application for classification. The farming or agricultural activity and income derived from that activity may be achieved by either the owner or a lessee of the land.

A. (Repealed)

B. (Repealed)

C. A parcel of land that is located on an island may not be considered contiguous to another parcel of land that is not located on the same island if the parcels of land are separated by water at the normal high-water mark or high tide. A parcel of land located on an island that was included within a parcel classified as farmland before April 1, 2017 and that is excluded from classification as farmland under this paragraph must be considered as land classified as open space land unless the owner withdraws the land from classification under this subchapter.

Gross income as used in this subsection includes the value of commodities produced for consumption by the farm household. Any applicant for assessment under this subchapter bears the burden of proof as to the applicant's qualification.

**4-A. Forest management and harvest plan.** "Forest management and harvest plan" means a written document that outlines activities to regenerate, improve and harvest a standing crop of timber. A plan must include the location of water bodies and wildlife habitat as identified by the Department of Inland Fisheries and Wildlife. A plan may include, but is not limited to, schedules and recommendations for timber stand improvement and harvesting plans and recommendations for regeneration activities. A plan must be prepared by a licensed professional forester or a landowner and be reviewed and certified by a licensed professional forester as consistent with sound silvicultural practices.

**4-B. Forested land.** "Forested land" means land that is used in the growth of trees but does not include ledge, marsh, open swamp, bog, water, and similar areas that are unsuitable for growing trees.

**5. Farm woodland.** "Farm woodland" means the combined acreage within a farm unit of forested land.

**5-A. Horticultural land.** "Horticultural land" means land which is engaged in the production of vegetables, tree fruits, small fruits, flowers and woody or herbaceous plants.

**6. Open space land.** "Open space land" means any area of land, including state wildlife and management areas, sanctuaries and preserves designated as such in Title 12, the preservation or restriction of the use of which provides a public benefit in any of the following areas:

A. Conserving scenic resources;

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B. Enhancing public recreation opportunities;

C. Promoting game management; or

D. Preserving wildlife or wildlife habitat.

**7. Orchard land.** "Orchard land" means the combined acreage within a farm unit of land devoted to the cultivation of trees bearing edible fruit.

**8. Pastureland.** "Pastureland" means the combined acreage within a farm unit of land devoted to the production of forage plants used for animal production.

**9. Planning board.** "Planning board" means a planning board created for the purpose of planning in any municipality or the Maine Land Use Planning Commission in the unorganized territory.

**10. Wildlife habitat.** "Wildlife habitat" means land that is subject to a written management agreement between the landowner and either the Department of Inland Fisheries and Wildlife or the Department of Agriculture, Conservation and Forestry to ensure that the habitat benefits provided by the land are not lost. Management agreements may be revised or updated by mutual consent of both parties at any time. Management agreements must be renewed at least every 10 years. "Wildlife habitat" must also meet one of the following criteria:

A. The land is designated by the Department of Inland Fisheries and Wildlife as supporting important wildlife habitat;

B. The land supports the life cycle of any species of wildlife as identified by the Department of Inland Fisheries and Wildlife;

C. The land is identified by the Department of Agriculture, Conservation and Forestry as supporting a natural vegetation community; or

D. The land is designated as a resource protection area in a comprehensive plan, zoning ordinance or zoning map.

### **§1103. Owner's application**

An owner of farmland or open space land may apply for taxation under this subchapter by filing with the assessor the schedule provided for in section 1109. The election to apply requires the written consent of all owners of an interest in that farmland or open space land.

### **§1104. Administration; regulations**

The State Tax Assessor shall adopt and amend such rules as may be reasonable and appropriate to carry out the State Tax Assessor's responsibilities as provided in this subchapter.

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### §1105. Valuation of farmland

The municipal assessor, chief assessor or State Tax Assessor for the unorganized territory shall establish the 100% valuation per acre based on the current use value of farmland used for agricultural or horticultural purposes. The values established must be guided by the Department of Agriculture, Conservation and Forestry as provided in section 1119 and adjusted by the assessor if determined necessary on the basis of such considerations as farmland rentals, farmer-to-farmer sales, soil types and quality, commodity values, topography and other relevant factors. These values may not reflect development or market value purposes other than agricultural or horticultural use. The values may not reflect value attributable to road frontage or shore frontage.

The 100% valuation per acre for farm woodland within a parcel classified as farmland under this subchapter is the 100% valuation per acre for each forest type established for each county pursuant to subchapter 2-A. Areas other than woodland, agricultural land or horticultural land located within any parcel of farmland classified under this subchapter are valued on the basis of just value.

### §1106. Powers and duties; State Tax Assessor (REPEALED)

#### §1106-A. Valuation of open space land

**1. Valuation method.** For the purposes of this subchapter, the current use value of open space land is the sale price that particular open space parcel would command in the marketplace if it were required to remain in the particular category or categories of open space land for which it qualifies under section 1102, subsection 6, adjusted by the certified ratio.

**2. Alternative valuation method.** Notwithstanding any other provision of law, if an assessor is unable to determine the valuation of open space land under the valuation method in subsection 1, the assessor may value that land under the alternative method in this subsection. The assessor may reduce the ordinary assessed valuation of the land, without regard to conservation easement restrictions and as reduced by the certified ratio, by the cumulative percentage reduction for which the land is eligible according to the following categories.

- A. All open space land is eligible for a reduction of 20%.
- B. Permanently protected open space land is eligible for the reduction set in paragraph A and an additional 30%.
- C. Forever wild open space land is eligible for the reduction set in paragraphs A and B and an additional 20%.
- D. Public access open space land is eligible for the applicable reduction set in paragraph A, B or C and an additional 25%.
- E. Managed forest open space land is eligible for the reduction set in paragraphs A, B and D and an additional 10%.

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Notwithstanding this section, the value of forested open space land may not be reduced to less than the value it would have under subchapter 2-A, and the open space land valuation may not exceed just value as required under section 701-A.

**3. Definition of land eligible for additional percentage reduction.** The following categories of open space land are eligible for the additional percentage reduction set forth in subsection 2, paragraphs B, C, D and E.

A. Permanently protected open space is an area of open space land that is eligible for an additional cumulative percentage reduction in valuation because that area is subject to restrictions prohibiting building development under a perpetual conservation easement pursuant to Title 33, chapter 7, subchapter 8-A or as an open space preserve owned and operated by a nonprofit entity in accordance with section 1109, subsection 3, paragraph H.

B. Forever wild open space is an area of open space land that is eligible for an additional cumulative percentage reduction in valuation because it is permanently protected and subject to restrictions or committed to uses by a nonprofit entity in accordance with section 1109, subsection 3, paragraph H that ensure that in the future the natural resources on that protected property will remain substantially unaltered, except for:

- (1) Fishing or hunting;
- (2) Harvesting shellfish in the intertidal zone;
- (3) Prevention of the spread of fires or disease; or
- (4) Providing opportunities for low-impact outdoor recreation, nature observation and study.

C. Public access open space is an area of open space land, whether ordinary, permanently protected or forever wild, that is eligible for an additional cumulative percentage reduction in valuation because public access is by reasonable means and the applicant agrees to refrain from taking action to discourage or prohibit daytime, nonmotorized and nondestructive public use. The applicant may permit, but is not obligated to permit as a condition of qualification for public access status, hunting, snowmobiling, overnight use or other more intensive outdoor recreational uses. The applicant, without disqualifying land from status as public access open space, may impose temporary or localized public access restrictions to:

- (1) Protect active habitat of endangered species listed under Title 12, chapter 925, subchapter 3;
- (2) Prevent destruction or harm to fragile protected natural resources under Title 38, chapter 3, subchapter 1, article 5-A; or
- (3) Protect the recreational user from any hazardous area.

D. Managed forest open space land is an area of open space land whether ordinary, permanently protected pursuant to paragraph A or public access pursuant to paragraph C

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containing at least 10 acres of forested land that is eligible for an additional cumulative percentage reduction in valuation because the applicant has provided proof of a forest management and harvest plan. A forest management and harvest plan must be prepared for each parcel of managed forest open space land and updated every 10 years. The landowner must comply with the forest management and harvest plan and must submit every 10 years to the municipal assessor for parcels in a municipality or the State Tax Assessor for parcels in the unorganized territory a statement from a licensed professional forester that the landowner is managing the parcel according to the forest management and harvest plan. Failure to comply with the forest management and harvest plan results in the loss of the additional cumulative percentage reduction under this paragraph for 10 years. The assessor or the assessor's duly authorized representative may enter and examine the forested land and may examine any information in the forest management and harvest plan submitted by the owner. A copy of the forest management and harvest plan must be made available to the assessor to review upon request. For the purposes of this paragraph, "to review" means to see or possess a copy of a forest management and harvest plan for a reasonable amount of time to verify that the forest management and harvest plan exists or to facilitate an evaluation as to whether the forest management and harvest plan is appropriate and is being followed. Upon completion of a review, the forest management and harvest plan must be returned to the owner or an agent of the owner. A forest management and harvest plan provided in accordance with this section is confidential and is not a public record as defined in Title 1, section 402, subsection 3.

### **§1107. Orders (REPEALED)**

### **§1108. Assessment of tax**

**1. Organized areas.** The municipal assessors shall adjust the 100% valuations per acre for farmland for their jurisdiction by whatever ratio or percentage of current just value is then being applied to other property within the municipality to obtain the assessed values. For any tax year, the classified farmland value must reflect only the current use value for farm or open space purposes and may not include any increment of value reflecting development pressure. Commencing April 1, 1978, land in the organized areas subject to taxation under this subchapter must be taxed at the property tax rate applicable to other property in the municipality, which rate must be applied to the assessed values so determined.

**2. Unorganized territory.** The State Tax Assessor shall adjust the 100% valuations per acre for farmland for the unorganized territory by such ratio or percentage as is then being used to determine the state valuation applicable to other property in the unorganized territory to obtain the assessed values. For any tax year, the classified farmland value must reflect only the current use value for farm or open space purposes and shall not include any increment of value reflecting development pressure. Commencing April 1, 1978, land in the unorganized territory subject to taxation under this subchapter shall be taxed at the state property tax rate applicable to other property in the unorganized territory, which rate shall be applied to the assessed values so determined.

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### §1109. Schedule; investigation

**1. Schedule.** The owner or owners of farmland subject to taxation under this subchapter shall submit a signed schedule, on or before April 1st of the year in which the owner or owners wish to first subject the land to taxation under this subchapter, to the assessor upon a form prescribed by the State Tax Assessor identifying the land to be taxed under this subchapter, indicating the number of acres of each farmland classification, showing the location of the land in each classification and representing that the land is farmland as defined in section 1102, subsection 4. In determining whether the land is farmland, the assessor shall take into account, among other things, the acreage of the land, the portion of the land that is actually used for farming or agricultural operations, the productivity of the land, the gross income derived from farming or agricultural operations on the land, the nature and value of the equipment used in connection with farming or agricultural operations on the land and the extent to which the tracts comprising the land are contiguous. If the assessor determines that the land is farmland as defined in section 1102, subsection 4, the assessor shall classify it as farmland and apply the appropriate 100% valuations per acre for farmland and that land is subject to taxation under this subchapter.

The assessor shall record, in the municipal office of the town in which the farmland is located, the value of the farmland as established under this subchapter and the value at which the farmland would have been assessed had it not been classified under this subchapter.

**2. Provisional classification.** The owner of a parcel of land of at least 5 contiguous acres on which farming or agricultural activities have not produced the gross income required in section 1102, subsection 4 per year for one of the 2 or 3 of the 5 preceding calendar years, may apply for a 2-year provisional classification as farmland by submitting a signed schedule in duplicate, on or before April 1st of the year for which provisional classification is requested, identifying the land to be taxed under this subsection, listing the number of acres of each farmland classification, showing the location of the land in each classification and representing that the applicant intends to conduct farming or agricultural activities upon that parcel. Upon receipt of the schedule, the land must be provisionally classified as farmland and subjected to taxation under this subchapter. If, at the end of the 2-year period, the land does not qualify as farmland under section 1102, subsection 4, the owner shall pay a penalty that is an amount equal to the taxes that would have been assessed had the property been assessed at its fair market value on the first day of April for the 2 preceding tax years less the taxes paid on the property over the 2 preceding years and interest at the legal rate from the dates on which those amounts would have been payable.

**3. Open space land qualification.** The owner or owners of land who believe that land is open space land as defined in section 1102, subsection 6 shall submit a signed schedule on or before April 1st of the year in which that land first becomes subject to taxation under this subchapter to the assessor on a form prescribed by the State Tax Assessor that must contain a description of the land, a general description of the use to which the land is being put and other information required by the assessor to aid the assessor in determining whether the land qualifies for classification as open space land and for which of the valuation categories set forth in section 1106-A the land is eligible. The assessor shall determine whether the land is open space land as defined in section 1102, subsection 6 and, if so, that land must be classified as open space land and subject to taxation under this subchapter. In determining whether the restriction of the use or preservation of the land provides a public benefit in one of the areas set forth in section 1102, subsection 6, the assessor shall consider all facts and circumstances pertinent to the land and its vicinity. A factor that is



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pertinent to one application may be irrelevant in determining the public benefit of another application. A single factor, whether listed below or not, may be determinative of public benefit. Among the factors to be considered are:

- A. The importance of the land by virtue of its size or uniqueness in the vicinity or proximity to extensive development or comprising an entire landscape feature;
- B. The likelihood that development of the land would contribute to degradation of the scenic, natural, historic or archeological character of the area;
- C. The opportunity of the general public to appreciate significant scenic values of the land;
- D. The opportunity for regular and substantial use of the land by the general public for recreational or educational use;
- E. The importance of the land in preserving a local or regional landscape or resource that attracts tourism or commerce to the area;
- F. The likelihood that the preservation of the land as undeveloped open space will provide economic benefit to the town by limiting municipal expenditures required to service development;
- G. Whether the land is included in an area designated as open space land or resource protection land on a comprehensive plan or in a zoning ordinance or on a zoning map as finally adopted;
- H. The existence of a conservation easement, other legally enforceable restriction, or ownership by a nonprofit entity committed to conservation of the property that will permanently preserve the land in its natural, scenic or open character;
- I. The proximity of other private or public conservation lands protected by permanent easement or ownership by governmental or nonprofit entities committed to conservation of the property;
- J. The likelihood that protection of the land will contribute to the ecological viability of a local, state or national park, nature preserve, wildlife refuge, wilderness area or similar protected area;
- K. The existence on the land of habitat for rare, endangered, or threatened species of animals, fish or plants, or of a high-quality example of a terrestrial or aquatic community;
- L. The consistency of the proposed open space use with public programs for scenic preservation, wildlife preservation, historic preservation, game management or recreation in the region;
- M. The identification of the land or of outstanding natural resources on the land by a legislatively mandated program, on the state, local or federal level, as particular areas, parcels, land types or natural resources for protection, including, but not limited to, the

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register of critical areas under Title 12, section 544-B; the laws governing wildlife sanctuaries and management areas under Title 12, section 10109, subsection 1 and sections 12706 and 12708; the laws governing the State's rivers under Title 12, chapter 200; the natural resource protection laws under Title 38, chapter 3, subchapter 1, article 5-A; and the Maine Coastal Barrier Resources Systems under Title 38, chapter 21;

N. Whether the land contains historic or archeological resources listed in the National Register of Historic Places or is determined eligible for such a listing by the Maine Historic Preservation Commission, either in its own right or as contributing to the significance of an adjacent historic or archeological resource listed, or eligible to be listed, in the National Register of Historic Places; or

O. Whether there is a written management agreement between the landowner and the Department of Inland Fisheries and Wildlife or the Department of Agriculture, Conservation and Forestry as described in section 1102, subsection 10.

If a parcel of land for which the owner or owners are seeking classification as open space contains any principal or accessory structures or any substantial improvements that are inconsistent with the preservation of the land as open space, the owner or owners in their schedule shall exclude from their application for classification as open space a parcel of land containing those buildings or improvements at least equivalent in size to the state minimum lot size as prescribed by Title 12, section 4807-A or by the zoning ordinances or zoning map pertaining to the area in which the land is located, whichever is larger. For the purposes of this section, if any of the buildings or improvements are located within shoreland areas as defined in Title 38, chapter 3, subchapter 1, article 2-B, the excluded parcel must include the minimum shoreland frontage required by the applicable minimum lot standards under the minimum guidelines established pursuant to Title 38, chapter 3, subchapter 1, article 2-B or by the zoning ordinance for the area in which the land is located, whichever is larger. The shoreland frontage requirement is waived to the extent that the affected frontage is part of a contiguous shore path or a beach for which there is or will be, once classified, regular and substantial use by the public. The shoreland frontage requirement may be waived at the discretion of the legislative body of the municipality if it determines that a public benefit will be served by preventing future development near the shore or by securing access for the public on the particular shoreland area that would otherwise be excluded from classification.

**4. Investigation.** The assessor shall notify the landowner, on or before June 1st following receipt of a signed schedule meeting the requirements of this section, whether the application has been accepted or denied. If the application is denied, the assessor shall state the reasons for the denial and provide the landowner an opportunity to amend the schedule to conform to the requirements of this subchapter.

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

The assessor may require the owner to respond within 60 days of the receipt of notice in writing by certified mail, return receipt requested, to written questions or interrogatories the assessor considers necessary to obtain material information about those lands. If the assessor determines that the required material information regarding those lands cannot reasonably be obtained

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through written questions or interrogatories, the assessor may require the owner, upon notice in writing by certified mail, return receipt requested, or by another method that provides actual notice, to appear before the assessor at a reasonable time and place designated by the assessor and answer questions or interrogatories the assessor considers necessary to obtain material information about those lands.

If the owner of a parcel of land subject to taxation under this subchapter fails to submit the schedules required by this section, fails to respond to written questions or interrogatories of the assessor as provided in this subsection or fails to appear before the assessor to respond to questions or interrogatories as provided in this subsection, that owner or owners are deemed to have waived all rights of appeal.

**5. Owner obligation.** It is the obligation of the owner to report to the assessor any change of use or change of classification of land subject to taxation under this subchapter by the end of the tax year in which the change occurs and to report to the assessor on or before April 1st of every 5th year the gross income realized in each of the previous 5 years from acreage classified as farmland.

If the owner fails to report to the assessor as required by this subsection, the assessor shall assess those taxes required to be paid, shall assess the penalty provided in section 1112-C and shall assess an additional penalty equal to 25% of the penalty provided in section 1112-C. The assessor may waive the additional penalty for cause.

**6. Recertification.** The assessor shall determine annually whether any classified land continues to meet the requirements of this subchapter. Each year the assessor shall recertify any classifications made under this subchapter. If any classified land no longer meets the requirements of this subchapter, the assessor shall either remove the classification or, if he deems it appropriate, allow the land to have a provisional classification as detailed in subsection 2.

**7. Transition.** (Repealed)

### §1110. Reclassification

Land subject to taxes under this subchapter may be reclassified as to land classification by the municipal assessor, chief assessor or State Tax Assessor upon application of the owner with a proper showing of the reasons justifying that reclassification or upon the initiative of the respective municipal assessor, chief assessor or State Tax Assessor where the facts justify the same. In the event that the municipal assessor, chief assessor or State Tax Assessor determines, upon the municipal assessor's, chief assessor's or State Tax Assessor's own initiative, to reclassify land previously classified under this subchapter, the municipal assessor, chief assessor or State Tax Assessor shall provide to the owner or owners of the land by certified mail, return receipt requested, notice of the municipal assessor's, chief assessor's or State Tax Assessor's intention to reclassify that land and the reasons therefor.

### §1111. Scenic easements and development rights

Any municipality may, through donation or the expenditure of public funds, accept or acquire scenic easements or development rights for preserving property for the preservation of agricultural

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farmland or open space land. The term of such scenic easements or development rights must be for a period of at least 10 years.

### §1112. Recapture penalty (Repealed)

#### §1112-A. Mineral lands (REPEALED)

#### §1112-B. Mineral lands subject to an excise tax

Any statutory or constitutional penalty imposed as a result of withdrawal or a change of use, whether imposed before or after January 1, 1984, shall be determined without regard to the presence of minerals, provided that when payment of the penalty is made or demanded, whichever occurs first, there is in effect a state excise tax which applies or would apply to the mining of those minerals.

#### §1112-C. Recapture penalty

**1. Assessor determination; owner request.** If the assessor determines that land subject to this subchapter no longer meets the requirements of this subchapter, the assessor shall withdraw the land from taxation under this subchapter. The owner of land subject to this subchapter may at any time request withdrawal of any of the owner's land from taxation under this subchapter by certifying in writing to the assessor that the land is no longer to be classified under this subchapter. For purposes of this section, the transfer of land between different classifications within this subchapter does not constitute a withdrawal.

**2. Withdrawal of portion.** In the case of withdrawal of a portion of farmland or open space land, the owner, as a condition of withdrawal, shall file with the assessor a schedule including the information required under section 1109 showing the area withdrawn and the area remaining under this subchapter.

**3. Penalty.** If land is withdrawn from taxation under this subchapter, the assessor shall impose a penalty upon the owner. The penalty is the greater of:

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

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

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

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

For purposes of this subsection, just value at the time of withdrawal is the assessed just value of comparable property in the municipality adjusted by the municipality's certified assessment ratio.

**4. Assessment and collection of penalties.** The owner shall pay the penalties for withdrawal upon withdrawal to the tax collector as additional property taxes. Penalties may be assessed and collected as supplemental assessments in accordance with section 713-B.

**5. Eminent domain.** A penalty may not be assessed under this section if the withdrawal of the parcel is occasioned by a transfer to the State or other entity holding the power of eminent domain resulting from the exercise or threatened exercise of that power.

**6. Relief from requirements.** Upon withdrawal, the land is relieved of the requirements of this subchapter immediately and is returned to taxation under subchapter 2 beginning the April 1st following withdrawal.

**7. Reclassification under other current use program.** A penalty may not be assessed upon the withdrawal of land from taxation under this subchapter if the owner applies for classification of that land in another current use program prior to withdrawal and the application is accepted. If a penalty is later assessed under section 581 or 1138, the period of time that the land was taxed as farmland or open space land under this subchapter is included for purposes of establishing the amount of the penalty.

**8. Report of penalty.** A municipality that receives a penalty for the withdrawal of land from taxation under this subchapter shall report to the State Tax Assessor the total amount received in that reporting year on the municipal valuation return form described in section 383.

**9. Collection of farmland penalty; annual installments.** An owner of farmland that has been classified under this subchapter for 5 full years or more may pay any penalty owed under this section in up to 5 equal annual installments with interest at the rate set by the municipality, which begins to accrue 60 days after the date of assessment. Notwithstanding section 943, for an owner paying a penalty under this subsection, the period during which the tax lien mortgage, including interest and costs, must be paid to avoid foreclosure and expiration of the right of redemption is 48 months from the date of the filing of the tax lien certificate.

### §1113. Enforcement provision

A lien is created to secure the payment of the penalties provided in section 1109, subsections 2 and 5 and section 1112-C, which may be enforced in the same manner as liens created by section 552.

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### **§1114. Application**

No person can apply for classification for more than an aggregate total of 15,000 acres under this subchapter. The classification of farmland or open space land hereunder shall continue until the municipal assessor, or State Tax Assessor in the unorganized territory, determine that the land no longer meets the requirements of such classification.

### **§1115. Transfer of portion of parcel of land**

Transfer of a portion of a parcel of farmland subject to taxation under this subchapter does not affect the taxation under this subchapter of the resulting parcels unless they do not meet the minimum acreage requirements of this subchapter. Transfer of a portion of a parcel of open space land subject to taxation under this subchapter does not affect the taxation under this subchapter of the resulting parcels unless either or both of the parcels no longer provide a public benefit in one of the areas enumerated in section 1102, subsection 6. Each resulting parcel must be taxed to the owners under this subchapter until it is withdrawn from taxation under this subchapter, in which case the penalties provided in section 1112-C apply only to the owner of that parcel. If the transfer of a portion of a parcel of farmland subject to taxation under this subchapter results in the creation of a parcel that is less than the minimum acreage required by this subchapter or if the transfer of a portion of a parcel of open space land subject to taxation under this subchapter results in the creation of a parcel that no longer provides a public benefit in one of the areas enumerated in section 1102, subsection 6, that parcel is deemed to have been withdrawn from taxation under this subchapter as a result of the transfer and is subject to the penalties provided in section 1112-C.

### **§1116. Reclassification and withdrawal in unorganized territory (REPEALED)**

### **§1117. Appeal from State Tax Assessor or Commissioner of Agriculture (REPEALED)**

### **§1118. Appeals and abatements**

The denial of an application or an assessment made under this subchapter is subject to the abatement procedures provided by section 841. Appeal from a decision rendered under section 841 or a recommended current use value established under section 1106-A must be to the State Board of Property Tax Review.

### **§1119. Valuation guidelines**

By December 31, 2000 and biennially thereafter, the Department of Agriculture, Conservation and Forestry working with the Bureau of Revenue Services, representatives of municipal assessors and farmers shall prepare guidelines to assist local assessors in the valuation of farmland. The department shall also deliver these guidelines in training sessions for local assessors throughout the State. These guidelines must include recommended values for cropland, orchard land, pastureland, and horticultural land, differentiated by region where justified. Any variation in assessment of farmland from the recommended values must be substantiated by the local assessor within the parameters allowed within this subchapter.

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### §1120. Program promotion

The Department of Agriculture, Conservation and Forestry shall undertake an informational program designed to educate Maine citizens as to the existence of the farm and open space tax laws, which must include, but not be limited to, informing local farm organizations and associations of tax assessors about the law.

The Department of Agriculture, Conservation and Forestry and the Bureau of Revenue Services shall produce written materials designed to inform municipal assessors, farmers and Maine citizens about the farm and open space tax program. These materials must be in a form that is attractive, easily understandable and designed to interest the public in the program. The department and the bureau shall ensure that these written materials are made available and distributed as widely as possible throughout the State.

### §1121. Program monitoring

The Department of Agriculture, Conservation and Forestry and the Bureau of Revenue Services shall periodically review the level of participation in the farm and open space tax program, the taxes saved due to that participation, the fiscal impact, if any, on municipalities, including the impact of any penalties assessed under section 1112-C and the effectiveness of the program in preserving farmland and open space. The department and the bureau may report to the joint standing committee of the Legislature having jurisdiction over taxation matters on the status of the program. The department and the bureau may identify problems that prevent realization of the purposes of this subchapter and potential solutions to remedy those problems.

## SUBCHAPTER 10-A

### CURRENT USE VALUATION OF CERTAIN WORKING WATERFRONT LAND

#### §1131. Purpose

It is declared that it is in the public interest to encourage the preservation of working waterfront land and to prevent the conversion of working waterfront land to other uses as the result of economic pressures caused by the assessment of that land, for purposes of property taxation, at values incompatible with its use as working waterfront land and that the necessity in the public interest of the enactment of this subchapter in accordance with the Constitution of Maine, Article IX, Section 8 is a matter of legislative determination.

#### §1132. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Commercial aquacultural production.** "Commercial aquacultural production" has the same meaning as in section 2013, subsection 1, paragraph A-1.

**2. Commercial fishing.** "Commercial fishing" means harvesting or processing, or both, of wild marine organisms with the intent of disposing of them for profit or trade in commercial channels.

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**3. Commercial fishing activities.** "Commercial fishing activities" means commercial aquacultural production and commercial fishing. "Commercial fishing activities" does not include retail sale to the general public of marine organisms or their byproducts, or of other products or byproducts of commercial aquacultural production or commercial fishing.

**4. Excess valuation factor.** "Excess valuation factor" means a market-based influence on the determination of the just value of working waterfront land that would result in a valuation that is in excess of that land's current use value. "Excess valuation factor" includes, but is not limited to, aesthetic factors, recreational water-use factors, residential housing factors and nonresidential development factors unrelated to working waterfront uses.

**5. Head of tide.** "Head of tide" means the inland or upstream limit of water affected by the tide.

**6. Intertidal zone.** "Intertidal zone" means all land affected by the tides between the mean high-water mark and the mean low-water mark.

**7. Marine organism.** "Marine organism" means an animal or plant that inhabits intertidal zones or waters below head of tide.

**8. Support the conduct of commercial fishing activities.** "Support the conduct of commercial fishing activities" means:

A. To provide access to the water or the intertidal zone over waterfront property to persons directly engaged in commercial fishing activities; or

B. To conduct commercial business activities that provide goods or services that directly support commercial fishing activities.

**9. Used predominantly.** "Used predominantly" means used more than 90% for commercial fishing activity, allowing for limited uses for noncommercial or nonfishing activities if those activities are minor and purely incidental to a property's predominant use.

**10. Used primarily.** "Used primarily" means used more than 50% for commercial fishing activity.

**11. Working waterfront land.** "Working waterfront land" means a parcel of land, or a portion thereof, abutting water to the head of tide or land located in the intertidal zone that is used primarily or used predominantly to provide access to or support the conduct of commercial fishing activities. For purposes of this subchapter, a parcel is deemed to include a unit of real estate notwithstanding the fact that it is divided by a road, way, railroad, or pipeline.

### §1133. Owner's application

An owner or owners of land may elect to apply for taxation under this subchapter for the tax year beginning April 1, 2007 and for subsequent tax years by filing with the assessor the schedule provided for in section 1137, subsection 1.



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### §1134. Administration; rules

The State Tax Assessor may adopt rules necessary to carry out this subchapter. Rules adopted under this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

### §1135. Current use valuation of working waterfront land

The municipal assessor, chief assessor or State Tax Assessor for the unorganized territory shall establish the current use value per parcel for property classified as working waterfront land. The current use value of working waterfront land is the sale price that the parcel would command in the marketplace if it were required to remain in the use currently being made of the parcel as working waterfront land. The assessor may use one of the following methods to determine current use value.

**1. Comparative valuation.** The assessor may determine the current use value of working waterfront land by considering:

- A. All excess valuation factors that affect the land's just value;
- B. The comparative valuation of inland commercial enterprises that are being assessed on the basis of a use that is similar to the use of the working waterfront land with respect to function, access and level of activity; and
- C. Any other factor that results in a determination of the current use value of the working waterfront land.

**2. Alternative valuation.** If there is insufficient data to determine the current use value of working waterfront land under subsection 1, the assessor may reduce the ordinary assessed valuation of the land, without regard to permanent protection restrictions and as reduced by the certified ratio, by applying the percentage reductions for which the land is eligible according to the following categories.

- A. Working waterfront land used predominantly as working waterfront land is eligible for a reduction of 20%.
- B. Working waterfront land used primarily as working waterfront land is eligible for a reduction of 10%.
- C. Working waterfront land that is permanently protected from a change in use through deeded restrictions is eligible for the reduction described in paragraph A or B and an additional reduction of 30%.

### §1136. Assessment of tax

An assessment of working waterfront land for purposes of property taxation must be based on the value determined in accordance with this subchapter.

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### §1137. Schedule; qualification

**1. Schedule.** The owner or owners of waterfront land may apply for taxation of that land under this subchapter by submitting a signed schedule, on or before April 1st of the year in which the owner or owners wish to first subject that land to taxation under this subchapter, to the assessor upon a form to be prescribed by the State Tax Assessor that must contain a description of the parcel, together with a map identifying the location and boundaries of the working waterfront land, a description of the manner in which the land is used primarily for commercial fishing activities and other information the assessor may require to aid the assessor in determining what portion of the land qualifies for classification as working waterfront land. The schedule must be signed and consented to by each person with an ownership interest in the land. Classification of the land as working waterfront land may not be inconsistent with the use prescribed in the comprehensive plan, growth management program or zoning ordinance of the municipality in which the land is situated.

In defining the working waterfront land area contained within a parcel, land used primarily for commercial fishing activities must be included, together with any remaining portion of the parcel that is not used for purposes inconsistent with commercial fishing activities as long as the remaining portion is not sufficient in dimension to meet the requirements for a minimum lot as provided by either the state minimum lot requirements as prescribed by Title 12, section 4807-A or Title 38, chapter 3, subchapter 1, article 2-B, as applicable, or the minimum lot size provided by the zoning ordinance or zoning map pertaining to the area in which the remaining portion is located.

**2. Classification.** The assessor shall determine what land meets the requirements of this subchapter and shall classify such land as working waterfront land in accordance with this subchapter. The assessor shall file, in the municipal office of the town in which the working waterfront land is located, the original schedule and the value of the working waterfront land as established under this subchapter and the value at which the working waterfront land would have been assessed had it not been classified under this subchapter.

**3. Notification of determination.** The assessor shall notify the owner or owners in writing of the assessor's determination as to the applicability of this subchapter by June 1st following receipt of a signed schedule meeting the requirements of this section. The assessor's notification must state whether the application has been accepted or denied, and if denied the assessor shall state the reasons for the denial and provide the owner or owners an opportunity to amend the schedule to conform to the requirements of this subchapter.

**4. Investigation.** The assessor or the assessor's duly authorized representative may enter and examine the lands under this subchapter for tax purposes and may examine any information submitted by the owner or owners.

Upon notice in writing by certified mail, return receipt requested, any owner or owners shall, within 60 days of the receipt of such notice, respond to such written questions or interrogatories as the assessor may consider necessary to obtain material information about those lands. If the assessor determines that it is not reasonable to obtain the required material information regarding those lands through such written questions or interrogatories, the assessor may require any owner or owners, upon notice in writing by certified mail, return receipt requested, or by such other

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method as provides actual notice, to 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 consider necessary to obtain material information about those lands.

**5. Owner obligation.** If the owner or owners of any land subject to taxation under this subchapter fail to submit the schedules under this section, or fail to respond, within 60 days of receipt, to written questions or interrogatories of the assessor, or fail within 60 days of receipt of notice as provided in this section to appear before the assessor to respond to questions or interrogatories, or fail to provide information after notice duly received as provided under this section, that owner or those owners are deemed to have waived all rights of appeal.

It is the obligation of the owner or owners to report to the assessor any disqualifying change of use of land subject to taxation under this subchapter by the end of the tax year in which the change occurs. If the owner or owners fail to report any disqualifying change of use of land to the assessor, the assessor shall assess those taxes that should have been paid, shall assess the penalty provided in section 1138 and shall assess an additional penalty of 25% of the foregoing penalty amount. The assessor may waive the additional penalty for cause.

**6. Recertification.** The assessor shall determine annually whether any classified land continues to meet the requirements of this subchapter. Each year the assessor shall recertify any classifications made under this subchapter and update the information required under subsection 1. If any classified land no longer meets the requirements of this subchapter, or the owner or owners request withdrawal of the land from the classification in writing, the assessor shall remove the classification.

### §1138. Recapture penalty

**1. Assessor determination; owner request.** If the assessor determines that land subject to this subchapter no longer meets the requirements of this subchapter, the assessor must withdraw the land from taxation under this subchapter. The owner of land subject to this subchapter may at any time request withdrawal of any land from taxation under this subchapter by certifying in writing to the assessor that the land is no longer to be classified under this subchapter.

**2. Withdrawal of portion.** In the case of withdrawal of a portion of the working waterfront land, the owner, as a condition of withdrawal, shall file with the assessor a schedule including the information required under section 1137, subsection 1 showing the area withdrawn and the area remaining under this subchapter.

**3. Penalty.** If land is withdrawn from taxation under this subchapter, the assessor shall impose a penalty upon the owner. The penalty is the greater of:

A. An amount equal to the taxes that would have been assessed on the land on the first day of April for the 5 tax years, or any lesser number of tax years starting with the year in which the land was first classified, preceding the withdrawal had that land been assessed in each of those years at its just value on the date of withdrawal less all taxes paid on that land over the preceding 5 years, or any lesser number of tax years starting with the year in which the

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land was first classified, and increased by interest at the prevailing municipal rate from the date or dates on which those amounts would have been payable; and

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

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

For purposes of this subsection, just value at the time of withdrawal is the assessed just value of comparable property in the municipality adjusted by the municipality's certified assessment ratio.

**4. Assessment and collection of penalties.** The owner shall pay the penalties for withdrawal upon withdrawal to the tax collector as additional property taxes. Penalties may be assessed and collected as supplemental assessments in accordance with section 713-B.

**5. Eminent domain.** A penalty may not be assessed under this section if the withdrawal of the parcel is occasioned by a transfer to the State or other entity holding the power of eminent domain resulting from the exercise or threatened exercise of that power.

**6. Relief from requirements.** Upon withdrawal, the land is relieved of the requirements of this subchapter immediately and is returned to taxation under subchapter 2 beginning the April 1<sup>st</sup> following withdrawal.

**7. Reclassification under another current use program.** A penalty may not be assessed upon the withdrawal of land from taxation under this subchapter if the owner applies for classification of that land in another current use program prior to withdrawal and that application is accepted. If a penalty is later assessed under section 581 or section 1112-C, the period of time that the land was taxed as working waterfront land under this subchapter is included for purposes of establishing the amount of the penalty.

**8. Report of penalty.** Any municipality that receives a penalty for the withdrawal of land from taxation under this subchapter shall report to the State Tax Assessor the total amount received in that reporting year on the municipal valuation return form described in section 383.

### §1139. Enforcement

A tax lien is created to secure the payment of the penalties provided in section 1138. The lien may be enforced in the same manner and has the same effect as liens on real estate created by section 552.

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### §1140. Transfer of ownership

If land taxed under this subchapter is transferred to a new owner or owners, in order to maintain the classification, within one year of the date of transfer, the new owner or owners must file with the assessor a new application and a sworn statement indicating that the transferred parcel continues to meet the requirements of section 1132, subsection 11.

### §1140-A. Appeals and abatements

The denial of an application or an assessment made under this subchapter is subject to the abatement procedures provided by section 841. Appeal from a decision rendered under section 841 is to the State Board of Property Tax Review.

### §1140-B. Analysis and report

**1. Analysis.** The State Tax Assessor, in consultation with municipal assessors, the Commissioner of Agriculture, Conservation and Forestry or the commissioner's designee, representatives of working waterfront organizations and other interested parties, shall collect and analyze the sales prices of all actual sales that occur in the State of waterfront land that is subject to restrictions on that land's use that are legally enforceable and prohibit or substantially restrict development that is not commercial fishing activity or commercial activity that is the functional equivalent of commercial fishing activity.

**2. Report.** (Repealed)

## CHAPTER 107 UNINCORPORATED AND UNORGANIZED PLACES

### SUBCHAPTER 2 VALUATION

### §1181. Lands in unorganized territory

The Commissioner of Agriculture, Conservation and Forestry shall provide to the State Tax Assessor at his request all information in his possession touching the value and description of lands in the unorganized territory; and a statement of all lands on which timber has been sold or a permit to cut timber has been granted by lease or otherwise. All other state officers, when requested, shall in like manner provide all information in their possession touching said valuation to the State Tax Assessor.

In fixing the valuation of unorganized townships, whenever practicable the lands and other property therein of any owners shall be valued and assessed separately. When the soil of townships or tracts taxed by the State as land in unorganized territory is not owned by the person or persons who own the growth or part of the growth thereon, the State Tax Assessor shall value the soil and such growth separately for purposes of taxation.

## TITLE 36 – TAXATION, PART 2

### **§1182. Returns to State Tax Assessor for unorganized territory; penalty for failure (REPEALED)**

### **SUBCHAPTER 3 PERSONAL PROPERTY TAX**

#### **§1231. Returns to State Tax Assessor**

On or before the first day of May in each year, every owner or person in charge or control of personal property that on the first day of April of that year is situated, whether permanently or temporarily, within the unorganized territory shall return to the State Tax Assessor on a form to be furnished by the State Tax Assessor a complete list of such property that would not be exempt from taxation if it were located in a municipality of this State and that is not otherwise subject to taxation under this Part. That property must be taxed at the rate established by the State Tax Assessor as provided in section 1602.

A person who knowingly makes a fraudulent return under this section commits a civil violation for which a fine of not less than \$100 nor more than \$500 for each violation must be adjudged.

#### **§1232. Proceedings on delinquency**

A lien is created on all personal property for taxes levied under section 1602 on the property and expenses incurred in accordance with section 1233, and the property may be sold for the payment of the taxes and expenses at any time after October 1st. When the time for the payment of the tax to the State Tax Assessor has expired, and it is unpaid, the State Tax Assessor shall give notice thereof to the delinquent property owner, and unless that tax is paid within 60 days, the State Tax Assessor may issue a warrant to the sheriff of the county, requiring the sheriff to levy by distress and sale upon the personal property of the property owner, and the sheriff or the sheriff's deputy shall execute the warrant. Any balance remaining after deducting taxes and necessary additions made in accordance with this subchapter must be returned to the owner or person in possession of the property; the State Tax Assessor may certify the unpaid taxes to the Attorney General, who shall bring a civil action in the name of the State.

In addition to the procedure authorized in this section, the State Tax Assessor may follow the procedure provided in section 612 and, with regard to that procedure, is subject to the same rights and obligations as a municipality or municipal officers.

#### **§1233. Failure to make return; penalty**

Should any owner or person having in his charge or control personal property taxable by said State Tax Assessor, as provided in section 1231, neglect or refuse to comply with the requirements of this subchapter, the State Tax Assessor may secure the necessary information by such methods as he deems advisable, and the necessary expense incurred in securing such information shall be added to the tax assessed against the property of such owner or person and paid to the State Tax Assessor with the tax.

## TITLE 36 – TAXATION, PART 2

### SUBCHAPTER 4 DELINQUENT TAXES

#### **§1281. Payment of taxes; delinquent taxes; publication; certificate filed in registry**

Annually, after January 15th but no later than January 31st, the State Tax Assessor shall send by mail to the last known address of each owner of real estate subject to assessment under section 1602, including supplementary taxes assessed under section 1331, upon which taxes remain unpaid a notice in writing, containing a description of the real estate assessed and the amount of unpaid taxes and interest, and alleging that a lien is claimed on that real estate for payment of those taxes, interests and costs, with a demand that payment be made by the next February 21st. For property that constitutes a homestead for which a property tax exemption is claimed under chapter 105, subchapter 4-B, the State Tax Assessor shall include in the written notice written notice to the owner named on the tax lien mortgage that that owner may be eligible to file an application for tax abatement under section 841, subsection 2, indicating that the State Tax Assessor, upon request, will assist the owner in requesting an abatement and provide information regarding the procedures for making such a request. The notice must also indicate that the owner may seek assistance from the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection regarding options for finding an advisor who can help the owner work with the State Tax Assessor to avoid tax lien foreclosure and provide information regarding ways to contact the bureau. The Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection, by July 15th annually, shall provide to a statewide organization representing municipalities and to the State Tax Assessor information regarding assistance in avoiding tax lien foreclosure to assist municipalities and the State Tax Assessor in providing the information required in the notice. If the owners of any such real estate are unknown, instead of sending the notices by mail, the assessor shall cause the information required in this section on that real estate to be advertised in the state paper and in a newspaper, if any, of general circulation in the county in which the real estate lies. Such a statement or advertisement is sufficient legal notice of delinquent taxes. If those taxes and interest to date of payment and costs are not paid by February 21st, the State Tax Assessor shall record by March 15th, in the registry of deeds of the county or registry district where the real estate lies, a certificate signed by the assessor, setting forth the name or names of the owners according to the last state valuation, or the valuation established in accordance with section 1331; the description of the real estate assessed as contained in the last state valuation, or the valuation established in accordance with section 1331; the amount of unpaid taxes and interest; the amount of costs; and a statement that demand for payment of those taxes has been made, and that those taxes, interest and costs remain unpaid. The costs charged by the register of deeds for the filing may not exceed the fees established by Title 33, section 751.

#### **§1282. Filing of certificate to create mortgage; foreclosure provisions; notice; discharge**

The filing of the certificate provided for in section 1281 in the registry of deeds shall be deemed to create and shall create a mortgage on such real estate to the State, having priority over all other mortgages, liens, attachments and encumbrances of any nature, and shall give to the State all the rights usually incident to a mortgage, except that the mortgagee shall not have any right of possession of such real estate until the right of redemption shall have expired.

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Part payments accepted during the redemption period shall not interrupt or extend the redemption period or in any way affect the foreclosure proceedings. If the total amount necessary for redemption is not paid before the mortgage is foreclosed, the mortgagor shall be entitled to a refund of such part payments made after the filing of the certificate provided for in section 1281.

If said mortgage, together with interest and costs, shall not be paid by the 30th day of March of the year following the filing of such certificate in the registry of deeds as provided for in this section and section 1281, the said mortgage shall be deemed to have been foreclosed and the right of redemption to have expired.

The filing of such certificate in the registry of deeds shall be sufficient notice of the existence of the mortgage.

In the event that such tax, interest and costs, together with the fees established by Title 33, section 751 for recording the discharge, are paid within the period of redemption, the State Tax Assessor shall discharge that mortgage in the same manner as is now provided for the discharge of real estate mortgages and shall record that discharge in the appropriate registry of deeds.

A discharge of a tax lien mortgage given after the right of redemption has expired that has been recorded by the State Tax Assessor in the registry of deeds has the force and effect of a discharge given and recorded before the right of redemption has expired, unless the State has conveyed any interest based upon the title acquired from the affected lien. This paragraph applies to discharges of tax lien mortgages given after October 1, 1935.

Each owner may pay for that owner's proportionate ownership in any tract of land whether in common or not, and upon filing with the State Tax Assessor a certificate containing a suitable description of the property on which the owner desires to pay the taxes and where the same is located, and paying the amount due, together with interest and costs, must receive a certificate from the State Tax Assessor discharging the taxes on the fractional part or ownership upon which such payment is made.

### **§1283. Supervision, administration, and sale of real estate**

A copy of the lien certificate shall be filed in the office of the State Tax Assessor. On the 30th day of March annually, whenever the State shall have acquired title to real estate assessed for any taxes assessed under chapter 115, the State Tax Assessor shall certify to the State Controller the amount of unpaid taxes, interest and costs then outstanding. Unpaid taxes and interest and costs on the books of the State shall be charged against the Unorganized Territory Education and Services Fund.

Whenever the State acquires title to real estate under this subchapter, except real estate that is a permanent residence, as defined in section 681, the State Tax Assessor shall cause an inventory to be made of all the real estate. The inventory must contain a description of the real estate, amount of accrued taxes by years and any other information necessary in the administration and supervision of the real estate. A copy of the inventory must be furnished to the Commissioner of Agriculture, Conservation and Forestry and the Commissioner of Inland Fisheries and Wildlife prior to the convening of the Legislature. The assessor shall report annually to the Legislature not later than 15 days after it convenes. The report must contain a copy of the inventory of real estate



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then owned by the State and such recommendations as to the disposition of this real estate the assessor, the Commissioner of Agriculture, Conservation and Forestry and the Commissioner of Inland Fisheries and Wildlife may wish to make. Whenever the State acquires title to real estate that is a permanent residence, as defined in section 681, the State Tax Assessor may cause an inventory to be made of that real estate; that inventory must comply with the requirements of this paragraph.

The State Tax Assessor shall, after authorization by the Legislature, sell and convey any such real estate; but shall in all cases of sales, except sales to the former owners of the real estate, give public notice of the proposal to sell such real estate and shall ask for competitive bids and shall sell to the highest bidder, with the right of rejecting all bids. Sales of such real estate or any stumpage on that real estate may not be made by the State Tax Assessor except by authorization of the Legislature. Notwithstanding any provisions of this chapter to the contrary, if the State Tax Assessor has not yet conveyed such real estate, the State Tax Assessor may convey the real estate to the prior owner under the authorization of this section if the tax, interest and costs are satisfied by way of full payment, compromise or abatement.

The supervision, administration, utilization, and vindication of the rights of the State in such real estate shall be vested in the State Tax Assessor until title is conveyed or otherwise disposed of by the Legislature.

All money received from the sale or use of such real estate shall be credited to the Unorganized Territory Education and Services Fund.

This section shall apply to real estate acquired through tax sales and owned by the State.

### **§1284. Action to recover taxes**

The State Tax Assessor may bring a civil action in the State Tax Assessor's own name to enforce the lien on real estate created by section 552, to secure the payment of state taxes assessed under sections 1331 and 1602 upon real estate not liable to be assessed in any town. Such action must be begun after the expiration of 8 months and within one year after August 1st following the date such taxes were assessed. The proceedings must be in accordance with section 941, except that the preliminary notice and demand for payment of the tax as provided in that section may not be required.

### **§1285. Collection of taxes in unorganized territory**

In addition to the methods of collecting state taxes provided by law, owners of real estate in the unorganized territory are liable for payment of such taxes to the State Tax Assessor upon demand. If such taxes are not paid within 30 days after such demand, the State Tax Assessor may collect the same, with interest as provided by law, by a civil action in the name of the State. This action must be brought in a court of competent jurisdiction in the county where such real estate is located, and the Attorney General may begin and prosecute such actions when requested by the State Tax Assessor. The demand is sufficient if made by a writing mailed to such owner or the owner's agent at the owner's usual post office address. In case such owner resides outside the State and has no agent within the State known to the State Tax Assessor, such demand is sufficient if made upon the Director of the Bureau of Forestry. Such action must be brought not less than 30

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days after the giving or mailing of the demand. The beginning of such action, obtaining execution and collecting the same is deemed a waiver of the rights of the State under sections 1281 and 1282. In case the owners of any such real estate are unknown, the demand is sufficient if advertised in the state paper and in some newspaper, if any, published in the county in which the real estate is located.

### **§1286. Limitation on recovery of tax sold real estate in unorganized places**

When the State has taxed real estate in unorganized territory, and the State Tax Assessor has conveyed it, or part of it, for nonpayment of tax, by deed purporting to convey the interest of the State by forfeiture for such nonpayment, or it or a part of it has been conveyed under authority given by the Legislature by a deed purporting to convey the interest of the State acquired under sections 1281 to 1283, and the pertinent records of the State Tax Assessor show that the grantee, his heirs or assigns, has paid the state and county taxes thereon, or on his acres or interest therein, as stated in the deed, continuously for the 20 years subsequent to such deed; and when a person claims under a recorded deed describing real estate in unorganized territory taxed by the State, and the pertinent records of the State Tax Assessor show that he has, by himself or by his predecessors under that deed, paid the state and county taxes thereon, or on his acres or interest therein as stated in the deed, continuously for 20 years subsequent to recording that deed; and whenever, in either case, it appears that the person claiming under such a deed, and those under whom he claims, have, during that period, held such exclusive, peaceable, continuous and adverse possession thereof as comports with the ordinary management of real estate in unorganized territory in this State, and it further appears that during such period no former owner, or person claiming under him, has paid any such tax, or any assessment by the county commissioners, or done any other act indicative of ownership, no action may be maintained by a former owner, or those claiming under him, to recover such real estate or to avoid such deed, unless commenced within those 20 years. That payment shall give the grantee or person claiming, his heirs or assigns, a right of entry and seizin in the whole, or such part, in common and undivided, of the whole tract as the deed states, or as the number of acres in the deed is to the number of acres assessed.

This section shall apply to rights and interests acquired under tax sales made by the State Tax Assessor for the nonpayment of taxes.

### **§1287. Action may be commenced in 10 years after disability**

If any such former owner, or person claiming under him, during said period of 20 years, or any portion thereof, is a minor, mentally ill, imprisoned or absent from the United States he may, if otherwise entitled, bring such action at any time within 10 years after such disability is removed, notwithstanding said period of 20 years has expired, and if such person dies during the continuance of the disability, and no determination or judgment has been had on his title or right of action, such action may be brought by his heirs, or other person claiming under him, at any time within 10 years after his death, notwithstanding the 20 years have elapsed.

### **§1288. Applicability of provisions**

Sections 1286 and 1287 shall not apply to actions between cotenants.

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### SUBCHAPTER 5 SUPPLEMENTAL ASSESSMENTS

#### §1331. Supplemental assessments

Supplemental assessments may be made within 3 years from the last assessment date whenever it is determined that any estates in the unorganized territory liable to taxation have been omitted from assessment or any tax on estates is invalid or void by reason of illegality, error or irregularity in assessment. The State Tax Assessor may, by supplement to the list of assessments, assess such estates for their due proportion of such tax. Any supplemental assessments shall be made in the same manner as the original assessment should have been made. Such supplemental assessment shall be based on the valuation to be established by the State Tax Assessor.

The lien on real estate created by section 552 may be enforced as provided in section 1282.

Persons subjected to a tax under this section are deemed to have received sufficient notice if the notice required by section 706-A was given.

Interest shall accrue on supplemental assessments from October 1st of the year to which the property tax applies, except that the taxpayer has a 2-month period from the assessment of the supplemental tax during which all interest will be automatically waived if the tax is paid.

#### §1332. Abatement where double tax (REPEALED)

### CHAPTER 111 AIRCRAFT, HOUSE TRAILERS AND MOTOR VEHICLES

#### §1481. Definitions

The following words and phrases as used in section 551 and this chapter shall have the following meanings:

**1. Mobile home.** "Mobile home" means:

A. A structure, transportable in one or more sections, which is 8 body feet or more in width and is 32 body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein.

A mobile home remains a mobile home for purposes of this Title even though it may be used for the advertising, sales, display or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

B. (Repealed)

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### 1-A. Camper trailer. "Camper trailer" shall mean:

A. A trailer or semitrailer primarily designed and constructed to provide temporary living quarters for recreational, camping, travel, or other use.

B. A manufactured or homemade tent trailer, so called, which consists of a platform, shelf, or box, with means of permanently or temporarily attaching a tent, used to provide temporary living quarters for recreational, camping, travel or other use.

**2. Maker's list price.** "Maker's list price" in the case of vehicles manufactured in the United States means the retail price at the point of manufacture, less the federal manufacturer's tax. "Maker's list price" in the case of vehicles manufactured outside the United States means the retail price at the nearest port of entry. In either case, "maker's list price" includes the manufacturer's suggested retail price of all accessories and equipment which are a part of the vehicle at the time the excise tax is paid.

**3. Motor vehicle.** "Motor vehicle" means any self-propelled vehicle not operated exclusively on tracks, including motorcycles, but not including aircraft. "Motor vehicle" does not include any vehicle prohibited by law from operating on the public highways. "Motor vehicle" does not include any snowmobile as defined in Title 12, section 13001. "Motor vehicle" does not include water well drilling equipment attached to a self-propelled vehicle and used for business purposes by a person licensed under Title 32, chapter 69-C.

**4. Stock race car.** "Stock race car" means a one-time factory produced vehicle equipped with roll bars or bracing welded or attached to the frame in a permanent manner and special safety belts, firewalls and having a certain amount of the body removed.

**5. Vehicle.** "Vehicle" means a motor vehicle, mobile home, camper trailer, heavier-than-air aircraft, or lighter-than-air aircraft. "Vehicle" does not include any snowmobiles as defined in Title 12, section 13001.

**6. Automobile.** "Automobile" means a motor vehicle, including a motorized home but not including a stock race car, designed for the conveyance of passengers with a seating capacity of not more than 14 persons.

**7. Purchase price.** "Purchase price" means the actual price paid, including any trade-in value applied to the cost of purchasing the vehicle.

**8. Bus.** "Bus" has the same meaning as in Title 29-A, section 101, subsection 11.

### §1482. Excise tax

**1. Annual excise tax.** An annual excise tax is imposed with respect to each registration year in the following cases.

A. For the privilege of operating an aircraft within the State, each heavier-than-air aircraft or lighter-than-air aircraft operated in this State that is owned or controlled by a resident of this State is subject to an excise tax computed as follows: 9 mills on each dollar of the maker's

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average equipped price for the first or current year of model; 7 mills for the 2nd year; 5 mills for the 3rd year; 4 mills for the 4th year; and 3 mills for the 5th and succeeding years. The minimum tax is \$10. Nonresidents of this State who operate aircraft within this State for compensation or hire must pay 1/12 of the tax amount computed as required in this paragraph for each calendar month or fraction thereof that the aircraft remains in the State.

A-1. (Repealed)

B. For the privilege of operating a mobile home upon the public ways, each mobile home to be so operated is subject to such excise tax as follows: A sum equal to 25 mills on each dollar of the maker's list price for the first or current year of model, 20 mills for the 2nd year, 16 mills for the 3rd year and 12 mills for the 4th year and succeeding years. The minimum tax is \$15.

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in subparagraph (3), (4) or (5): a sum equal to 24 mills on each dollar of the maker's list price for the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

(1) On new registrations of automobiles, trucks and truck tractors, the excise tax payment must be made prior to registration and is for a one-year period from the date of registration.

(2) Vehicles registered under the International Registration Plan are subject to an excise tax determined on a monthly proration basis if their registration period is less than 12 months.

(3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.

(4) For buses manufactured in model year 2006 and after, the amount of excise tax due is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.

(5) For trucks or truck tractors registered for more than 26,000 pounds that have been reconstructed using a prepackaged kit that may include a frame, front axle or body but

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does not include a power train or engine and for which a new certificate of title is required to be issued, the amount of excise tax due is based on the maker's list price of the prepackaged kit.

For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1, paragraph C, the excise tax must be prorated for the number of months in the registration.

D. (Repealed)

**2. Tax 1/2 during certain periods.** The excise tax is 1/2 of the amount provided in subsection 1 during the following periods:

A. On a farm truck, as defined in Title 29-A, section 505, subsection 1, with 2 or 3 axles that is used primarily for transportation of agricultural produce grown by the owner on the owner's farm during the last 6 months of a registration year; and

B. On all property subject to excise tax under subsection 1 during the last 4 months of a registration year.

**3. Tax paid for previous registration year.** If an excise tax was paid in accordance with this section for the previous registration year by the same person on the same vehicle, the excise tax for the new registration year must be assessed as if the vehicle was in its next year of model.

**4. Maker's list price.** The maker's list price of a vehicle to be used must be obtained from sources approved by the State Tax Assessor, except for a truck or truck tractor described under subsection 1, paragraph C, subparagraph (5). When the maker's list price of a vehicle is not readily obtainable the State Tax Assessor shall prescribe the maker's list price to be used or the manner in which the maker's list price is determined.

A. At the time of payment of the excise tax prior to a new registration for a new passenger vehicle purchased from a motor vehicle dealer licensed in any state for the sale of new passenger vehicles, the owner shall submit the manufacturer's suggested retail price sticker, or a copy of the sticker, to the excise tax collector. In the case of rental and fleet vehicles, other documentation may be provided at the discretion of the municipal excise tax collector.

This paragraph applies only to those vehicles for which a manufacturer's suggested retail price sticker is required by the Federal Government.

**5. Credits.** An owner or lessee who has paid the excise tax in accordance with this section or the property tax for a vehicle is entitled to a credit up to the maximum amount of the tax previously paid in that registration year for any one vehicle toward the tax for any number of vehicles, regardless of the number of transfers that may be required of the owner or lessee in that registration year. The credit is available only if the vehicle's ownership is transferred, the vehicle is totally lost by fire, theft or accident, the vehicle is totally junked or abandoned, the use of the vehicle is totally discontinued or, in the case of a leased vehicle, the registration is transferred.

A. The credit must be given in any place in which the excise tax is payable.

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B. For each transfer made in the same registration year, the owner shall pay \$3 to the place in which the excise tax is payable.

C. During the last 4 months of the registration year, the credit may not exceed 1/2 of the maximum amount of the tax previously paid in that registration year for any one vehicle.

D. If the credit available under this subsection exceeds the amount transferred to another vehicle, a municipality may choose, but is not required to refund the excess amount. If a municipality chooses to refund excess amounts it must do so in all instances where there is an excess amount.

E. For the purposes of this subsection, "owner" includes the surviving spouse of the owner.

F. (Repealed)

G. For the purposes of this subsection, "totally discontinued" means that the owner has permanently discontinued all use of the vehicle except for selling, transferring ownership of, junking, or abandoning that vehicle. The owner of the vehicle must provide a signed statement attesting that use of the vehicle from which the credit is being transferred is totally discontinued. If the owner who has totally discontinued use of a vehicle later seeks to register that vehicle, no excise tax credits may be applied with respect to the registration of that vehicle or any subsequent transfer of that vehicle's registration.

**6. Payment of tax.** Payment of excise tax before property taxes are committed.

A. Where the person seeking to pay the excise tax owned the vehicle other than an automobile, truck or truck tractor on or before April 1st, the excise tax must be paid before property taxes for the year in question are committed to the collector, otherwise the owner is subject to a personal property tax.

B. Where the person seeking to pay the excise tax acquired the vehicle other than an automobile, truck or truck tractor after April 1st, or, being a nonresident, brought the vehicle other than an automobile, truck or truck tractor into this State after April 1st, the excise tax may be paid at any time.

C. Where a property tax is paid and later registration of the vehicle is desired, the property tax paid shall be allowed as a credit on the excise tax.

D. Where an excise tax is paid on a mobile home and said mobile home is later in the same year assessed as real estate, the excise tax paid shall be allowed as a credit on the real estate tax.

E. (Repealed)

**7. Special mobile equipment; local option.** A municipality may by ordinance refund a portion of the excise tax paid on leased special mobile equipment, as defined by Title 29-A, section 101, subsection 70, if the person who paid the excise tax provides evidence that the registration has been voluntarily surrendered and cancelled under Title 29-A, section 410. The amount of the

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refund must be the percentage of the excise tax paid that is equal to the percentage represented by the number of full months remaining in the year of the cancelled registration.

### §1483. Exemptions

The following are exempt from the excise tax:

1. **State vehicles.** Vehicles owned by this State or by political subdivisions of the State;
2. **Driver education.** Motor vehicles registered by municipalities for use in driver education in the secondary schools or by private secondary schools for use in driver education in those schools;
3. **Volunteer fire departments.** Motor vehicles owned by volunteer fire departments.
4. **Dealers or manufacturers.** Vehicles owned by bona fide dealers or manufacturers of the vehicles that are held solely for demonstration and sale and constitute stock in trade, and aircraft registered in accordance with Title 6, section 53;
5. **Transporter registration.** Vehicles to be lawfully operated on transporter registration certificates;
6. **Railroads.** Vehicles owned by railroad companies that are subject to the excise tax imposed under chapter 361;
7. **Benevolent and charitable institutions.** Vehicles owned and used solely for their own purposes by benevolent and charitable institutions entitled to exemption from property tax under section 652, subsection 1;
8. **Literary and scientific institutions.** Vehicles owned and used solely for their own purposes by literary and scientific institutions that are entitled to exemption from property tax under section 652, subsection 1;
9. **Religious societies.** Vehicles owned and used solely for their own purposes by houses of religious worship or religious societies that are entitled to exemption from property tax under section 652, subsection 1, paragraph G;
10. **Certain nonresidents.** Motor vehicles permitted to operate without Maine registration under Title 29-A, section 109;
11. **Interstate commerce.** Vehicles traveling in the State only in interstate commerce that are owned in a state where an excise or property tax has been paid on the vehicle and that grants to Maine-owned vehicles the exemption provided in this subsection;
12. **Certain veterans.** Automobiles owned by veterans who are granted free registration of those vehicles by the Secretary of State under Title 29-A, section 523, subsection 1 or who are disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or compensation from the United States Government for total, service-connected disability;



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**13. Certain buses.** Buses used for the transportation of passengers for hire in interstate or intrastate commerce, or both, by carriers engaged in furnishing common carrier passenger service. At the option of the appropriate municipality, those buses may be subject to the excise tax provided in section 1482;

**14. Antique and experimental aircraft.** Antique and experimental aircraft as defined in Title 6, section 3, subsections 10-A and 18-E that are registered in accordance with the provisions of Title 6;

**15. Adaptive equipment.** Adaptive equipment installed on a motor vehicle owned by a disabled person or the family of a disabled person or by a carrier engaged in furnishing passenger service for hire to make that vehicle operable or accessible by a disabled person; and

**16. Active military stationed in Maine.** Vehicles owned, including those jointly owned with a spouse, by a person on active duty serving in the Armed Forces of the United States who is permanently stationed at a military or naval post, station or base in the State. Joint ownership of the vehicle must be indicated in the vehicle's title documentation. A member of the Armed Forces of the United States stationed in the State, or that member's spouse, who desires to register that member's vehicle in this State pursuant to this subsection shall present certification from the commander of the member's post, station or base, or from the commander's designated agent, that the member is permanently stationed at that post, station or base. For purposes of this subsection, "a person on active duty serving in the Armed Forces of the United States" does not include a member of the National Guard or the Reserves of the United States Armed Forces.

### **§1483-A. Local option exemption for residents permanently stationed or deployed for military service outside of the State**

A municipality may by ordinance exempt from the annual excise tax imposed pursuant to section 1482 vehicles owned by a resident who is on active duty serving in the United States Armed Forces and who is either permanently stationed at a military or naval post, station or base outside this State or deployed for military service for a period of more than 180 days who desires to register that resident's vehicle in this State. To apply for the exemption, the resident must present to a designated municipal official certification from the commander of the resident's post, station or base, or from the commander's designated agent, that the resident is permanently stationed at that post, station or base or is deployed for military service for a period of more than 180 days. For purposes of this section, "United States Armed Forces" includes the National Guard and the Reserves of the United States Armed Forces. For purposes of this section, "deployed for military service" has the same meaning as in Title 26, section 814, subsection 1, paragraph A.

### **§1484. Place of payment**

The excise tax imposed by this chapter must be paid as provided in this section.

**1. Aircraft.** The excise tax on an aircraft must be paid to the municipality where the aircraft is based except as follows.

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A. If the aircraft is based at an airport owned by a county, the excise tax payments must be paid to that county.

B. If the aircraft is based at the Augusta State Airport, the excise tax payments must be paid to the City of Augusta.

C. (Repealed)

For the purposes of this subsection, an aircraft is deemed to be based at the location in the State where it has been hangered, parked, tied down or moored the most nights during the 30-day period of active flying preceding payment of the excise tax. If the aircraft has not been hangered, parked, tied down or moored at a location in the State during the 30-day period of active flying preceding payment, then the aircraft is deemed to be based at the location in the State where it will be hangered, parked, tied down or moored the most nights during the 30-day period of active flying next following payment of the excise tax.

**2. Mobile homes and camper trailers.** Mobile homes and camper trailers are subject to excise tax as provided in this subsection.

A. If the excise tax on a mobile home or camper trailer is paid prior to April 1st, or if the mobile home or camper trailer is acquired or brought into this State after April 1st, the excise tax must be paid in the place where the mobile home or camper trailer is located.

B. If the excise tax on a mobile home or camper trailer is paid on or after April 1st, the excise tax must be paid in the place where the mobile home or camper trailer was located on April 1st.

C. (Repealed)

**3. Motor vehicles.** Motor vehicles are subject to excise tax as provided in this subsection.

A. The excise tax on a motor vehicle owned by an individual resident of this State must be paid in the place where the owner resides.

B. The excise tax on a motor vehicle owned by a nonresident individual must be paid in the place where the owner is temporarily or occasionally residing. If there is no such residing place, the tax must be paid to the Secretary of State.

C. The excise tax on a motor vehicle owned by a corporation or a partnership must be paid to the place in which the owner's registered or main office is located, except that if the owner has an additional permanent place of business where motor vehicles are customarily kept, the tax on these vehicles must be paid to the place where that permanent place of business is located. The temporary location of an office and the stationing of vehicles in connection with a construction project of less than 24 months' duration are not considered to constitute a permanent place of business. If the owner is a foreign corporation or partnership not maintaining a place of business within the State, the excise tax must be paid to the Secretary of State.

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Within 3 years from the date of an excise tax levy under the authority of this paragraph, a municipality, county or motor vehicle owner that feels the excise tax has been improperly levied may request a determination of this question by the State Tax Assessor. The State Tax Assessor's determination is limited to the same 3-year period and is binding on all of the parties. Any of the parties may seek review of the determination in accordance with the Maine Rules of Civil Procedure, Rule 80-C. Within 30 days after receipt of notice of a determination made by the State Tax Assessor under this paragraph, a municipality or county that has incorrectly accepted excise tax money must pay the money, together with interest at the maximum rate established by the Treasurer of State pursuant to section 505, to the municipality or county identified in the determination as the proper place of payment.

D. Notwithstanding other provisions of this subsection, if a motor vehicle is leased for a period of one month or longer, the excise tax must be paid in the place where it would be paid if the lessee were the owner.

E. When an excise tax is paid to the Secretary of State under this subsection, it must be deposited in the General Fund.

### **4. When paid to State. (Repealed)**

#### **§1485. Exemption from personal property taxation**

Any vehicle owner who has paid the excise tax on his vehicle in accordance with sections 1482 and 1484 shall be exempt from personal property taxation of such vehicle for that year.

#### **§1486. Tax paid before registration**

No vehicle may be registered under Title 29-A until the excise tax or personal property tax or real estate tax has been paid in accordance with sections 1482 and 1484.

**1. Exempt status.** Where a personal property or real estate tax is to be paid as a prerequisite to registration, the exempt status of the vehicle shall be determined by section 1483.

#### **§1487. Collection of tax**

**1. Municipal tax collector.** In the case of municipalities, or a municipally owned airport or seaplane base the municipal tax collector or such other person as the municipality may designate shall collect such excise tax and shall deposit the money received with the municipal treasurer monthly.

A. Such collector shall report to the municipal officers at the end of the municipal year, showing the total amount of excise tax collected by him and the amounts applying to each year.

**1-A. County treasurer.** In the case of a county owned airport or seaplane base the county treasurer or such other person as the county commissioners may designate shall collect such excise tax and shall deposit the money received with the county treasurer monthly.

## TITLE 36 – TAXATION, PART 2

A. Such collector shall report to the county commissioners at the end of the county year, showing the total amount of excise tax collected by him and the amounts applying to each year.

**2. State Tax Assessor.** The State Tax Assessor shall appoint agents to collect the excise tax in the unorganized territory. Agents, including municipal tax collectors or their designees, are allowed a fee of \$6 for each tax receipt issued. The State Tax Assessor may authorize the offset of credit card fees incurred in the collection of the excise taxes against the receipts from those collections. Agents shall deposit the remainder on or before the 20th day of each month following receipt with the Treasurer of State. The Treasurer of State shall make quarterly payments to each county in an amount that is equal to the receipts for that period from each county. Those payments must be made at the same time as payments under section 1606. County receipts under this section must be deposited in the county's unorganized territory fund.

**2-A. Agent for collecting excise tax.** The State Tax Assessor may appoint the Secretary of State as an agent for the purpose of collecting excise tax for the unorganized territory.

**3. Tribal clerk.** (Repealed)

### **§1488. Receipts issued in duplicate**

Receipts for payment of the excise tax shall be in the form prescribed by the Secretary of State. They shall be issued in duplicate, and one copy shall be filed with the application at the time application is made for registration of the vehicle.

### **§1489. Crediting and apportionment of tax received**

**1. Municipal excise tax account.** In municipalities the treasurer shall credit money received from excise taxes to an excise tax account, from which it may be appropriated by the municipality for any purpose for which a municipality may appropriate money.

**2. County treasurer.** (Repealed)

### **§1490. False statements to any person receiving tax**

Any person intentionally making any false statement to any person charged with the duty of receiving this tax and issuing the receipt therefor, when making statement for the purpose of the levy of the tax hereunder, commits a civil violation for which a forfeiture not to exceed \$25 may be adjudged.

### **§1491. False entry on renewal forms**

Any person making a false entry on the renewal form provided by the Secretary of State in the collection of the excise tax, as authorized by section 1482, subsection 6, paragraph E, commits a civil violation for which a forfeiture of not less than \$100 nor more than \$500 shall be adjudged.

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### CHAPTER 111-A BUS TAXATION PRORATION AGREEMENT

#### SUBCHAPTER 1 AGREEMENT

##### §1492. Purposes and principles – Article I

**1. Purposes of agreement.** It is the purpose of this agreement to set up a system whereby any contracting state may permit owners of fleets of buses operating in 2 or more states to prorate the registration of the buses in such fleets in each state in which the fleets operate on the basis of the proportion of miles operated within such state to total fleet miles, as defined herein.

**2. Principle of proration of registration.** It is hereby declared that in making this agreement the contracting states adhere to the principle that each state should have the freedom to develop the kind of highway user tax structure that it determines to be most appropriate to itself, that the method of taxation of interstate buses should not be a determining factor in developing its user tax structure, and that annual taxes or other taxes of the fixed fee type upon buses which are not imposed on a basis that reflects the amount of highway use should be apportioned among the states, within the limits of practicality, on the basis of vehicle miles traveled within each of the states.

##### §1493. Definitions – Article II

**1. Administrator.** "Administrator" means the official or agency of a state administering the fee involved, or, in the case of proration of registration, the official or agency of a state administering the proration of registration in that state.

**2. Base state.** "Base state" means the state from or in which the bus is most frequently dispatched, garaged, serviced, maintained, operated or otherwise controlled, or in the case of a fleet bus the state to which it is allocated for registration under statutory requirements. In order that this section may not be used for the purpose of evasion of registration fees, the administrators of the contracting states may make the final decision as to the proper base state, in accordance with section 1494, subsection 8, to prevent or avoid such evasion.

**3. Bus.** "Bus" means any motor vehicle of a bus type engaged in the interstate transportation of passengers and subject to the jurisdiction of the Interstate Commerce Commission, or any agency successor thereto, or one or more state regulatory agencies concerned with the regulation of passenger transport.

**4. Contracting state.** "Contracting state" means a state that is a party to this agreement.

**5. Fleet.** As to each contracting state, "fleet" includes only those buses that actually travel a portion of their total miles in such state. A fleet must include 3 or more buses.

**6. Person.** "Person" includes any individual, firm, copartnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate or any other group or combination acting as a unit.

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**7. Proration of registration.** "Proration of registration" means registration of fleets of buses in accordance with section 1495, Article IV.

**8. Reciprocity.** "Reciprocity" means that each contracting state, to the extent provided in this agreement, exempts a bus from registration and registration fees.

**9. Registration.** "Registration" means the registration of a bus and the payment of annual fees and taxes as set forth in or pursuant to the laws of the respective contracting states.

**10. State.** "State" includes the States of the United States, the District of Columbia, the territories of the United States, the Provinces of Canada, and the States, Territories and Federal District of Mexico.

### §1494. General provisions – Article III

**1. Effect on other agreements, arrangements, and understandings.** On and after its effective date, this agreement supersedes any reciprocal or other agreement, arrangement or understanding between any 2 or more of the contracting states covering, in whole or in part, any of the matters covered by this agreement; but this agreement may not affect any reciprocal or other agreement, arrangement or understanding between a contracting state and a state or states not a party to this agreement.

**2. Applicability to exempt vehicles.** This agreement does not require registration in a contracting state of any vehicles that are in whole or part exempt from registration under the laws or regulations of such state without respect to this agreement.

**3. Inapplicability to caravanned vehicle.** The benefits and privileges of this agreement may not be extended to a vehicle operated on its own wheels, or in tow of a motor vehicle, transported for the purpose of selling or offering the same for sale to or by any agent, dealer, purchaser or prospective purchaser.

**4. Other fees and taxes.** This agreement does not waive any fees or taxes charged or levied by any state in connection with the ownership or operation of vehicles other than registration fees as defined herein. All other fees and taxes must be paid to each state in accordance with the laws thereof.

**5. Statutory vehicle regulations.** This agreement does not authorize the operation of a vehicle in any contracting state contrary to the laws or regulations thereof, except those pertaining to registration and payment of fees; and with respect to such laws or regulations, only to the extent provided in this agreement.

**6. Violations.** Each contracting state reserves the right to withdraw, by order of the administrator thereof, all or any part of the benefits or privileges granted pursuant to this agreement from the owner of any vehicle or fleet of vehicles operated in violation of any provision of this agreement. The administrator shall immediately give notice of any such violation and withdrawal of any such benefits or privileges to the administrator of each other contracting state in which vehicles of such owner are operated.

## TITLE 36 – TAXATION, PART 2

**7. Cooperation.** The administrator of each of the contracting states shall cooperate with the administrators of the others and each contracting state hereby agrees to furnish such aid and assistance to each other within its statutory authority as will aid in the proper enforcement of this agreement.

**8. Interpretation.** In any dispute between or among contracting states arising under this agreement, the final decision regarding interpretation of questions at issue relating to this agreement must be reached by joint action of the contracting states, acting through the administrator thereof, and must upon determination be placed in writing.

**9. Effect of headings.** Article and section heading contained herein may not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of any Article or part hereof.

**10. Entry into force.** This agreement enters into force and becomes binding between and among the contracting states when enacted or otherwise entered into by any 2 states. Thereafter, it enters into force and becomes binding with respect to any state when enacted into law by such state. If the statutes of any state so authorize or provide, such state may become party to this agreement upon the execution thereof by an executive or administrative official thereof acting on behalf of and for such state.

### §1495. Proration of registration – Article IV

**1. Applicability.** Any owner of a fleet may register the buses of said fleet in any contracting state by paying to said state total registration fees in an amount equal to that obtained by applying the proportion of in-state fleet miles divided by the total fleet miles, to the total fees which would otherwise be required for regular registration of each and all of such vehicles in such contracting state.

All fleet pro-rata registration fees must be based upon the mileage proportions of the fleet during the period of 12 months ending on August 31st next preceding the commencement of the registration year for which registration is sought. Except, that mileage proportions for a fleet not operated during such period in the state where application for registration is made will be determined by the administrator upon the sworn application of the applicant showing the operations during such period in other states and the estimated operations during the registration year for which registration is sought, in the state in which application is being made; or if no operations were conducted during such period a full statement of the proposed method of operation.

If any buses operate in 2 or more states which permit the proration of registration on the basis of a fleet of buses consisting of a lesser number of vehicles than provided in section 1493, Article II, subsection 5, such fleet may be prorated as to registration in such states, in which event the buses in such fleet may not be required to register in any other contracting states if each such vehicle is registered in some contracting state, except to the extent it is exempt from registration as provided in section 1494, Article III, subsection 2.

If the administrator of any state determines, based on the administrator's method of the operation thereof, that the inclusion of a bus or buses as a part of a fleet would adversely affect the proper

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fleet fee that should be paid to that administrator's state, having due regard for fairness and equity, the administrator may refuse to permit any or all of such buses to be included in that administrator's state as a part of such fleet.

**2. Total fleet miles.** Total fleet miles, with respect to each contracting state, means the total miles operated by the fleet in such state, in all other contracting states, in other states having proportional registration provisions, in states with which such contracting state has reciprocity, and in such other states as the administrator determines should be included under the circumstances in order to protect or promote the interest of that administrator's state; except that in states having laws requiring proration on the basis of a different determination of total fleet miles, total fleet miles must be determined on such basis.

**3. Leased vehicles.** If a bus is operated by a person other than the owner as a part of a fleet that is subject to this Article, then the operator of such fleet must be deemed to be the owner of said bus for the purposes of this Article.

**4. Extent of privileges.** Upon the registration of a fleet in a contracting state pursuant to this Article, each bus in the fleet may be operated in both interstate and intrastate operations in such state, except as provided in section 1494, Article III, subsection 5.

**5. Application for proration.** The application for proration of registration must be made in each contracting state upon substantially the application forms and supplements authorized by joint action of the administrators of the contracting states.

**6. Issuance of identification.** Upon registration of a fleet, the state that is the base state of a particular bus of the fleet shall issue the required license plates and registration card for such bus and each contracting state in which the fleet of which such bus is a part, operates shall issue a special identification identifying such bus as a part of a fleet that has fully complied with the registration requirements of such state. The required license plates, registration cards and identification must be appropriately displayed in the manner required by or pursuant to the laws of each respective state.

**7. Additions to fleet.** If any bus is added to a prorated fleet after the filing of the original application, the owner shall file a supplemental application. The owner shall register such bus in each contracting state in like manner as provided for buses listed in an original application and the registration fee payable must be determined on the mileage proportion used to determine the registration fees payable for buses registered under the original application.

**8. Withdrawals from fleet.** If any bus is withdrawn from a prorated fleet during the period for which it is registered or identified, the owner shall notify the administrator of each state in which it is registered or identified of such withdrawal and shall return the plates, and registration card or identification as may be required by or pursuant to the laws of the respective states.

**9. Audits.** The administrator of each contracting state shall, within the statutory authority of such administrator, make any information obtained upon an audit of records of any applicant for proration of registration available to the administrators of the other contracting states.



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**10. Errors in registration.** If it is determined by the administrator of a contracting state, as a result of such audits or otherwise, that an improper fee has been paid that administrator's state, or errors in registration found, the administrator may require the fleet owner to make the necessary corrections in the registration of the fleet and payment of fees.

### §1496. Reciprocity – Article V

**1. Grant of reciprocity.** Each of the contracting states grants reciprocity as provided in this Article.

**2. Applicability.** The provisions of this agreement with respect to reciprocity applies only to a bus properly registered in the base state of the bus, which state must be a contracting state.

**3. Nonapplicability to fleet buses.** The reciprocity granted pursuant to this Article does not apply to a bus which is entitled to be registered or identified as part of a prorated fleet.

**4. Extent of reciprocity.** The reciprocity granted pursuant to this Article permits the interstate operation of a bus and intrastate operation that is incidental to a trip of such bus involving interstate operation.

**5. Other agreements.** Nothing in this agreement may be construed to prohibit any of the contracting states from entering into separate agreements with each other for the granting of temporary permits for the intrastate operation of vehicles registered in the other state; nor to prevent any of the contracting states from entering into agreements to grant reciprocity for intrastate operation within any zone or zones agreed upon by the states.

### §1497. Withdrawal or revocation – Article VI

Any contracting state may withdraw from this agreement upon 30 days written notice to each other contracting state, which notice may be given only after the repeal of this agreement by the legislature of such state, if adoption was by legislative act, or after renunciation by the appropriate administrative official of such contracting state if the laws thereof empower that official so to renounce.

### §1498. Construction and severability – Article VII

This compact must be liberally construed so as to effectuate the purposes thereof. The provisions of this compact are severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the Constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance are not affected thereby. If this compact is held contrary to the constitution of any state participating herein, the compact remains in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

## TITLE 36 – TAXATION, PART 2

### SUBCHAPTER 2 PROVISIONS RELATED TO AGREEMENT

#### §1499. Ratification

The Bus Taxation Proration Agreement is enacted into law and entered into with all jurisdictions legally joining therein in the form substantially as provided in this subchapter.

#### §1499-A. Administrator, defined

As used in the agreement, with reference to this State, the term "administrator" means Secretary of State.

#### §1499-B. Exemptions

The Secretary of State has the power to make such exemptions from the coverage of the agreement as may be appropriate and to make such changes in methods for the reporting of any information required to be furnished to this State pursuant to the agreement as, in the Secretary of State's judgment, is suitable, provided that any such exemptions or changes are not contrary to the purposes set forth in section 1492, Article 1, and is made in order to permit the continuance of uniformity of practice among the contracting states with respect to buses. Any such exemption or change must be made by rule or regulation and is not effective unless made by the same procedure required for other rules and regulations of the Secretary of State's department.

#### §1499-C. Withdrawal from agreement

Unless otherwise provided in any statute withdrawing this State from participation in the agreement, the Governor must be the officer to give notice of withdrawal therefrom.

## CHAPTER 112 WATERCRAFT EXCISE TAX

#### §1501. Purpose

The purpose of this chapter is to levy an excise tax upon the owner of any watercraft, not otherwise exempt, for the privilege of operating a watercraft upon the waters of this State.

**REVISOR'S NOTE:** The 1983 repealer was removed by Proclamation of the Governor on November 26, 1984. This section remains in effect and is not affected by the repealed 1983 laws.

#### §1502. Excise tax in lieu of property taxes

The excise tax imposed by this chapter is in lieu of all property taxes on watercraft.

##### 1. Collection; reimbursement. (Repealed)

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**REVISOR'S NOTE:** The 1983 repealer was removed by Proclamation of the Governor on November 26, 1984. This section remains in effect and is not affected by the repealed 1983 laws.

### §1503. Definitions

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.

**1. Commercial vessel.** "Commercial vessel" means any type of watercraft used exclusively in a business or trade:

A. Is required to be registered under Title 12, section 13056; or

B. Is documented under the laws of the United States.

**1-A. Canoe.** "Canoe" has the same definition as that set out in Title 12, section 1872, subsection 2.

**2. Commissioner.** "Commissioner" means the Commissioner of Inland Fisheries and Wildlife.

**3. Director.** "Director" means the Director of the Division of Licensing, Registration and Engineering, Department of Inland Fisheries and Wildlife.

**3-A. Dory.** "Dory" means an unpowered, double-ended boat used exclusively for the transport and storage of fishing gear.

**4. Established base of operations.** An "established base of operations" means the location where a commercial vessel has its primary relationship with a municipality. Among the factors identifying a primary relationship are the locations at which the vessel is primarily moored or docked, where it prepares for expeditions and hires a crew and to which it regularly returns for repairs, supplies and activities relating to its business or trade. The fact that a commercial vessel carries on one or more of the activities, as mentioned in this subsection, at more than one location within this State or carries on one or more of the activities, enumerated in this subsection, at a location or locations outside this State shall not prevent it from being deemed to have an established base of operations within the State, if a substantial portion of these activities are carried on at a location or locations within this State.

**4-A. Marina or boat yard.** (Repealed)

**5. Overall length.** "Overall length" means the horizontal distance stated in feet and defined as the straight line measurement over the deck, excluding sheer, from the foremost part of the watercraft to the aftermost part, measured parallel to the centerline, excluding outboard motors, brackets, bowsprits, rudders and similar attachments. For any watercraft documented under the laws of the United States, overall length means the registered length of the vessel as set forth in the document issued to its owner by the United States Coast Guard.

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6. **Owner.** "Owner" means a person or persons claiming lawful possession of a watercraft by virtue of legal title, equitable interest or a leasehold interest in the watercraft.

7. **Principally moored, docked or located.** "Principally moored, docked or located" means the place where a watercraft, other than a commercial vessel, is usually moored, docked, anchored or located during the period from June 1st to August 31st.

8. **Registration period.** (Repealed)

8-A. **Registration period.** (Repealed)

8-B. **Registration period.** "Registration period" means from January 1st to December 31st of the year for which the certificate of number is issued pursuant to Title 12, section 13056.

9. **Taxable year.** "Taxable year" means from January 1st to December 31st.

10. **Watercraft.** "Watercraft" means any type of vessel, boat, canoe or craft capable of being used as a means of transportation on water, other than a seaplane, including motors, electronic and mechanical equipment and other machinery, whether permanently or temporarily attached, and which are customarily used in the operations of the watercraft. Watercraft does not include a vessel, boat, canoe, or craft located and intended to be permanently docked in one location and not used as a means of transportation on water.

**REVISOR'S NOTE:** The 1983 repealer was removed by Proclamation of the Governor on November 26, 1984. This section remains in effect and is not affected by the repealed 1983 laws.

§1504. **Excise tax**

1. **Payment schedule.** The owner of a watercraft located in this State that is not exempt under subsection 4 shall pay an annual excise tax within 10 days of the first operation of the watercraft upon the waters of this State, or prior to obtaining a certificate of number pursuant to Title 12, section 13056, or prior to July 1st, whichever event first occurs, based on the following schedules.

A. The following tax is assessed based upon the overall length of the watercraft.

Overall length of watercraft to nearest foot.....	Length Tax
Watercraft under 13 feet, all dories regardless of length and all canoes regardless of length .....	\$6
13 feet .....	7
14 feet .....	8
15 feet .....	9
16 feet .....	11
17 feet .....	13
18 feet .....	16
19 feet .....	19
20 feet .....	22

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21 feet .....	26
22 feet .....	30
23 feet .....	51
24 feet .....	56
25 feet .....	61
26 feet .....	68
27 feet .....	75
28 feet .....	82
29 feet .....	89
30 feet .....	96
31 feet .....	103
32 feet .....	110
33 feet .....	117
34 feet .....	125
35 feet .....	133
36 feet .....	141
37 feet .....	149
38 feet .....	158
39 feet .....	167
40 feet .....	177
41 feet .....	187
42 feet .....	198
43 feet .....	210
44 feet .....	223
45 feet .....	237
46 feet .....	252
47 feet .....	268
48 feet .....	284
49 feet .....	301
50 feet .....	318
51 feet .....	335
52 feet .....	352
53 feet .....	370
54 feet .....	388
55 feet .....	406
56 feet .....	424
57 feet .....	442
58 feet .....	460
59 feet .....	478
60 feet .....	496
61 feet .....	514
62 feet .....	532
63 feet .....	550
64 feet .....	568
65 feet .....	586
and over .....	plus \$18 for each foot over 65 feet

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B. In addition to the length tax, the owner of any watercraft, other than a canoe, with an overall length greater than 13 feet and less than 23 feet shall pay a tax on the total motor horsepower as shown on the watercraft's registration in accordance with the following schedule:

- (1) Horsepower of 20 or less..... \$2
- (2) Horsepower over 20 but not over 70 ..... \$5
- (3) Horsepower over 70 ..... \$12

C. (Repealed)

D. (Repealed)

E. (Repealed)

F. (Repealed)

G. (Repealed)

H. (Repealed)

I. (Repealed)

J. (Repealed)

K. (Repealed)

L. (Repealed)

M. (Repealed)

N. (Repealed)

O. (Repealed)

**2. Reduction in tax.** The amount of excise tax payable shall be reduced as follows.

A. For any commercial vessel, the tax payable shall be 50% of the value due under subsection 1.

B. For all other watercraft, the tax payable shall be reduced 20% when the watercraft is over 10 years of age and shall be reduced 40% when the watercraft is over 20 years of age.

C. Any depreciation allowed under this subsection may not reduce the total tax below \$12.

## TITLE 36 – TAXATION, PART 2

D. The tax payable for a watercraft registered to a new owner after September 1st of any year is 50% of the amount due under subsection 1.

**3. Payment of tax.** The excise tax shall be paid as follows.

A. If the watercraft is owned by an individual resident of this State, the excise tax shall be paid to the municipality where the owner resides. The excise tax for watercraft owned by residents of Indian reservations shall be paid to the tribal clerks.

B. If the watercraft is owned by an individual who is a nonresident of this State or by a partnership or corporation, domestic or foreign, the excise tax shall be paid to the municipality where the watercraft is principally moored, docked or located or has its established base of operations.

C. The State Tax Assessor shall determine a vessel's established base of operation if 2 or more municipalities disagree over which taxing jurisdiction has the right to tax a particular vessel. The State Tax Assessor's decision shall be final.

D. Beginning April 1, 1984, upon payment of the excise tax, the municipality shall certify on forms provided by the Department of Inland Fisheries and Wildlife that the excise tax has been paid. The municipality may withhold certification that the excise tax has been paid until all outstanding taxes due under this chapter for the current year have been paid.

**4. Exemptions.** The following shall be exempt from the tax imposed by this section:

A. Lifeboats or life rafts customarily carried or required to be carried by a watercraft for purposes of rescuing the occupants of the watercraft in case of danger;

B. Watercraft held by registered retailers as demonstrators or stock-in-trade;

C. Watercraft which were exempt from taxation under Title 36, chapter 105 on April 1, 1983;

D. Commercial vessels without an established base of operations in this State and all other watercraft which are not within this State more than 75 days during the year; and

E. Watercraft 20 feet or less in length that are not required to be registered under Title 12, section 13056.

**5. Credits.** Any owner who has paid the excise tax for a watercraft which is subsequently totally lost by fire, theft or accident in the same year, shall be entitled to a pro rata credit for the tax previously paid in that period for any one watercraft toward the tax for any number of watercraft.

A. The credit shall be allowed in any place in which the excise tax is payable.

B. No portion of any excise tax once paid may be repaid to any person by reason of the loss of a watercraft.

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C. For purposes of this subsection, the term "owner" includes the surviving spouse.

**5-A. Credit for transfer.** Any owner who has paid the excise tax for a watercraft which is transferred in the same tax year is entitled to a credit to the maximum amount of the tax previously paid in that year for any number of watercraft, regardless of the number of transfers which may be required of him in the same tax year. The credit shall be allowed in any place in which the excise tax is payable.

### **6. Watercraft not required to register. (Repealed)**

**6-A. Improper levy of tax.** If a municipality or watercraft owner believes the excise tax has been improperly levied under the authority of this section, the municipality or watercraft owner may request a determination of this question by the State Tax Assessor. The State Tax Assessor's determination is binding on all parties. Any party may seek review of the determination in accordance with the Maine Rules of Civil Procedure, Rule 80B.

**7. Evidence of tax payment.** Each watercraft, required to pay the excise tax established by this chapter but not required to be registered under Title 12, section 13056, must display a current excise tax decal as directed by the commissioner. A current excise tax decal must be issued by the municipal tax collector or tribal clerk upon the payment of all excise taxes due under this chapter. The commissioner shall make excise tax decals available at cost to municipalities and Indian reservations. For watercraft required to be registered under Title 12, section 13056, the registration sticker is considered evidence of tax payment.

**7-A. Interest on delinquent taxes.** Any tax assessed under this chapter which is not paid when due shall accrue interest at the rate set for municipal property taxes for the year during which the excise tax is due.

**8. Lien.** If the tax imposed by this chapter is not paid when due, the tax collector may file in the office of the registry of deeds of the county where the owner of the watercraft resides or in the case of a nonresident owner or partnership or corporation, either domestic or foreign, where the watercraft is principally moored, docked or located or has its established base of operations, or in the office in which a security or financial statement or notice with respect to personal property would be filed, a notice of lien specifying the amount of the tax, addition to tax, penalty and interest due, the name and last known address of the taxpayer liable for the amount and the fact that the tax collector has complied with this chapter in the assessment of the tax. From the time of the filing, the amount set forth in the certificate constitutes a lien upon all property of the taxpayer, in the county then owned by him or thereafter acquired by him in the period before the expiration of the lien. In the case of any prior mortgage on any real or personal property so written as to secure a present debt and also future advances by the mortgagee to the mortgagor, the lien, as provided in this subsection, when notice thereof has been filed in the proper office, shall be subject to the prior mortgage, unless the assessor also notifies the mortgagee of the recording of the lien in writing, in which case any indebtedness thereafter created from the mortgagor to the mortgagee shall be junior to the lien provided in this subsection. The lien, provided in this subsection, has the same force, effect and priority as a judgment lien and shall continue for 5 years from the date of recording, unless sooner released or otherwise discharged. The lien may, within the 5-year period or within 5 years from the date of the last extension of the lien in the manner provided in this



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section, be extended by filing for record in the appropriate office, a copy of the notice and from the time of that filing the lien shall be extended for 5 years, unless sooner released or otherwise discharged.

**9. Enforcement.** General enforcement provisions are as follows.

A. Beginning March 1, 1984, payment of the excise tax and accrued interest, where applicable, is a prerequisite for obtaining a certificate of number of a watercraft under Title 12, section 13056, and no registration may be renewed until all excise taxes and accrued interest, where applicable, with respect to the watercraft have been paid in accordance with this chapter.

B. The provisions of chapters 7 and 835 shall apply with like effect to collecting the tax and enforcing this chapter in the unorganized territory.

C. (Repealed)

D. Any person leasing, selling or otherwise providing for consideration storage, mooring or docking spaces for 10 or more consecutive days during the period from April 15th of any year and April 15th of the next year to watercraft not registered in the State shall maintain a list of all such watercraft. The list must contain, with respect to each watercraft:

- (1) The name of the vessel;
- (2) The name and address of the owner of the watercraft;
- (3) The state of registration or port of hail;
- (4) The approximate length of the vessel; and
- (5) The type of vessel.

A person required by this section to maintain a list of watercraft must retain the list for 3 years and must make the list available for inspection during normal business hours by law enforcement officers and by municipal officials.

E. Upon receipt from the United States Coast Guard of a list of watercraft that have valid marine documents as a watercraft of the United States, and that are moored in this State or owned by State residents, the State Tax Assessor shall send a copy of this list to the tax collector of each municipality.

**10. Reimbursement.** (Repealed)

**REVISOR'S NOTE:** The 1983 repealer was removed by Proclamation of the Governor on November 26, 1984. This section remains in effect and is not affected by the repealed 1983 laws.

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### **§1505. Unorganized territory**

For the purposes of this chapter, the unorganized territory shall be treated as a municipality. All excise tax payments for watercraft owned by residents of the unorganized territory, nonresidents or a partnership or corporation, domestic or foreign, and principally moored, docked or located or with an established base of operations in the unorganized territory shall be collected and distributed in the same manner as the motor vehicle excise tax.

*REVISOR'S NOTE:* The 1983 repealer was removed by Proclamation of the Governor on November 26, 1984. This section remains in effect and is not affected by the repealed 1983 laws.

### **§1506. Rulemaking**

After consultation with the Commissioner of Marine Resources, the Commissioner of Inland Fisheries and Wildlife and the Director of the Division of Licensing , Registration and Engineering within the Department of Inland Fisheries and Wildlife, the State Tax Assessor may adopt rules and establish forms and procedures as necessary for the efficient administration and enforcement of the excise tax imposed by this chapter. Rules adopted pursuant to this section are routine technical rules for the purposes of Title 5, chapter 375, subchapter 2-A.

*REVISOR'S NOTE:* The 1983 repealer was removed by Proclamation of the Governor on November 26, 1984. This section remains in effect and is not affected by the repealed 1983 laws.

## CHAPTER 113 TIMBER AND GRASS ON PUBLIC RESERVED LOTS

### **§1541. Public reserved lots held for payment of taxes**

The timber and grass claimed on the public reserved lots shall be held to the State for the payment of those taxes which may be lawfully assessed against them.

### **§1542. Payment of owner's interest; discharge**

Each owner of timber and grass so assessed may pay the part of the tax so assessed proportioned to his interest in any tract, whether in common or not; and shall receive from the State Tax Assessor a certificate, discharging the tax upon the interest upon which such payment is made.

### **§1543. Each acreage interest forfeited if tax unpaid**

Each fractional part, or interest represented by acreage, in all such public reserved lots, upon which the state taxes and interest are not paid by the 30th day of March of the year following the assessment shall be forfeited to the State, and whenever such taxes are assessed on a biennial basis, such forfeiture shall occur on the 30th day of March following the 2nd year of the biennium. Any owner may redeem his interest in such public reserved lots by tendering to the State Tax Assessor, within one year after the date of the forfeiture, his proportional part of all the sums due on such lots, and \$1 for a release.

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### **§1544. Land unredeemed in one year forfeited to State**

If any fractional part or interest represented by acreage in such public reserved lots shall not be redeemed as provided in section 1543 at the expiration of one year from the date of the forfeiture, then it shall be and remain wholly forfeited to the State, and shall vest in the State free from all claims by any former owner.

### **§1545. Timber and grass forfeited held for benefit of towns**

All timber and grass forfeited under section 1544 shall be held in trust by the State for the benefit of the people of Maine and shall be held by the Director of the Bureau of Parks and Lands subject to the same powers and responsibilities as apply to other lands in his custody.

### **§1546. Division of lots partially forfeited**

The Director of the Bureau of Parks and Lands shall cause a division to be made, if found necessary from time to time, of the public reserved lots which have been partially forfeited, and shall set off and hold the forfeited portions for the benefit of the people of Maine, as provided for in section 1545.

### **§1547. Taxes due from forfeited interest charged against Unorganized Territory Education and Services Fund**

After such timber and grass shall be wholly forfeited to the State, the State Tax Assessor shall certify to the State Controller the amount of unpaid taxes and interest then outstanding. Such state taxes and interest shall be charged to the Unorganized Territory Education and Services Fund.

## **CHAPTER 115 UNORGANIZED TERRITORY EDUCATIONAL AND SERVICES TAX**

### **§1601. Unorganized Territory Tax District**

The Legislature hereby creates a tax district to be known as the Unorganized Territory Tax District. It shall include all of the unorganized territory of the State and any areas which may subsequently become a part thereof.

### **§1602. Annual tax**

**1. Annual levy of tax.** A tax, to be known as the Unorganized Territory Educational and Services Tax, shall be levied each year upon all nonexempt real and personal property located in the Unorganized Territory Tax District on April 1st of each year. The State Tax Assessor shall fix the status of all taxpayers and of all such property as of that date.

**2. Computation and determination of tax.** The tax shall be computed and apportioned on the basis of the State Tax Assessor's determination of the value of that property.

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**3. Determination of original tax.** The State Tax Assessor shall determine the amount of tax due from each taxpayer. The State Tax Assessor shall notify each taxpayer in writing, not later than August 1st annually.

**4. Establishment of mill rate.**

A. The State Tax Assessor shall establish a separate mill rate for each county, which is calculated to raise the amount certified by the Legislature as the cost of county-provided services in the unorganized territory.

B. The State Tax Assessor shall establish a district-wide mill rate calculated to raise the cost of all other portions of the municipal cost component certified by the Legislature.

B-1. (Repealed)

C. The rates calculated under paragraphs A and B shall be added and rounded to the next highest 1/4 of a mill to determine the mill rate for the municipal cost component which will be assessed against the taxable property in each county.

**5. Due dates; interest.** Taxes levied under this section must be paid to the State Tax Assessor on or before October 1st of each year. A person who fails to pay the tax on or before October 1st is liable for interest on the tax pursuant to section 186, except that the rate of interest beginning on October 1, 2019 equals the maximum rate posted on the Treasurer of State's publicly accessible website according to section 505, subsection 4.

### **§1603. Definition of "municipal cost component"**

**1. Definition.** For the purposes of this chapter, "municipal cost component" means the cost of funding services in the Unorganized Territory Tax District that would not be borne by the State if the Unorganized Territory Tax District were a municipality, but does not include a state cost allocation charge, including, without limitation, reimbursement to the General Fund for departmental functions such as accounting, personnel administration and supervision. "Municipal cost component" also includes the cost of funding obligations of the unorganized territory under the terms of a tax increment financing district approved by the Commissioner of Economic and Community Development pursuant to Title 30-A, chapter 206. The "municipal cost component" includes, but is not limited to:

A. The cost of education, as would be determined by the Essential Programs and Services Funding Act if the unorganized territory were a municipality;

B. The cost of services the state funds in the unorganized territory that are funded locally by a municipality; the cost of forest fire protection to be included in the cost component must be determined in accordance with Title 12, section 9205-A and collected in the same manner as other portions of the municipal cost component;

C. The cost of reimbursement by the State for services a county provides to the unorganized territory in accordance with Title 30-A, chapter 305. A county may not be reimbursed for

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services provided on or after January 1, 1979, unless a legislative allocation is obtained pursuant to this chapter. If a county receives, in addition to its budget, funds that are designated by the Legislature for a specific purpose and the county does not spend those funds for that specific purpose in that fiscal year, then the reimbursement under this chapter to that county for the next fiscal year must be reduced by an amount equal to the amount of funds so designated that were not expended for that specific purpose; and

D. The cost for payments that the unorganized territory is required to make pursuant to the terms of a tax increment financing district approved by the Commissioner of Economic and Community Development pursuant to Title 30-A, chapter 206 with respect to taxable property in the Unorganized Territory Tax District.

### **§1604. Determination; procedure**

**1. Recommendation to the Legislature.** The administrator of the unorganized territory shall submit to the Legislature, by March 1st, annually, a bill listing the requests of all counties and agencies under this chapter.

**2. Legislative determination of municipal cost components.** The Legislature shall consider the requests for funding under this chapter and by June 1st of each year enact legislation determining the amounts of the municipal cost component for services provided by each county and the amount of all other portions of the municipal cost component.

**2-A. Legislative amendment of components.** Notwithstanding subsection 2, the Legislature may amend enacted legislation that determines the amounts of the municipal cost components.

**3. Contracts.** Each county or agency which contracts with another entity to provide services funded under this chapter shall enter into a written contract with the providing agency. A copy of each contract shall be maintained in the office of the county or agency entering into the contract. A copy of each contract shall be provided to the fiscal administrator of the unorganized territory who shall maintain copies in his office.

**4. Property.** All real and personal property which is purchased to provide services for which reimbursement is requested under this chapter shall be held by the State or county in trust for the unorganized territory. Any income from the use or sale of that property held by the State shall be credited to the Unorganized Territory Education and Services Fund. Income from the use or sale of that property held by a county shall be credited to the unorganized territory fund of that county.

When it is proposed that an area of the unorganized territory becomes organized into a town or plantation, the fiscal administrator of the unorganized territory shall make recommendations to the Legislature regarding the disposition of property obtained with funds under this chapter.

### **§1605. Unorganized Territory Education and Services Fund**

**1. Fund established.** The Legislature hereby creates the Unorganized Territory Education and Services Fund. The State Tax Assessor shall deposit in the fund all Unorganized Territory

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Educational and Services Tax money and county tax money, assessed pursuant to Title 30-A, section 706, which he collects.

**2. Disbursements.** Each agency making disbursements for expenses attributable to the municipal cost component shall, by June 30th of each year, submit an accounting of all expenditures made for the fiscal year ending on that date to the Treasurer of State with a copy to the fiscal administrator of the unorganized territory. Upon receipt of the accounting, the Treasurer of State shall transfer from the fund sufficient money to pay the expenses attributable to the municipal cost component, including the amount charged to the fund under Title 12, section 9205-A. Any expenditures made or identified after those reported to the Treasurer of State on June 30th shall be identified separately and included in the report for the next fiscal year.

**2-A. Advance payment to General Fund.** On October 31st of each year, the Treasurer of State shall transfer from the Unorganized Territory Education and Services Fund to the General Fund an amount equal to 90% of the total amount transferred pursuant to subsection 2 and this subsection in the preceding fiscal year. This payment must be taken as a credit against the disbursement required by subsection 2.

**2-B. Indian Township services.** On or before October 15th immediately following the date of assessment, the State Tax Assessor shall certify to the fiscal administrator of the unorganized territory the total amount of property tax assessed on reservation out-parcels situated in the Passamaquoddy Tribe reservation at Indian Township in Washington County under authority of section 1602. On October 31st of each year in which the Passamaquoddy Tribe provides governmental services to these reservation out-parcels, the Treasurer of State shall pay to the Passamaquoddy Tribe from the Unorganized Territory Education and Services Fund an amount equal to the property taxes assessed on reservation out-parcels in consideration for any and all governmental services as may be provided by the Passamaquoddy Tribe for the benefit of nonreservation Indian Township property owners. For the purposes of this subsection, "reservation out-parcel" means a parcel of real property situated in Indian Township, assessed by the State, and included in the relevant state valuation certified by the State Tax Assessor.

**3. Balance carried forward.** Any unexpended balance may not lapse but must be carried forward to the same fund for the next fiscal year and must be available for the purposes authorized by this chapter. Any unexpended balance remaining in the fund at the end of the year, not including amounts set aside in any capital reserve accounts, that is in excess of 10% of the amount of expenditures for that year must be used to reduce the amount to be collected in taxes during the next year.

**4. Fund accounting.** The State Controller shall establish an Unorganized Territory Education and Services Fund that reflects all of the activity of that fund within the state accounting system chart of accounts in accordance with the standards of a governmental accounting standards board as they apply to financial statements of the fund.

### **§1606. Property taxes credited on assessments; quarterly payments for unorganized territory services and annually for county taxes**

**1. Credit and appropriation of special funds or taxes for political subdivisions.** Notwithstanding any other statute to the contrary, the gross amount of property taxes assessed

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upon real and personal property in the unorganized territory through the State Tax Assessor for the benefit of any special fund or political subdivision of the State may be credited on the books of the State to the special fund or to the proper fiscal officer of the political subdivision. The Treasurer of State shall pay to that fiscal officer the amount of the tax so assessed, in equal quarterly amounts for unorganized territory services, on or before the last day of July, October, January and April and an annual installment for county taxes on or before October 15th following the date of the assessment. The amount of the assessment is appropriated for the purposes of this subsection.

**2. Tax increment financing payments.** With respect to a tax increment financing district located in the unorganized territory and approved by the Commissioner of Economic and Community Development pursuant to Title 30-A, chapter 206, the Treasurer of State must deposit into the development program fund established by a county for the tax increment financing district pursuant to Title 30-A, section 5227, subsection 3 the tax increment revenues on the captured assessed value, as that term is defined in Title 30-A, section 5222. The payment must be made on or before October 15th following the date of assessment or within 30 days after the taxes constituting the tax increment are paid, whichever is later. The amount of the assessment is appropriated for the purposes of this subsection.

**3. Deposits, abatements, interest payments and supplemental assessments.** Upon collection by the State Tax Assessor, taxes collected under subsection 1 must be deposited in the Unorganized Territory Education and Services Fund. All abatements of such taxes must be charged against the Unorganized Territory Education and Services Fund and all interest and supplemental assessments must be paid into the Unorganized Territory Education and Services Fund and neither may be charged against or credited to the special fund or political subdivision on account of which the tax was levied. Any excess of supplemental assessments over abatements accruing to the Unorganized Territory Education and Services Fund must be considered as reimbursement to the Unorganized Territory Education and Services Fund for administrative expenses connected with the assessment of those taxes.

**4. Intent.** The intent of the Legislature is to permit the administration of all real and personal property taxes in the unorganized territory through the Unorganized Territory Education and Services Fund as a matter of convenience and economy.

### **§1607. Meaning of letters used in lists**

In the lists made by the State Tax Assessor, in accordance with this chapter, for 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.

### **§1608. Financial report**

The fiscal administrator of the unorganized territory shall, by March 1st annually, publish a financial report of the status of the Unorganized Territory Education and Services Fund subject to the following provisions.

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**1. Record of financial transactions.** It shall contain a record of all financial transactions of the fund during the preceding fiscal year, including an itemized list of receipts and disbursements from the fund. It shall also contain an itemized record showing the sources of all revenue received by the fund and showing all disbursements for each agency under the municipal cost component by major items of expense comparable with the approved budgetary expenditure classifications under the captions of personal services, contractual services, commodities, debt service and capital expenditures.

**2. Statement of assets, liabilities, reserves and surplus.** It shall contain an itemized statement of the assets, liabilities, reserves, and surpluses of the fund under each municipal cost component.

**3. Copies for distribution.** Copies of the report shall be given to each member of the Legislature and to each county commissioner in each county which contains unorganized territory. Copies shall be made available in convenient locations for taxpayers in the unorganized territory.

**4. Statement of availability.** All tax bills issued under this chapter shall include a statement that the report required by this section is available, if requested.

### **§1609. Audit of municipal cost component and the Unorganized Territory Education and Services Fund**

The Unorganized Territory Education and Services Fund and each account of the municipal cost component must be audited annually. The audit must cover the last entire fiscal year and be completed no later than February 1st following the end of each fiscal year. The expenses of these auditing services are part of the municipal cost component and are paid out of the Unorganized Territory Education and Services Fund. The audit must be performed in accordance with generally accepted auditing standards and procedures pertaining to governmental accounting and must include a management letter covering the audit of the operational aspects of the fund, as well as suggestions that the auditor determines advisable for the proper administration of the fund. The auditor shall produce the audit report on the forms required by the accounting system established by the Office of the State Auditor in Title 5, section 243.

The audit must include an accounting of receipts, expenditures, disbursements, allocations, apportionments, and methods for calculating requests for transfers from the fund covering each account of the municipal cost component and the Unorganized Territory Education and Services Fund. The audit must also include a review of the accounting procedure used by agencies or governmental entities receiving transfers from the fund to determine whether the expenditures and transfers from the fund have been used in compliance with laws of this State.

### **§1610. Adjustment (REPEALED)**

### **§1611. Limitation on municipal cost component**

**1. Growth limitation.** Except as otherwise provided in this section, the municipal cost component may not exceed the growth limitations established in subsection 2.



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**2. Calculation of growth limitations.** The growth limitation factors are calculated as follows.

A. The growth limitation factor for the aggregate cost of the municipal cost components provided by the State is the same as the General Fund appropriation limitation factor calculated under Title 5, section 1534, subsection 2.

B. The growth limitation factor for the cost of the municipal cost components provided by a county may not exceed the municipal cost component assessment limit for that county. For purposes of this section, a municipal cost component assessment limit must be determined by the State Tax Assessor annually for the unorganized territory in each county using the criteria provided under Title 30-A, section 5721-A as if the unorganized territory for each county were a municipality.

**3. Exceeding or increasing growth limitations.** Growth limitations on the municipal cost component may be exceeded or increased as follows.

A. A governmental body with the authority to approve the county municipal cost component under Title 30-A, chapter 305 may exceed or increase the county growth limitation only if that action is approved by a majority of the county budget committee or county budget advisory committee and the county commissioners.

B. The Legislature may exceed or increase the municipal cost component growth limitation for a state component by including a provision in the municipal cost component legislation enacted pursuant to section 1604 that specifically states the intent of the Legislature to exceed or increase the growth limitation.

**4. Application.** This section applies to municipal cost component fiscal years beginning on or after July 1, 2007.

### **§1612. Payment in lieu of taxes in unorganized territory**

**1. Payment in lieu of taxes in unorganized territory.** An owner of property that is exempt from taxation under section 652 and is located in an unorganized territory may make a voluntary payment in lieu of taxes to the State Tax Assessor.

**2. County unorganized territory fund.** The State Tax Assessor shall deposit a payment in lieu of taxes in subsection 1 into the county unorganized territory fund under Title 30-A, section 7502, subsection 1 of the county in which the property exempt from taxes is located.

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**TITLE 36  
TAXATION**

**PART 4  
BUSINESS TAXES**

**CHAPTER 361  
RAILROAD COMPANIES**

**§2621. Annual returns (REPEALED)**

**§2621-A. Definitions**

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.

**1. Net railway operating income.** "Net railway operating income" means railway operating revenues, including debits and credits arising from equipment rents and joint facility rents, less railway operating expenses, tax accruals and uncollectible railway revenues.

**2. Operating investment.** "Operating investment" means investment in railway property used in transportation service, less depreciation, plus cash, including temporary cash investments and special deposits, plus material and supplies. For purposes of railroad excise taxes payable in 1986, based upon operations for the calendar year 1985, "operating investment" also includes freight car operating leases of 10 years or more, valued at cost less straight-line depreciation over the initial term of the lease.

**3. Maine capital tax credit.** "Maine capital tax credit" is a credit against the tax imposed by section 2624.

A. The credit allowed against the tax imposed by section 2624 shall be in an amount equal to:

- (1) The credit carry-forwards carried to the taxable year;
- (2) The amount of the current year credit; plus
- (3) The credit carry-backs carried to the taxable year.

B. The credit shall be an amount equal to 45% of the expenditures for a taxable year related to capital investments, improvements, or renovations to a railroad's operations in this State.

C. If the sum of the credit carry-forwards to the taxable year plus the amount of the current taxable year credit authorized in this section would reduce the tax in the taxable year below the minimum tax set forth in section 2624, such excess shall be:

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- (1) A credit carry-back to each of the preceding 3 taxable years; and
- (2) A credit carry-forward to each of the 5 taxable years following the taxable year.

D. The entire amount of the unused credit shall be carried to the earliest of the taxable years to which, by reason of this subsection, the credit may be carried and then to each of the other taxable years to the extent the unused credit may not be used for a prior taxable year. In no event may a carry-back apply to any taxable year ending prior to January 1, 1990.

E. In order for a taxpayer to qualify for a credit under this subsection, the taxpayer may not require any landowner to pay any fee or charge for maintenance or repair or to assume liability for crossings or rights-of-way if the landowner was not required to do so prior to July 1, 1987; and the taxpayer must continue to maintain crossings and rights-of-way which it was required to maintain on that date and may not remove the crossing if there is any objection to their being removed, provided that the landowner's use remains the same and that the landowner complies with requirements to keep gates secured.

F. (Repealed)

### **§2622. Penalties (REPEALED)**

### **§2623. Excise tax; payment to cities and towns one percent on stock held therein**

Every corporation, person or association operating any railroad in the State under lease or otherwise shall pay to the State Tax Assessor, for the use of the State, an annual excise tax for the privilege of exercising its franchises and the franchises of its leased roads in the State, which, with the tax provided for in section 561, is in place of all taxes upon the property of such railroad.

### **§2624. Amount of tax**

The amount of the annual excise tax on railroads shall be ascertained as follows: The amount of the gross transportation receipts for the year ended on the 31st day of December preceding the levying of the tax shall be compared with the net railway operating income for that year. When the net railway operating income does not exceed 10% of the gross transportation receipts, the tax shall be an amount equal to 3 1/4% of the gross transportation receipts. When the net railway operating income exceeds 10% of the gross transportation receipts but does not exceed 15%, the tax shall be an amount equal to 3 3/4% of the gross transportation receipts. When the net railway operating income exceeds 15% of the gross transportation receipts but does not exceed 20%, the tax shall be an amount equal to 4 1/4% of such gross transportation receipts. When the net railway operating income exceeds 20% of the gross transportation receipts but does not exceed 25%, the tax shall be an amount equal to 4 3/4% of the gross transportation receipts. When the net railway operating income exceeds 25% of the gross transportation receipts, the tax shall be an amount equal to 5 1/4% of the gross transportation receipts. The tax shall be decreased by the amount by which 5 3/4% of operating investment exceeds net railway operating income but shall in no event be decreased below a minimum amount equal to 1/2 of 1% of gross transportation receipts. In the case of railroads operating not over 50 miles of road, the tax shall not exceed 1 3/4% of the gross transportation receipts.

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When a railroad lies partly within and partly without the State, or is operated as a part of a line or system extending beyond the State, the tax shall be equal to the same proportion of the gross transportation receipts in the State, and its amount shall be determined as follows: The gross transportation receipts of such railroad, line or system, as the case may be, over its whole extent, within and without the State, shall be divided by the total number of miles operated to obtain the average gross transportation receipts per mile, and the gross transportation receipts in the State shall be taken to be the average gross transportation receipts per mile multiplied by the number of miles operated within the State, and the net railway operating income within the State shall be similarly determined.

The State Tax Assessor, after notice and hearing, may determine the accuracy of any returns required of any railroad, and if found inaccurate, may order proper corrections to be made therein.

The tax calculated pursuant to this section, for any taxable year, shall be decreased by a tax credit as defined in section 2621-A, subsection 3, calculated for that same taxable year. At no time may a tax credit be utilized to decrease the tax below the minimum tax imposed by this section.

### **§2625. Return and payment**

Every railroad company incorporated under the laws of this State or doing business in this State shall file with the State Tax Assessor annually, on or before April 15th, a railroad excise tax return, on a form prescribed by the State Tax Assessor. The tax must be paid in equal installments on the next June 15th, September 15th and December 15th. The Treasurer of State shall deposit all taxes paid under this chapter into the Multimodal Transportation Fund account established under Title 23, section 4210-B.

#### **1. Railroad Freight Service Quality Fund. (Repealed)**

### **§2626. Payment schedule (REPEALED)**

### **§2627. Abatement (REPEALED)**

### **§2628. Further returns; access to books by Public Utilities Commission (REPEALED)**

## **CHAPTER 367 COMMERCIAL FORESTRY EXCISE TAX**

### **§2721. Legislative findings**

The Legislature finds that engaging in commercial forestry is a privilege that results in costs as well as benefits to the State and that persons enjoying that privilege should be subject to the tax imposed by this chapter.

The Legislature further finds that the persons owning 500 acres or more of forest land are typically engaged in commercial forest activity. Historically, that amount of land has been used for administrative efficiency and to delineate the amount of land indicative of management for commercial activity, especially for purposes of the Maine Tree Growth Tax Law and the spruce

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budworm tax. The activity of growing commercially valuable trees is one which occupies a very long cycle. It is not uncommon that 40 years must pass between the planting of a seedling and the time when the tree will be harvested for commercial use. During that interim, it may at times be difficult to discern any obvious commercial activity taking place on the land. In many instances, the best accepted commercial practice with regard to that forest land is to do nothing other than to allow the trees to follow the natural course of maturation. Experience has shown that it is almost inevitable that a large amount of land containing commercially valuable trees will at some point be harvested for commercial purposes. Owners of such large amounts of land will receive the financial benefit of commercial activity either through the sale of the forest product or through the increased value that the forest product adds to the land when the land is transferred.

### **§2722. Annual tax**

An excise tax is imposed upon the privilege of using one's land in commercial forestry enterprise in this State. The tax shall be levied upon owners of commercial forest land and shall be apportioned according to the formula specified in section 2723-A. The State, municipalities and the Federal Government are not subject to this tax.

### **§2723. Computation of the tax (REPEALED)**

#### **§2723-A. Computation of tax**

**1. Calculation of fire control net costs.** Annually by September 1 beginning in 1987, the Commissioner of Agriculture, Conservation and Forestry shall certify to the State Tax Assessor the amount appropriated from the General Fund by the Legislature for the current fiscal year, including funds appropriated or allocated for capital improvements and repairs and the amounts proposed and budgeted to be spent in any federal and dedicated accounts for forest fire protection activities in the same fiscal year. The commissioner shall certify the amounts of all projected revenues resulting from forest fire protection activities for the same fiscal year, including federal revenues and dedicated revenues from the sale of buildings, vehicles and other equipment; fees and other miscellaneous revenues; and revenues estimated to be received from municipalities and the unorganized territory pursuant to Title 12, sections 9204, 9205 and 9205-A.

**2. Preceding fiscal year net costs.** The commissioner shall certify to the State Tax Assessor actual expenditures and revenues for forest fire protection for the preceding fiscal year for the same categories of information required in subsection 1 and provide the net amount resulting from subtracting revenues from expenditures.

**3. Roll forward amount from preceding fiscal year.** The State Tax Assessor shall subtract the amount in subsection 2 from the amount determined for the preceding fiscal year under subsection 4. If the resulting amount is positive, it shall be treated as a revenue and deducted from current year estimated expenditures. If the amount is negative, it shall be treated as an expenditure and added to current year estimated expenditures.

**4. Computing current year costs.** The State Tax Assessor shall add all projected expenditures for the current fiscal year, including general, federal, and dedicated funds. From this amount shall be subtracted all revenues projected to be received in the current fiscal year, as

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identified in accordance with subsection 1. From this amount shall be added or subtracted, as appropriate, the net roll forward amount from the prior fiscal year as determined in subsection 3.

### **5. Computing the tax.** (Repealed)

**5-A. Computing tax.** This amount must be multiplied by 40% and the sum must then be divided by the total number of adjusted acres of commercial forest land, rounded to the nearest 1/10 of a cent and multiplied by the number of adjusted acres of commercial forest land owned by each taxpayer to determine the amount of tax for which each owner of commercial forest land is liable.

**6. Minimum tax.** If the amount calculated under this chapter is less than \$5, the amount assessed shall be \$5.

### **§2724. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Adjusted acres.** "Adjusted acres" means the total number of acres of commercial forest land owned by a person throughout the State reduced by 500 acres. Cotenants of property, whether joint tenants or tenants in common, shall be treated as one person and shall collectively be entitled to only one 500-acre reduction.

**2. Commercial forest land.** "Commercial forest land" means land that is classified or that is eligible for classification as forest land pursuant to the Maine Tree Growth Tax Law, chapter 105, subchapter II-A, except that "commercial forest land" does not include land described in section 573, subsection 3, paragraph B or C when all commercial harvesting of forest products is prohibited. In determining whether land not classified under the Maine Tree Growth Tax Law is eligible for classification under that law, all facts and circumstances must be considered, including whether the landowner is engaged in the forest products business and the land is being used in that business or there is a forest management plan for commercial use of the land or a particular parcel of land has been harvested for commercial purposes within the preceding 5 years.

### **§2725. Due date**

This excise tax is due May 1, 1986, and each subsequent May 1st.

### **§2726. Administration**

**1. Returns.** The State Tax Assessor shall prescribe and make available the required tax return. All owners of more than 500 acres of forested land, whether or not that land is commercial forest land, shall complete and file tax returns with the State Tax Assessor no later than February 1st. Taxpayer identification numbers included on the return required by this subsection are confidential and are not a public record for purposes of Title 1, chapter 13.

**2. Date of ownership.** The ownership and use of forested land for purposes of this chapter shall be determined as of April 1st preceding the date that the tax return is due.

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**3. Notice.** The State Tax Assessor shall notify all landowners subject to this tax of the tax assessed against them no later than 30 days before the date that the tax is due. Failure to notify a landowner shall not relieve the obligation to pay the tax when due.

**4. Supplemental assessments.** Supplemental assessments may be made in accordance with section 141, subsection 1, except that the following limitations apply:

A. If a landowner who has failed to file a return under this chapter signs and files with the assessor an affidavit stating that the landowner did not know of the requirement to file a return under this chapter, a supplemental assessment may be made only for the 3 preceding years. Interest and penalties must be waived or abated if the tax is paid within 30 days after receipt of notice of the supplemental assessment as provided in a manner prescribed in section 111, subsection 2; and

B. If a landowner knew of the requirement to file a return under this chapter or if the assessor determines that the affidavit under paragraph A was falsely filed, the supplemental assessment may be made for the 6 preceding years plus interest and penalties.

**5. Interest and penalties.** Taxes remaining unpaid after the due date are subject to interest and penalty as provided in chapter 7.

**6. Enforcement.** The tax imposed by this chapter may be enforced by the enforcement and collection procedures provided in chapter 7.

**§2727. Credit; refund (REPEALED)**

**§2728. Report on ownership of commercial forest land by size of ownership**

On or before September 1st of each year, the State Tax Assessor shall provide the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry with information on the number of landowners filing tax returns in accordance with this chapter, including a breakdown of the number of landowners by acreage categories. The State Tax Assessor shall consult with the Director of the Bureau of Forestry in determining the acreage categories and shall provide the information in a consistent format to facilitate comparison from year to year.

### CHAPTER 371 MINING EXCISE TAX

**§2851. Preamble**

It is the Legislature's belief that mining for metallic minerals is an acceptable and necessary activity in the State. Mining results in economic benefits to the locality where it occurs, as well as to the entire State and the Nation. Those who conduct mining do so by their own initiative and by investing their capital. When mining is conducted, investments of the State are also made to provide public facilities and services. Aesthetic costs and the permanent loss of valuable assets also result from mining. It is the Legislature's intent that the mining excise tax be fairly related



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to the services provided by the State and its subdivisions, as well as account for the costs of mining and the permanent loss of valuable assets.

### §2852. Findings

The Legislature makes the following findings.

**1. Mineral resources fundamental.** Mineral resources are fundamental to modern civilization.

**2. Mineral resources as economic wealth.** Mineral resources have historically been a primary source of economic wealth, are valuable and, once removed, are forever lost as an economic asset to the State.

**3. Development of mineral resources.** Development of this country's mineral resources has involved only a small portion of its land area and may be expected to involve a similarly small portion of the land area of Maine.

**4. Excise tax.** The tax established by this chapter is not a property tax. It is an excise tax imposed on those engaged in and enjoying the privilege of conducting mining in the State.

**5. Creation of additional costs to government by mining.** The activity of mining may create additional costs to the State and its political subdivisions for government services, such as environmental monitoring and education and for highways, sewers, schools, and other improvements which are necessary to accommodate the development of a mining industry.

**6. Effect of mining on environment and other qualities.** The activity of mining may have permanent and often damaging effects on the environment and recreational and aesthetic qualities of the State. These effects constitute a cost to the State.

**7. Quality of life.** The activity of mining may significantly alter the quality of life in communities affected by mining.

**8. Size of mining operation.** As the size of a mining operation increases, the cost to the State and its political subdivisions may increase, as do the effects on the environment. As the size of a mining operation increases, the mining company benefits from economies of scale in the mining operation.

**9. Long-term and short-term economic costs.** The State and its political subdivisions incur long-term and short-term economic costs as a result of mining. A fund, in which is deposited a portion of the excise tax revenues, assures that money will be available for long-term and short-term costs associated with social, educational, environmental, and economic impacts of mining.

**10. Impact of mining tax laws on mining industry.** Mining tax laws may have a significant impact on the profitability of mining and the industry's ability to enter into and sustain production.

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### §2853. Purpose

It is the policy of the State to encourage the sound and orderly development of Maine's mineral resources. The object of this policy is to assure that the actions associated with development of these resources will:

**1. Expansion and diversification of economy.** Encourage expansion and diversification of the state's economy and create new employment opportunities for the state's people;

**2. Land use; environmental, safety and health regulations.** Adhere to sound and effective land use, environmental, safety and health regulations administered through appropriate public agencies;

**3. Assistance to municipalities and counties.** Provide planning and development assistance to municipalities, counties and the unorganized territory if significantly affected by mineral resource development; and

**4. Scheme of taxation.** Establish a practical scheme of taxation on mining companies which will:

- A. Permit these companies to profitably operate mines within the State;
- B. Encourage the economically efficient extraction of minerals;
- C. Permit the State to derive a benefit from the extraction of a nonrenewable resource; and
- D. Compensate the State and its political subdivisions for present and future costs incurred or to be incurred as a result of the mining activity.

### §2854. Excise tax in lieu of property taxes

**1. Annual excise tax.** A mining company shall pay to the State Tax Assessor, for the use set forth in this chapter, an annual excise tax for the privilege of conducting mining within the State.

**2. Property tax exemption.** The excise tax imposed by this chapter shall be in lieu of all property taxes on or with respect to mining property, except for the real property taxes on the following:

- A. Buildings, excluding fixtures and equipment; and
- B. Land, excluding the value of minerals or mineral rights.

### §2855. Definitions

For the purposes of this chapter, unless the context otherwise indicates, the following terms have the following meanings.

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### 1. **The code.** (Repealed)

**2. Commencement of mining.** "Commencement of mining" means when the mine is opened and in the process of development, and shall be deemed to occur when whichever of the following first occurs:

A. The surface soil is broken in order to facilitate or accomplish the extraction or removal, within 12 successive calendar months, of more than 1,000 cubic yards from the earth of a mineral, top soil or other solid matter or material naturally lying over the minerals, except in connection with exploratory activity; or

B. Construction or reconstruction is commenced on fixtures, buildings, or surface improvements, to be used in connection with mining.

**3. Exploratory activity.** "Exploratory activity" means all activities undertaken by the owner or any other person for the purpose of determining the existence of minerals or the quantity, quality or character of the minerals or feasibility of mining those minerals. These activities may include, without limitation: Testing and evaluation of the land and subsurface; taking soil and stream sediment samples; drilling on the land including, without limitation, bulk sample drilling; bulk sample excavation; performance of geophysical tests; and activities incidental to the foregoing; notwithstanding that the activity may involve the use of equipment on the land, may alter the character and appearance of the land or may result in disturbance of the land, including, without limitation, the creation of trails or roads, removal of trees, the planting of new vegetation or the taking of other measures to prevent soil erosion, or the marking of sample holes.

**4. Facilities and equipment.** "Facilities and equipment" means all mining property, excluding land and mineral products.

**5. Gross proceeds.** "Gross proceeds" means a mining company's federal gross income from mining with respect to a mine site, as defined in Section 613 of the code.

**6. Land.** "Land" means all real estate and all-natural resources and any interest in or right involving that real estate or natural resources including, without limitation, minerals, mineral rights, timber, timber rights, water, and water rights. "Land" does not include improvements constructed, placed, or located within a mine site, such as buildings, structures, fixtures, fences, bridges, dikes, canals, dams, roads or other improvements within a mine site.

**7. Mine site.** "Mine site" means the entire contiguous area owned, leased or otherwise subject to the possessory control of a mining company within which mining or activities incidental thereto, occur or may reasonably be expected to occur.

A. The mine site includes, without limitation, the contiguous area in which are located or reasonably may be expected to be located: The excavation; tailings, waste rock or overburden storage areas; mills; conveyors; concentrators; crushers; screens; pipes; canals; dams; ponds; lagoons; ditches; roads; access roads; utility facilities or equipment; pollution control facilities; railroad tracks or sidings; administrative or other buildings; or improvements, structures, rights-of-way or easements appurtenant or related to any of the foregoing.

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B. The mine site shall be determined according to section 2865.

**8. Mineral products.** "Mineral products" means all unextracted and extracted minerals and all products derived therefrom by mining.

**9. Minerals.** "Minerals" means all naturally-occurring metallic minerals.

**10. Mining.** The term "mining" has the following meanings.

A. "Mining" means:

(1) The extraction of minerals from the ground; or

(2) Processes used in the separation or extraction of the mineral or minerals from other material from the mine or other natural deposit, including, but not limited to: Crushing; grinding; beneficiation by concentration (gravity, flotation, amalgamation, electrostatic or magnetic); cyanidation; leaching; crystallization; or precipitation or processes substantially equivalent to or necessary or incidental to any of the foregoing; but not including electrolytic deposition; roasting; thermal or electric smelting; or refining.

B. Mining does not include exploratory activity.

**11. Mining company.** "Mining company" means a person who engages in mining in the State.

**12. Mining property.** "Mining property" means:

A. All real estate on, under, within or comprising a mine site; and

B. All tangible personal property on, under or within a mine site, or on route to or from a mine site, or being transported to or from or destined to or from a mine site, and which is owned, leased or otherwise subject to possessory control by a mining company.

C. Mining property does not include:

(1) All property which is not mineral products and is not primarily used or held for use in connection with mining or the business of mining at a mine site, or any activity necessary or incidental to or in support of mining or the business of mining engaged in at a mine site; or

(2) Those vehicles upon which state excise taxes are paid for the current registration period pursuant to chapter 111.

**13. Municipality.** "Municipality" means a city, town, or plantation.

**14. Net proceeds.** "Net proceeds" means a mining company's federal taxable income from the property with respect to a mine site (computed without allowance for depletion as defined in Section 613 of the code) adjusted as follows.

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A. The following deductions are allowed in addition to those allowed in computing taxable income from the property under the code:

- (1) Cost depletion as would be allowed under Section 611 of the code without regard to percentage depletion;
- (2) Exploration and development costs as defined in Sections 616 and 617 of the code. Exploration and development costs incurred prior to the commencement of mining must be recovered proportionately over the life of the mine in the same manner as that provided in Section 611 of the code with respect to cost depletion. Exploration and development costs incurred after the commencement of mining must be recovered in the year incurred;
- (3) Net operating loss deductions as defined in Section 172 of the code, but not including the exclusions under paragraph B; and
- (4) Reasonable accruals for all reclamation, restoration and shut-down costs required by state or federal laws, regulations or permits. These accruals must be made on a proportionate basis over the accrual period.

B. The following may not be allowed as deductions:

- (1) Property taxes paid that are allowed as a credit against the tax provided by this chapter;
- (2) The tax provided by this chapter; and
- (3) Percentage depletion as allowed under Section 613 of the code.

**15. Tax year.** "Tax year" means an annual accounting period ending on the last day of the month of the period used by the mining company as its taxable year for federal income tax purposes.

**16. Termination of mining.** "Termination of mining" means, and shall be deemed to occur on March 31st of any year if:

A. The mining company has permanently abandoned mining during the previous 12 months;  
or

B. During the previous 2 years, there has been:

- (1) Extraction or removal from the earth or sale of less than 1,000 cubic yards of minerals, topsoil, other solid matter or material naturally lying over the minerals; and
- (2) No construction or reconstruction of fixtures, buildings or surface improvements which are mining property.

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**17. Value of facilities and equipment.** "Value of facilities and equipment" means the basis to the owner as defined in Section 1012 of the code for all facilities and equipment:

- A. With a useful life beyond one year at the date of acquisition; and
- B. Which are, on the last day of the tax year:
  - (1) On, under or within a mine site; or
  - (2) Within the State and on route to or from a mine site or being transported to or from or destined to or from a mine site.

### §2856. Amount of tax

The amount of the annual excise tax on a mining company shall be the sum of the excise taxes due on each mine site. The excise tax due on each mine site shall be the greater of the following:

**1. Tax on facilities and equipment.** The value of facilities and equipment multiplied by 0.005; or

**2. Tax on gross proceeds.** The gross proceeds multiplied by:

A. If net proceeds are greater than zero, the greater of the following:

- (1) 0.009; or
- (2) A number determined by subtracting from 0.045 the quotient obtained by dividing:
  - (a) Gross proceeds, by
  - (b) Net proceeds multiplied by 100.

B. If net proceeds are equal to or less than zero, then 0.009.

### §2857. Returns

**1. Annual return.** A mining company shall file, on or before the date the mining company's state income tax return is due to be filed, an annual return on a form specified by the State Tax Assessor for each tax year.

**2. Form and contents.** The return shall indicate:

- A. The tax due;
- B. The estimated tax payments made;
- C. Credits provided under section 2858; and

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D. Information relating to the value of facilities and equipment, gross proceeds, net proceeds or other relevant information as the State Tax Assessor may by rule require.

**3. Payments.** A mining company shall pay the tax due, less estimated tax payments and credits, at the time its annual return is due without extensions.

**4. Extensions.** The State Tax Assessor may grant a reasonable extension of time for filing a return, declaration, statement or other document or payment of tax or estimated tax required by this chapter on such terms and conditions as he may require. The extension may not exceed 8 months.

**5. Computation.** In computing a mining company's tax, gross proceeds and net proceeds shall be computed as if each mine site were a separate taxpayer. The State Tax Assessor may distribute, apportion or allocate on a reasonable basis gross proceeds, deductions, credits or allowances between or among mining companies or mine sites, if such distribution, apportionment or allocation is necessary to prevent evasion of taxes imposed by this chapter, or to reflect clearly the gross or net proceeds of any mining company or mine site.

### §2858. Credits, refunds, and amendments

Credits, refunds, and amendments shall be computed and applied separately for each mine site. The following provisions shall apply.

**1. Credit for property tax prior to commencement of mining.** A credit shall be allowed for property taxes paid by a mining company or any other person on property which becomes exempt during the year under section 2854, subsection 2. The amount of the credit shall be computed as follows: The number of days remaining in the property tax year beginning with the date mining commences and the next March 31st, inclusive, shall be divided by 365; the percentage thus arrived at shall be multiplied by the property taxes paid during that property tax year against such property. The credit may be used in the tax year in which the property tax was paid or in any tax years thereafter.

**2. Credit for property tax paid on land and buildings.** A credit shall be allowed for property taxes paid by a mining company or any other person on land and buildings that are mining property. The credit may be used in the tax year in which the property tax was paid or in any tax years thereafter.

**3. Credits for prepayment of taxes.** The following provisions apply to prepayment of taxes other than estimated tax payments.

A. A person may prepay to the State Tax Assessor at any time prior to the end of the 5 years following the commencement of mining, a portion of the taxes due under this chapter not to exceed \$250,000 in one year or \$500,000 for a mine site.

B. If a person (whether or not it was a mining company at the time of the prepayment) prepays a portion of the taxes due under this chapter, it may take that prepayment as a credit against the taxes due under this chapter in any tax years following prepayment.

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### 4. Credit for penalty payments. (Repealed)

#### 4-A. Credits for municipal reimbursement paid. (Repealed)

**5. Refunds.** Tax refunds and abatements shall be made in accordance with section 2011, except if estimated tax payments exceed the tax due for the tax year, the State Tax Assessor shall refund the excess, unless the mining company requests otherwise.

**6. Amendment for unexpended accruals.** If accruals taken as deductions under section 2855, subsection 14, are not actually expended for the purposes for which they were accrued, then the mining company shall amend its returns for the tax years the deductions were taken to reduce those deductions to actual expenditures.

### §2859. Estimated tax requirements

A mining company shall make payments of estimated tax pursuant to section 5228, except that the estimated tax liability is to be based on liability for the mining excise tax rather than the income tax.

### §2860. Enforcement (REPEALED)

### §2861. Municipal reimbursement

**1. Reimbursement.** Excise tax revenues shall be used first to reimburse municipalities for the tax exemptions established by this chapter.

**2. Treasurer's duties.** The Treasurer of State shall reimburse each municipality at least 50% and, if revenues from the Mining Excise Tax are available, up to 100% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of the exemptions established by this chapter.

**3. Determination of amount.** The property tax revenue loss shall be determined as follows.

A. The State Tax Assessor shall make the following determinations:

- (1) The total amount of property taxes levied by the municipality in the previous calendar year;
- (2) The municipal valuation which resulted in subparagraph (1); and
- (3) The valuation of the property which is exempt as a result of this chapter.

B. The valuation of property which is exempt as a result of this chapter, shall be the total valuation of that property reduced by the valuation of that property which would be determined to be exempt under this Title as this Title existed on the day before the effective date of this Act.



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C. The State Tax Assessor shall add the valuation as determined in paragraph A, subparagraph (2), to the valuation as determined in paragraph A, subparagraph (3), and divide the sum into the figure determined in paragraph A, subparagraph (1).

D. The State Tax Assessor shall apply the rate calculated in paragraph C to the valuation of the exempt property to determine the amount of potential tax revenue loss.

E. The State Tax Assessor shall reduce the amount from paragraph D to reflect the additional school support provided by the State because of the change in valuation under paragraph B, which figure shall be the actual tax revenue loss.

**4. Payment.** The Treasurer of State shall use the excise tax revenues to pay to each municipality at least 50% and, if revenues are available, up to 100% of the actual tax revenue loss as determined by subsection 3, paragraph E. The Treasurer of State shall set aside an amount from these revenues sufficient to meet this obligation. The Treasurer of State shall pay the money due to the municipality by February 1st of the year following the year in which property tax revenue was lost by the municipality.

**5. Unorganized territory.** The unorganized territory shall be entitled to reimbursement under this section in the same manner provided by this section for municipalities. The amount of reimbursement due shall be paid into the Unorganized Territory Education and Services Fund established in chapter 115.

**6. Oversight.** The Treasurer of State, following the payment of excise tax revenues to municipalities pursuant to subsection 4, shall annually set aside 25% of the remaining revenues from mining operations to be deposited in the Mining Oversight Fund. Money in this fund is available to fund oversight of mining activity as defined by rule by the Department of Environmental Protection in relation to metallic mineral exploration.

### **§2862. Distribution of remaining revenues**

Excise tax revenues remaining after municipal reimbursement and payments into the Mining Oversight Fund under section 2861 must be used as follows.

**1. First year.** In the first year following the commencement of mining, revenues shall be distributed as follows:

- A. 20% to the General Fund; and
- B. 80% to the Mining Impact Assistance Fund.

**2. Second year.** In the 2nd year following the commencement of mining, revenues shall be distributed as follows:

- A. 15% to the General Fund;
- B. 10% to the Mining Excise Tax Trust Fund; and

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C. 75% to the Mining Impact Assistance Fund.

**3. Third year.** In the 3rd year following the commencement of mining, revenues shall be distributed as follows:

A. 20% to the General Fund;

B. 15% to the Mining Excise Tax Trust Fund; and

C. 65% to the Mining Impact Assistance Fund.

**4. Fourth year.** In the 4th year following the commencement of mining, revenues shall be distributed as follows:

A. 25% to the General Fund;

B. 25% to the Mining Excise Tax Trust Fund; and

C. 50% to the Mining Impact Assistance Fund.

**5. Fifth year.** In the 5th year following the commencement of mining, revenues shall be distributed as follows:

A. 25% to the General Fund;

B. 30% to the Mining Excise Tax Trust Fund; and

C. 45% to the Mining Impact Assistance Fund.

**6. Subsequent years.** In the years following the 5th year after the commencement of mining, revenues shall be distributed as follows:

A. 30% to the General Fund;

B. 60% to the Mining Excise Tax Trust Fund; and

C. 10% to the Mining Impact Assistance Fund.

**7. Changes in mining activity.** If, prior to the commencement of extraction of minerals for sale, a mining company ceases construction of a mine site, any taxes due during the period of construction cessation shall be distributed according to the most recently applicable provision of this section.

**8. Adjustments to distribution formula.** The distribution provisions of this section shall be altered as follows.

A. Amounts paid in accordance with section 2858, subsection 3, in each year shall be deposited in the Mining Impact Assistance Fund.

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B. (Repealed)

C. Funds allocated to the Mining Excise Tax Trust Fund which would raise the fund above its limit shall be redistributed as follows:

- (1) 33 1/3% to the Mining Impact Assistance Fund; and
- (2) 66 2/3% to the General Fund.

D. (Repealed)

### §2863. Grants for impact assistance

The Mining Impact Assistance Fund shall be used to provide impact assistance to municipalities, counties or the Unorganized Territory Education and Services Fund, as follows.

**1. Definitions.** For the purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Commissioner" means the Commissioner of Administrative and Financial Services.

B. "Public facilities and services" means facilities and services provided by a municipality or county for public purposes, including, without limitation, education, public health, welfare or safety, sewage disposal, water treatment, road construction or maintenance, transportation, environmental protection, recreation or planning for those facilities and services.

C. "Related to mining" means directly related to mining or to the construction or reconstruction of a mine site. New or additional public facilities or services shall be deemed to be related to mining when they are provided to a mining company, to employees of the mining company or its contractors or subcontractors and their families, or when they are required because of an increase in population directly attributable to mining or to the construction or reconstruction of a mine site.

**2. Fund established.** There is created the Mining Impact Assistance Fund, which shall receive part of the revenues from the excise tax.

A. The fund shall not lapse.

B. Expenditures under subsection 5 may not be made except from funds appropriated from this fund by the Legislature.

**3. Maximum.** (Repealed)

**4. Grants to municipalities in which a mine site is located.** To the extent funds are available from the excise tax revenues attributable to a mine site located within a municipality, the commissioner shall make a grant to that municipality. The amount of that grant may not be greater than 50% of the amount calculated under section 2861, subsection 3, paragraph E.

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**5. Grants to municipalities, counties, and unorganized territory.** Prior to receiving the revenues, the Legislature shall make an annual appropriation of those revenues from the fund for grants. The commissioner may make grants from those appropriations to municipalities, counties or the Unorganized Territory Education and Services Fund for providing necessary new or additional public facilities and services related to mining. The commissioner shall award grants taking into account the applicant's:

- A. Need for new or additional public facilities and services;
- B. Severity of the impact of mining development;
- C. Extent of local effort to meet anticipated needs; and
- D. Availability of increased local revenues from other sources, including, without limitation, municipal reimbursement under subsection 4 or section 2861; changes in revenues from other state or federal programs and revenues from other public or private sources.

**6. Applications.** At least annually, the commissioner shall request applications for grants. Applications shall include evidence of the need for public facilities and services related to mining.

**7. Report.** (Repealed)

**8. Rules.** The commissioner may adopt or amend rules to establish the procedure for applying for, reviewing, and making grants under this section. Those rules shall include provisions for application deadlines, contents of applications, criteria for selecting or approving applications or allocating limited funds, and deadlines for approval or disapproval.

### **§2864. Just value (REPEALED)**

### **§2865. Mine site and valuation determinations**

**1. Mine site.** The State Tax Assessor shall determine the area of a mine site, taking into account all relevant information, including, but not limited to, plans or permits approved under the site location of development law, Title 38, chapter 3, subchapter 1, Article 6. The assessor shall give notice to the mining company and to the municipality in which the mine site is located of the determination. The assessor's determination is reviewable under section 151.

**2. Valuation.** If a mine site is located in a municipality, the assessor shall determine the valuation of mining property and the percentage of that valuation represented by land and buildings that are not exempt from property taxes. That valuation of land and buildings must be applied in determining the property taxes. The municipality in which the mine site is located may appeal that determination to the State Board of Property Tax Review as provided in chapter 101, subchapter 2-A.

## TITLE 36 – TAXATION, PART 4

### §2866. Mining Oversight Fund

**1. Creation of fund.** The Mining Oversight Fund, referred to in this section as "the fund," is established as a nonlapsing fund administered by the Mining Excise Tax Trust Fund Board of Trustees, referred to in this section as "the board." The board shall oversee and authorize expenditures from the fund.

**2. Investment.** The Treasurer of State shall invest the money in the fund as authorized by Title 5, section 138.

**3. Scope of corrective action.** (Repealed)

**4. Uses of fund.** Money from the fund may be used only to fund oversight of mining activity as provided in the mining rules adopted by the Department of Environmental Protection under the Maine Metallic Mineral Mining Act, and expenses for site oversight. Expenses for site oversight include, but are not limited to, expenses of the department or the department's agents or contractors related to site oversight, including costs of personnel and administrative costs and expenses necessary to administer, review and monitor corrective action.

**5. Restrictions and liability.** (Repealed)

**6. Disposition of fund.** (Repealed)

**7. Depletion of fund.** (Repealed)

**TITLE 36 – TAXATION, PART 4**

**TITLE 36  
TAXATION**

**PART 7  
SPECIAL TAXES**

**CHAPTER 711-A  
REAL ESTATE TRANSFERS**

**§4641. Definitions**

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings:

**1. Consideration.** "Consideration" means the total price or amount paid, or required to be paid, for real property valued in money, whether received in money or otherwise and includes the amount of any mortgages, liens or encumbrances thereon, regardless of whether the underlying indebtedness is assumed by the grantee.

**1-A. Controlling interest.** "Controlling interest" means the following.

A. In the case of a corporation, "controlling interest" means more than 50% of the total combined voting power of all classes of stock of the corporation entitled to vote or more than 50% of the capital, profits or beneficial interest in the voting stock of the corporation.

B. In the case of a partnership, association, trust or other entity, "controlling interest" means more than 50% of the capital, profits or beneficial interest in the partnership, association, trust or other entity.

C. For purposes of the tax imposed by section 4641-A, subsection 2, all acquisitions of persons acting in concert are aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The State Tax Assessor shall adopt standards by rule to determine when persons are acting in concert. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter II-A. In adopting a rule for this purpose, the assessor shall consider the following:

(1) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(2) When persons are not commonly owned or controlled, they must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, the acquisitions must be considered separate acquisitions.

## TITLE 36 – TAXATION, PART 7

**2. Deed.** "Deed" means a written instrument whereby the grantor conveys to the grantee title in whole or in part to real property.

**2-A. Real property.** "Real property" means land or anything affixed to land. "Real property" includes, but is not limited to, improvements such as buildings, mobile homes other than stock-in-trade, lines of electric light and power companies and pipelines and other things constructed or situated on land when the owner of the improvements is not the landowner.

**3. Value.** "Value" means the amount of the actual consideration for real property, except that in the case of a gift, or a contract or deed with nominal consideration or without stated consideration, or in the case of the transfer of a controlling interest in an entity with a fee interest in real property when the consideration for the real property cannot be determined, "value" is to be based on the estimated price a property will bring in the open market and under prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels. For the purposes of this subsection, "nominal" means less than 20% of the property's most recently locally assessed value as adjusted by the municipality's or unorganized territory's certified assessment ratio, unless the taxpayer provides an attestation from the local assessor that the most recent locally assessed value does not reflect current market value.

"Value" does not include the amount of consideration attributable to vacation exchange rights, vacation services or club memberships or the costs associated with those rights, services or memberships. Upon request of a municipal assessor or the State Tax Assessor, a developer of a time-share estate, as defined in Title 33, section 591, subsection 7, or an association of time-share estate owners shall provide an itemized schedule of fees included in the sales price of a time-share estate.

### §4641-A. Rate of tax; liability for tax

**1. Deeds.** A tax is imposed on each deed by which any real property in this State is transferred.

A. The rate of the tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the property transferred.

B. The tax is imposed 1/2 on the grantor and 1/2 on the grantee.

**2. Transfer of direct or indirect controlling interest in entity with interest in real property.** A tax is imposed on the transfer or acquisition within any 12-month period of a direct or indirect controlling interest in any entity with a fee interest in real property in this State.

A. The rate of the tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the real property owned by the entity and located in this State.

B. The tax is imposed 1/2 on the transferor and 1/2 on the transferee, but if the transfer or acquisition is not reported to the register of deeds in the county or counties in which the property is located and the tax is not paid within 30 days of the completion of the transfer or



## TITLE 36 – TAXATION, PART 7

acquisition, the transferor and the transferee are jointly and severally liable for the full amount.

C. If a controlling interest is acquired by a series of transfers, each transferor is liable for its proportional share of tax based on the value of the property on the date of the sale.

### §4641-B. Collection

**1. Transfer of real property by deed.** The State Tax Assessor shall provide for the collection of the tax on the transfer of real property by deed by each register of deeds. When any deed is offered for recordation, the register of deeds shall ascertain and compute the amount of tax due on the deed and shall collect that amount. The amount of tax must be computed on the value of the property as set forth in the declaration of value prescribed by section 4641-D. Payment of tax must be evidenced by affixing an indicium of payment prescribed by the assessor to the declaration of value provided for in section 4641-D.

**2. Transfer or acquisition of controlling interest in entity with fee interest in real property.** A person transferring or acquiring a controlling interest in an entity with a fee interest in real property for which a deed is not given shall report the transfer or acquisition to the register of deeds in the county or counties in which the real property is located within 30 days of the transfer or acquisition on a return in the form of an affidavit furnished by the State Tax Assessor. The return must be accompanied by payment of the tax due. When the real property is located in more than one county, the tax must be divided among the counties in the same proportion in which the real property is distributed among the counties. Disputes between 2 or more counties as to the proper amount of tax due to them as a result of a particular transaction must be decided by the State Tax Assessor upon the written petition of an official authorized to act on behalf of any such county.

**3. Disposition of funds.** Each register of deeds shall, on or before the 10th day of each month, pay over to the State Tax Assessor 90% of the tax collected pursuant to this section during the previous month. The remaining 10% must be retained for the county by the register of deeds and accounted for to the county treasurer as reimbursement for services rendered by the county in collecting the tax. If the tax collected is not paid over by the 10th day of the month, the State Tax Assessor may impose interest pursuant to section 186.

**4. Distribution of State's share of proceeds.** (Repealed)

**4-A. Distribution of State's share of proceeds.** (Repealed)

**4-B. Distribution of State's share of proceeds.** The State Tax Assessor shall pay all net receipts received pursuant to this section to the Treasurer of State and shall at the same time provide the Treasurer of State with documentation showing the amount of revenues derived from the tax imposed by section 4641-A, subsection 1 and the amount of revenues derived from the tax imposed by section 4641-A, subsection 2.

A. In fiscal year 2011-12, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

## TITLE 36 – TAXATION, PART 7

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit \$3,830,000 of the revenues available under this subparagraph to the General Fund, after which the Treasurer of State shall pay any remaining revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

B. In fiscal year 2012-13, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit \$300,000 of the revenues available under this subparagraph to the Department of Health and Human Services, Medical Care - Payments to Providers, Other Special Revenue Funds account and \$3,950,000 of the revenues available under this subparagraph to the General Fund, after which the Treasurer of State shall pay any remaining revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

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C. In fiscal year 2013-14, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit \$2,710,964 of the revenues available under this subparagraph to the General Fund, after which the Treasurer of State shall pay any remaining revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

D. In fiscal year 2014-15, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit \$5,038,104 of the revenues available under this subparagraph to the General Fund, after which the Treasurer of State shall pay any remaining revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

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E. In fiscal year 2015-16 and each fiscal year thereafter, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to the Maine State Housing Authority, except that, notwithstanding paragraph F, in fiscal year 2015-16, the Treasurer of State shall first credit \$6,291,740 of the revenues available under this subparagraph to the General Fund and except that, notwithstanding paragraph F, in fiscal year 2016-17, the Treasurer of State shall first credit \$6,090,367 of the revenues available under this subparagraph to the General Fund and except that, notwithstanding paragraph F, in fiscal years 2017-18 and 2018-19, the Treasurer of State shall first credit \$2,500,000 of the revenues available under this subparagraph to the General Fund. The Maine State Housing Authority shall deposit the funds received pursuant to this subparagraph in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

Beginning July 1, 2023, the Maine State Housing Authority shall use 25% of funds transferred to the Housing Opportunities for Maine Fund under this subparagraph to support the creation of new housing units, through new construction or adaptive reuse, that are affordable to low-income households.

F. Neither the Governor nor the Legislature may divert the revenues payable to the Housing Opportunities for Maine Fund to any other fund or for any other use. Any proposal to enact or amend a law to allow distribution of less than 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the Housing Opportunities for Maine Fund established in Title 30-A, section 4853, as adjusted under this subsection, must be submitted to the Legislative Council and to the joint standing committee of the Legislature having jurisdiction over affordable housing matters at least 30 days prior to any vote or public hearing on the proposal.

G. The Treasurer of State shall credit to the General Fund all of the revenues derived from the tax imposed by section 4641-A, subsection 2.

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**5. Dispute regarding amount.** In the event of a dispute as to the correct amount of tax, the individual seeking to record the deed may request that the State Tax Assessor determine the correct amount of tax to be paid in order for the deed to be recorded.

**6. Transfer of tax on deeds of foreclosure or in lieu of foreclosure.** Notwithstanding subsection 4-B, the State Tax Assessor shall monthly pay to the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection the revenues derived from the tax imposed on the transfer of real property described in section 4641-C, subsection 2, paragraphs A and C.

**7. Assignment of rights in or connected with foreclosed real property.** A person assigning rights in or connected with title to foreclosed real property for which a deed is not given, including rights as high bidder at the public sale pursuant to Title 14, section 6323, shall report the assignment to the register of deeds in the county or counties in which the real property is located within 30 days of the assignment on a return in the form of an affidavit furnished by the State Tax Assessor. The State Tax Assessor shall provide for the collection of the tax in the same manner as in subsection 1 as if the assignment were a transfer of real property by deed. The return must be accompanied by payment of the tax due. When the real property is located in more than one county, the tax must be divided among the counties in the same proportion in which the real property is distributed among the counties. Disputes between 2 or more counties as to the proper amount of tax due to them as a result of a particular transaction must be decided by the State Tax Assessor upon the written petition of an official authorized to act on behalf of any such county. This subsection applies to assignments made during the time between the judgment of foreclosure and the transfer of the foreclosed real property by deed.

### §4641-C. Exemptions

The following are exempt from the tax imposed by this chapter:

**1. Governmental entities.** Deeds to property transferred to or by the United States, the State of Maine or any of their instrumentalities, agencies, or subdivisions. For the purposes of this subsection, only the United States, the State of Maine and their instrumentalities, agencies and subdivisions are exempt from the tax imposed by section 4641-A; except that real property transferred to the Department of Transportation or the Maine Turnpike Authority for transportation purposes; gifts of real property to governmental entities; and deeds transferring real property to governmental entities from a bona fide nonprofit land conservation organization are exempt from the tax;

**2. Mortgage deeds, deeds of foreclosure and deeds in lieu of foreclosure.** Mortgage deeds, discharges of mortgage deeds and partial releases of mortgage deeds.

A. For the purposes of this subsection, only the mortgagor is exempt from the tax imposed for a deed in lieu of foreclosure.

B. In the event of a transfer, by deed, assignment or otherwise, to a 3rd party at a public sale held pursuant to Title 14, section 6323, the tax imposed upon the grantor by section 4641-A applies only to that portion of the proceeds of the sale that exceeds the sums required to satisfy in full the claims of the mortgagee and all junior claimants originally made parties in

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interest in the proceedings or having subsequently intervened in the proceedings as established by the judgment of foreclosure and sale. The tax must be deducted from the excess proceeds.

C. In the event of a transfer, by deed, assignment or otherwise, from a mortgagee or its servicer to the mortgagee or its servicer or to the owner of the mortgage debt at a public sale held pursuant to Title 14, section 6323, the mortgagee or its servicer if the servicer is the selling entity is considered to be both the grantor and grantee for purposes of section 4641-A.

D. In the event of a deed in lieu of foreclosure and a deed from a mortgagee or its servicer to the mortgagee or its servicer or to the owner of the mortgage debt at a public sale held pursuant to Title 14, section 6323, the tax applies to the value of the property.

For the purposes of this subsection, "servicer" means a person or entity that acts on behalf of the owner of a mortgage debt to provide services related to the mortgage debt, including accepting and crediting payments from the mortgagor, issuing statements and notices to the mortgagor, enforcing rights of the owner of a mortgage debt and initiating and pursuing foreclosure proceedings;

**3. Deeds affecting a previous deed.** Deeds that, without additional consideration and without changing ownership or ownership interest, confirm, correct, modify or supplement a deed previously recorded;

**4. Deeds between certain family members.** Deeds between spouses, parent and child or grandparent and grandchild, without actual consideration for the deed, and deeds between spouses in divorce proceedings;

**5. Tax deeds.** Tax deeds;

**6. Deeds of partition.** Deeds of partition when the interest conveyed is without consideration. However, if any of the parties take shares greater in value than their undivided interest, a tax is due on the difference between their proportional undivided interest and the greater value, computed at the rate set forth in section 4641-A;

**7. Deeds pursuant to mergers or consolidations.** Deeds made pursuant to mergers or consolidations of business entities, from which no gain or loss is recognized under the Code. For purposes of this subsection, "business entity" means an association or legal entity organized to conduct business, including, without limitation, a domestic or foreign corporation, a limited partnership, a general partnership, a limited liability partnership, a limited liability company, a joint venture, a joint stock company or a business trust;

**8. Deeds by subsidiary corporation.** Deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock;

**9. Deeds prior to October 1, 1975.** Deeds dated or acknowledged prior to October 1, 1975 and offered for recording subsequent to that date;

**10. Deeds by parent corporation.** Deeds made by a parent corporation to its subsidiary corporation for no consideration other than shares of stock of the subsidiary corporation;

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**11. Deeds of distribution.** Deeds of distribution made pursuant to Title 18-B or Title 18-C;

**12. Deeds executed by public officials.** Deeds executed by public officials in the performance of their official duties;

**13. Deeds of foreclosure and in lieu of foreclosure.** (Repealed)

**14. Deeds given pursuant to the United States Bankruptcy Code.** Deeds given pursuant to the United States Bankruptcy Code;

**15. Deeds to a trustee, nominee, or straw.** Any deeds:

A. To a trustee, nominee, or straw party for the grantor as beneficial owner;

B. For the beneficial ownership of a person other than the grantor when, if that person were the grantee, no tax would be imposed upon the conveyance pursuant to this chapter; or

C. From a trustee, nominee, or straw party to the beneficial owner;

**16. Certain corporate, partnership and limited liability company deeds.** Deeds between a family corporation, partnership, limited partnership or limited liability company and its stockholders, partners or members for the purpose of transferring real property in the organization, dissolution or liquidation of the corporation, partnership, limited partnership or limited liability company under the laws of this State, if the deeds are given for no actual consideration other than shares, interests or debt securities of the corporation, partnership, limited partnership or limited liability company. For purposes of this subsection a family corporation, partnership, limited partnership or limited liability company is a corporation, partnership, limited partnership or limited liability company in which the majority of the voting stock of the corporation, or of the interests in the partnership, limited partnership or limited liability company is held by and the majority of the stockholders, partners or members are persons related to each other, including by adoption, as descendants or as spouses of descendants of a common ancestor who was also a transferor of the real property involved, or persons acting in a fiduciary capacity for persons so related;

**17. Deeds to charitable conservation organizations.** Deeds for gifts of land or interests in land granted to bona fide nonprofit institutions, organizations or charitable trusts under state law or charter, a similar law or charter of any other state or the Federal Government that meet the conservation purposes requirements of Title 33, section 476, subsection 2, paragraph B without actual consideration for the deeds;

**18. Limited liability company deeds.** Deeds to a limited liability company from a corporation, a general or limited partnership or another limited liability company, when the grantor or grantee owns an interest in the limited liability company in the same proportion as the grantor's or grantee's interest in or ownership of the real estate being conveyed;

**19. Change in identity or form of ownership.** Any transfer of real property, whether accomplished by deed, conversion, merger, consolidation or otherwise, if it consists of a mere

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change in identity or form of ownership of an entity. This exemption is limited to those transfers when no change in beneficial ownership is made and may include transfers involving corporations, partnerships, limited liability companies, trusts, estates, associations and other entities;

**20. Controlling interests.** Transfers of controlling interests in an entity with a fee interest in real property if the transfer of the real property would qualify for exemption if accomplished by deed of the real property between the parties to the transfer of the controlling interest; and

**21. Transfers pursuant to transfer on death deed.** Any transfer of real property effectuated by a transfer on death deed pursuant to Title 18-C, Article 6, Part 4.

### §4641-D. Declaration of value

Except as otherwise provided in this section, any deed, when offered for recording, and any report of a transfer of a controlling interest must be accompanied by a declaration of the value of the property transferred and indicating the taxpayer identification numbers of the grantor and grantee, if they are business entities. The declaration of value with regard to a transfer by deed must include evidence of compliance with section 5250-A. The declaration of value must identify the tax map and parcel number of the property transferred unless a tax map does not exist that includes that property, in which event the declaration must indicate that an appropriate tax map does not exist. The following are exempt from these requirements

**1. Governmental conveyances.** Any conveyance by or to the United States of America, the State of Maine or any of their instrumentalities, agencies, or subdivisions. For purposes of this subsection, only governmental entities are exempt from the requirement to file a declaration of value;

**2. Mortgage.** Any mortgage or mortgage discharge;

**3. Partial release of mortgage.** Any partial release of a mortgage deed;

**4. Deed affecting previous deed.** Any deed that, without additional consideration, confirms, corrects, modifies, or supplements a previously recorded deed;

**5. Deed dated prior to October 1, 1975.** (Repealed)

**6. Deed of distribution.** Any deed of distribution made pursuant to Title 18-C; and

**7. Transfer on death deed.** Any transfer on death deed under Title 18-C, Article 6, Part 4.

If the transfer is exempt from the tax imposed by this chapter, the reason for the exemption must be stated on the declaration of value.

The declaration of value must be in a form prescribed by the State Tax Assessor, who shall provide an adequate supply of such forms to each register of deeds in the State. The State Tax Assessor shall prescribe a form for the declaration of value with regard to transfers of controlling interests subject to tax under this chapter. The State Tax Assessor, by rule, may establish grounds



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and procedures for waiver of the requirement that the taxpayer identification numbers of the grantor and grantee must be shown on the declaration of value. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

The register of deeds shall transmit the declaration of value to the State Tax Assessor not later than 40 days from the date of recordation of the deed or, in the case of a transfer of a controlling interest subject to tax under this chapter, no later than the 10th day of the month following the month in which the report of the transfer is received by the register of deeds.

The State Tax Assessor shall, on or before the 20th day of the month following the month of receipt, transmit each declaration of value to the assessors of the municipality or the chief assessor of a primary assessing area in which the real estate is situated.

### **§4641-E. Powers and duties of State Tax Assessor**

The State Tax Assessor is authorized to prescribe such rules and regulations as are necessary to carry out the purposes of this chapter.

Within 3 years of the recording of a deed subject to the tax imposed by this chapter or of the date on which a transfer of a controlling interest in an entity subject to taxation under this chapter is reported to the register of deeds, the State Tax Assessor may examine any books, papers, records or memoranda of the grantor or grantee bearing upon the amount of tax payable, and may enforce that right of examination by subpoena. If the assessor determines that there is a deficiency of taxes due under this chapter, such deficiency must be assessed, together with interest and penalties, with notice to the persons liable, but no such assessment may be made more than 3 years after the date of recording or transfer.

### **§4641-F. Petition for reconsideration of assessment (REPEALED)**

### **§4641-G. Appeals (REPEALED)**

### **§4641-H. Notices (REPEALED)**

### **§4641-I. Priority (REPEALED)**

### **§4641-J. Recording without tax**

Any register of deeds who, upon recording any deed or receiving a report of a transfer of a controlling interest upon which a tax is imposed by this chapter, fails to collect that tax or to obtain the declaration of value required by this chapter and does so with the intent of defeating the purposes of this chapter commits a civil violation for which a forfeiture not to exceed \$200 may be adjudged.

### **§4641-K. Falsifying declaration of value**

**1. Prohibition.** A person may not:

A. Knowingly falsify the declaration of value prescribed by section 4641-D;

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B. Refuse to permit the State Tax Assessor or any of the State Tax Assessor's agents or representatives to inspect property in question or any relevant books, papers, records or memoranda within 3 years after recording or transfer of a controlling interest subject to tax under this chapter;

C. Knowingly alter, cancel, or obliterate a part of any relevant books, papers, records, or memoranda; or

D. Knowingly make a false entry in any relevant books, papers, records, or memoranda.

**2. Penalties.** A person who violates this section commits a Class E crime.

### **§4641-L. No effect on recordation**

Failure to comply with the requirements of this chapter does not affect the validity of any recorded instrument or the validity of any recordation or transfer of a controlling interest.

### **§4641-M. Confidentiality of declaration of value (REPEALED)**

### **§4641-N. Review**

The Maine State Housing Authority shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation by April 1, 1987, and each 2 years thereafter. The report shall cover the 2 prior fiscal years of the authority and shall identify the amount of revenues under this chapter that have been credited to the Housing Opportunities for Maine Fund and the manner in which those funds have been used. The committee shall review that report by May 1st of the year in which it is received.

### **§4642. Rate of Tax (REPEALED)**

### **§4643. Collection (REPEALED)**

### **§4644. Exemptions (REPEALED)**

**TITLE 36  
TAXATION**

**PART 9  
TAXPAYER BENEFIT PROGRAMS**

**CHAPTER 907-A  
MUNICIPAL PROPERTY TAX ASSISTANCE**

**§6231. Definitions (REPEALED)**

**§6232. Municipal authority**

The legislative body of a municipality may by ordinance adopt a program to provide benefits to persons with homesteads in the municipality. A municipality may choose to restrict the program to persons who meet minimum age requirements as long as the minimum is not less than 62 years of age.

**1. Conditions of program.** Except as provided in subsection 1-A, a program adopted under this section must:

- A. Require that the claimant has maintained a homestead in the municipality for a certain period of time, as determined by the municipality;
- B. Provide benefits for both owners and renters of homesteads; and
- C. Calculate benefits in a way that provides greater benefits proportionally to claimants with lower incomes in relation to their property taxes accrued or rent constituting property taxes accrued.

A program adopted under this section may impose additional standards of eligibility and procedures, as long as those standards are established by the municipality by ordinance.

**1-A. Volunteer program.** A municipality may by ordinance adopt a program that permits claimants who are at least 60 years of age to earn benefits up to an annual maximum of \$1,000 or 100 times the state minimum hourly wage under Title 26, section 664, subsection 1, whichever is greater, by volunteering to provide services to the municipality. A program adopted under this subsection does not need to meet the requirements of subsection 1, paragraph B or C. Benefits provided under this subsection must be related to the amount of volunteer service provided. Benefits received under this subsection may not be considered income for purposes of Part 8. A municipality may by ordinance establish procedures and additional standards of eligibility for a program adopted under this subsection.

**2. Relationship to state program.** (Repealed)

**3. Repeal of program.** A municipality that has adopted a program under this section may repeal it through the same procedure by which the program was adopted.

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### §6233. Termination of program (REPEALED)

### §6234. Municipal authority; veterans

The legislative body of a municipality may by ordinance adopt a program to provide benefits to veterans owning or renting a permanent residence in the municipality.

**1. Definitions.** For the purposes of this section, the following terms have the following meanings.

A. (Repealed)

A-1. "Permanent residence" has the same meaning as in section 681, subsection 3.

B. "Veteran" has the same meaning as in section 653, subsection 1, paragraph E and includes any family members eligible for an exemption under that subsection.

**2. Conditions of program.** A program adopted under this section must:

A. Require that the claimant has maintained a permanent residence in the municipality for a certain period of time, as determined by the municipality;

B. Provide benefits for both owners and renters of permanent residences; and

C. Calculate benefits in a way that provides that:

(1) If the claimant is the owner of the property, the benefit is equal to the difference between the reduction in property tax due to the exemptions provided in section 653 and the amount of property tax reduction that would have applied if the assessed value of the property was the same as the just value; and

(2) If the claimant is a renter, the benefit is equal to \$100.

**3. Repeal of program.** A municipality that has adopted a program under this section may repeal it through the same procedure by which the program was adopted.

## CHAPTER 908 DEFERRED COLLECTION OF HOMESTEAD PROPERTY TAXES

### §6250. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Benefited property.** (Repealed)

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**2. Bureau.** "Bureau" means the Bureau of Revenue Services.

**2-A. Disability.** "Disability" means a permanent and total impairment or condition that prevents an individual from being employed as determined by an agency of this State or of the Federal Government or pursuant to routine technical rules adopted by the State Tax Assessor.

**3. Homestead.** "Homestead" means the owner-occupied principal dwelling owned by the taxpayer and up to 10 contiguous acres upon which it is located. If the homestead is located in a multi-unit building, the homestead is the portion of the building actually used as the principal dwelling and its percentage of the value of the common elements and of the value of the tax lot upon which it is built. The percentage is the value of the unit consisting of the homestead compared to the total value of the building exclusive of the common elements, if any. "Homestead" includes the taxpayer-occupied principal dwelling and up to 10 contiguous acres upon which it is located that is held in a revocable living trust for the benefit of the taxpayer.

**3-A. Liquid asset.** "Liquid asset" means something of value available to an individual that can be converted to cash in 3 months or less and includes:

- A. Bank accounts;
- B. Certificates of deposit;
- C. Money market and mutual funds;
- D. Life insurance policies;
- E. Stocks and bonds; and
- F. Lump-sum payments and inheritances.

**3-B. Municipality.** "Municipality" means a city, town, plantation, or the unorganized territory.

**4. Tax-deferred property.** "Tax-deferred property" means the property upon which taxes are deferred under this chapter.

**5. Taxes.** "Taxes" or "property taxes" means ad valorem taxes, assessments, fees and charges entered on the assessment and tax roll.

**6. Taxpayer.** "Taxpayer" means an individual who has filed a claim for deferral under this chapter or individuals who have jointly filed a claim for deferral under this chapter.

### **§6251. Deferral of tax on homestead; joint election; age requirement; filing claim**

**1. Filing claim.** Subject to section 6252, a taxpayer may apply to defer the property taxes on the taxpayer's homestead by filing a claim for deferral with the municipal assessor after January 1st but no later than April 1st of the first year in which deferral is claimed if:

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- A. The taxpayer filing a claim is 65 years of age or older or is unable to be employed by reason of disability on April 1st of the year in which the claim is filed;
- B. The taxpayer has income, as defined in section 5219-KK, subsection 1, paragraph D, of less than \$40,000 for the calendar year immediately preceding the calendar year in which the claim is filed;
- C. The taxpayer, if an individual, has liquid assets of less than \$50,000 or, in the case of 2 or more individuals filing a claim jointly, all the individuals together have liquid assets of less than \$75,000; and
- D. The taxpayer's homestead receives a homestead exemption under chapter 105, subchapter 4-B.

The municipal assessor shall forward each claim filed under this subsection to the bureau within 30 days of receipt and the bureau shall determine if the property is eligible for deferral. Claims must be filed on a form approved by the State Tax Assessor and must include all information requested by the State Tax Assessor, including without limitation the taxpayer's and the taxpayer's direct heirs' contact information. Income and liquid assets of all individual owners of a homestead must be included in an application for deferral.

**2. Property tax deferral.** If a taxpayer is determined to be eligible to defer property taxes for any year by filing a claim for deferral under subsection 1, it has the effect of:

- A. Deferring the payment of the property taxes levied on the homestead for the municipal fiscal year beginning on or after April 1st of that year;
- B. Continuing deferral of the payment by the taxpayer of any property taxes deferred under this chapter for previous years that have not become delinquent under section 6260; and
- C. Continuing the deferral of the payment by the taxpayer of any future property taxes for as long as the provisions of section 6252 are met or the taxpayer withdraws from the deferral of future property taxes under this chapter by notifying the bureau as provided in section 6258.

**3. Guardian, conservator, and agent compliance.** If a guardian, conservator or agent under a power of attorney or pursuant to a protective arrangement or any other lawful order has been appointed for a taxpayer otherwise qualified to obtain deferral of taxes under this chapter, the guardian, conservator or agent may act for that taxpayer in complying with this chapter.

**4. Trustee compliance.** A trustee of a revocable inter vivos trust, if that trust was created by a taxpayer who is both the trustor and a beneficiary and who is otherwise qualified to obtain a deferral of taxes under this chapter, may act for the taxpayer in complying with this chapter.

**5. Spouse not required to claim.** (Repealed)

**6. Appeal.** A taxpayer aggrieved by the denial of a claim for deferral of homestead property taxes or disqualification from deferral of homestead property taxes may file an appeal of the State

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Tax Assessor's determination, within 30 days of notification of denial or disqualification by the State Tax Assessor, with the State Board of Property Tax Review as provided in chapter 101, subchapter 2-A.

### §6252. Property entitled to deferral

In order to qualify for tax deferral under this chapter, the property must meet all of the following requirements when the claim is filed and thereafter as long as the payment of taxes by the taxpayer is deferred.

**1. Claimant's homestead.** The property must be the homestead of the individual or individuals who file the claim for deferral, except for an individual required to be absent from the homestead by reason of health.

**2. Fee simple estate.** The individual claiming a deferral must, solely or together with the individual's spouse, own the fee simple estate or be purchasing the fee simple estate under a recorded instrument of sale, or 2 or more individuals must together own or be purchasing the fee simple estate with rights of survivorship under a recorded instrument of sale if all owners live in the homestead.

**3. No prohibitions.** There must be no prohibition to the deferral of property taxes contained in any provision of federal law, rule, or regulation applicable to a mortgage, trust deed, land sale contract or conditional sale contract for which the homestead is security.

**4. No duplicate deferral.** The property is not receiving a deferral of taxes under chapter 908-A.

**5. No municipal lien.** The property does not have an existing municipal lien against it.

### §6253. Claim forms; contents

**1. Administration.** A taxpayer's claim for deferral under this chapter must be in writing on a form supplied by the bureau and must:

A. Describe the homestead;

B. Provide information establishing the eligibility for the deferral under this chapter, including information that establishes that the liquid assets and the income, as defined in section 5219-KK, subsection 1, paragraph D, are less than the limits set by section 6251, subsection 1 for the calendar year immediately preceding the calendar year in which the claim is filed; and

C. Contain any information required by the bureau to show that the requirements of section 6252 have been met.

**2. Statement verification.** The claim must contain a statement verified by a written declaration of the taxpayer making the claim that the statements contained in the claim are true.

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### §6254. State liens against tax-deferred property

**1. Lien.** The lien provided in section 552 must continue for purposes of protecting the State's deferred tax interest in tax deferred property. When it is determined that one of the events set out in section 6259 has occurred and that a property is no longer eligible for property tax deferral under this chapter, the State Tax Assessor shall send notice by certified mail to the taxpayer, or the taxpayer's heirs or devisees, listing the total amount of deferred property taxes, including accrued interest and costs of all the years and demanding payment on or before April 30th of the year following the tax year in which the circumstances causing withdrawal from the provisions of this chapter occur.

When the circumstances listed in section 6259, subsection 4 occur, the amount of deferred taxes is due and payable 5 days before the date of removal of the property from the State.

If the deferred tax liability of a property has not been satisfied by the April 30th demand date, the State Tax Assessor shall, within 30 days, record in the registry of deeds in the county where the real estate is located a tax lien certificate signed by the State Tax Assessor or bearing the assessor's facsimile signature, setting forth the total amount of deferred tax liability, a description of the real estate on which the tax was deferred and an allegation that a tax lien is claimed on the real estate to secure payment of the tax, that a demand for payment of the tax has been made in accordance with this section and that the tax remains unpaid.

At the time of the recording of the tax lien certificate in the registry of deeds, the State Tax Assessor shall send by certified mail, return receipt requested, to each record holder of a mortgage on the real estate, to the holder's last known address, a true copy of the tax lien certificate. The cost to be paid by the taxpayer, or the taxpayer's heirs or devisees, is the sum of the fees for recording and discharging of the lien as established by Title 33, section 751, plus \$13. Upon redemption, the State Tax Assessor shall prepare and record a discharge of the tax lien mortgage. The lien described in section 552 is the basis of this tax lien mortgage procedure.

The filing of the tax lien certificate, provided for in this section, in the registry of deeds creates a mortgage on the real estate to the State and has priority over all other mortgages, liens, attachments and encumbrances of any nature and gives to the State all rights usually instant to a mortgage, except that the mortgagee does not have any right of possession of the real estate until the right of redemption expires.

Payments accepted during the redemption period may not interrupt or extend the redemption period or in any way affect the foreclosure procedures.

**2. Foreclosure.** If the mortgage, including interest and costs, is not paid within 12 months of the date on which the certificate was filed in the registry of deeds, as provided in this section, the mortgage is deemed foreclosed and the right of redemption expired.

**2-A. Inventory.** The filing of the certificate in the registry of deeds is sufficient notice of the existence of the mortgage. Whenever the State acquires title to real estate, the State Tax Assessor shall cause an inventory to be made of all such real estate. The inventory must contain a description of the real estate, amount of accrued taxes by years and any information necessary to the administration and supervision of the real estate.



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**2-B. Sale; legislative authorization.** After authorization by the Legislature, the State Tax Assessor shall, sell or convey any such real estate, but shall in all cases of sales, except sales to former owners of the real estate, give public notice of the proposal to sell the real estate and shall ask for competitive bids and sell to the highest bidder with the right of rejecting all bids. Sales of any such real estate may not be made by the State Tax Assessor except by authorization of the Legislature.

The supervision, administration, utilization, and vindication of the right of the State in any such real estate is vested in the State Tax Assessor until the title is conveyed or otherwise disposed of by the Legislature.

**3. Foreclosure receipts.** Following the sale by the State Tax Assessor of real property acquired through the tax lien certificate procedure outlined in this chapter, all claims of the State evolving from the homestead property tax exemption are satisfied, as well as any tax delinquencies relative to the property in question in the municipality where located. The residual amount resulting from the sale of the property is to be returned to the former owner or to the owner's heirs or devisees.

**4. Dangerous buildings.** The State Tax Assessor may request that the municipal officers, in the case of a municipality, or the county commissioners, in the case of the unorganized territory in their county, investigate any homestead subject to deferral and make determinations whether the homestead is a dangerous building pursuant to Title 17, chapter 91, subchapter 4. If eligible expenses pursuant to Title 17, section 2853 are incurred by a municipality or the county in the case of the unorganized territory, the State Tax Assessor shall reimburse those eligible expenses from funds in the Senior Property Tax Deferral Revolving Account under section 6266.

### **§6255. Listing of tax-deferred property; interest accrual**

**1. Tax-deferred property list.** If eligibility for deferral of homestead property is established as provided in this chapter, the bureau shall notify the municipal assessor and the municipal assessor shall show on the current ad valorem assessment and tax roll which property is tax-deferred property by an entry clearly designating that property as tax-deferred property.

**2. Tax statement.** When requested by the bureau, the municipal tax collector shall send to the bureau as soon as the taxes are extended upon the roll the tax statement for each tax-deferred property.

**3. Interest.** Interest accrues on the actual amount of payments advanced to the municipality for the tax-deferred property pursuant to section 186 reduced by one percentage point.

### **§6256. Recording liens in county; recording constitutes notice of state lien**

**1. Recording of liens.** For each municipality in which there is tax-deferred property, the bureau shall cause to be recorded in the mortgage records of the county, a list of tax-deferred properties of that municipality. The list must contain a description of the property as listed in the municipal valuation together with the name of the owner listed on the valuation. The list must be

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corrected annually to reflect the addition or deletion of deferred properties as well as partial payments received.

**2. Notice of recording.** The recording of the tax-deferred properties under subsection 1 is notice that the bureau claims a lien against those properties in the amount of the deferred taxes plus interest together with any fees paid to the county register of deeds in connection with the recording, release or satisfaction of the lien, even though the amount of taxes, interest or fees is not listed.

### **§6257. Payment of amount equivalent to deferred taxes by the State**

**1. Payment of deferred taxes.** Within 30 days of the receipt of information from a municipal tax collector concerning the amount of deferred property taxes in the respective municipality, the State Tax Assessor shall certify that amount to the Treasurer of State who shall make payment to the municipality on or before the 15th day of the following month. Payments made for deferred property taxes in the unorganized territory must be made to the Unorganized Territory Education and Services Fund established in section 1605.

**1-A. Prorated payment of deferred taxes.** (Repealed)

**1-B. Reimbursement to taxpayers.** (Repealed)

**2. Accounts maintained.** The bureau shall maintain accounts for each deferred property.

### **§6258. Annual notice to taxpayer**

**1. Annual deferral notice.** On or before December 15th of each year, the bureau shall send a notice to each taxpayer who has claimed deferral of property taxes for the current tax year. The notice must:

A. Inform the taxpayer that the property taxes have been deferred in the current year;

B. Show the total amount of deferred taxes remaining unpaid since initial application for deferral and the interest accruing therein to November 15th of the current year;

C. Inform the taxpayer that voluntary payment of the deferred taxes may be made at any time to the bureau; and

D. Contain any other information that the bureau considers necessary to facilitate administration of the homestead deferral program including, but not limited to, the right of the taxpayer to submit any amount of money to reduce the total amount of the deferred taxes and interest and the right of the taxpayer to withdraw from the deferral of future property taxes under this chapter by notifying the bureau by any method that the bureau may prescribe.

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**2. Notice mailed.** The bureau shall give the notice required under subsection 1 by mail sent to the residence address of the taxpayer as shown in the claim for deferral or as otherwise determined by the bureau to be the correct address of the taxpayer.

### §6259. Events requiring payment of deferred tax and interest

Subject to section 6261, all deferred property taxes, including accrued interest, become payable as provided in section 6260 when:

**1. Death of claimant.** The taxpayer who claimed deferment of collection of property taxes on the homestead dies or, if there was more than one claimant, the survivor of the taxpayers who originally claimed deferment of collection of property taxes under section 6251 dies;

**2. Sale of property.** The property with respect to which deferment of collection of taxes is claimed is sold, a contract to sell is entered into, or some person other than the taxpayer who claimed the deferment becomes the owner of the property;

**3. Claimant moves.** The tax-deferred property is no longer the homestead of the taxpayer who claimed the deferral, except in the case of a taxpayer required to be absent from that tax-deferred property by reason of health; or

**4. Removal of home.** The tax-deferred property, a mobile or floating home, is moved out of the State.

### §6260. Time for payments; delinquencies

Whenever any of the circumstances listed in section 6259 occurs:

**1. Continuation of assessment year.** The deferral of taxes for the assessment year in which the circumstance occurs shall continue for that assessment year;

**2. Deferred property taxes due.** The amounts of deferred property taxes, including accrued interest, for all years are due and payable to the bureau April 30th of the year following the calendar year in which the circumstance occurs, except as provided in subsection 3 and section 6261;

**3. Out-of-state move.** Notwithstanding the provisions of subsection 2 and section 6263, when the circumstance listed in section 6259, subsection 4, occurs, the amount of deferred taxes shall be due and payable 5 days before the date of removal of the property from the State; and

**4. Delinquency.** If the amounts falling due as provided in this section are not paid on the indicated due date or as extended under section 6263, those amounts shall be deemed delinquent as of that date and the property shall be subject to foreclosure as provided in section 6254.

### §6261. Election by spouse to continue tax deferral

**1. Continuation by spouse.** When one of the circumstances listed in section 6259, subsections 1 to 3 occurs, the spouse who did not or was not eligible to file a claim jointly with the

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taxpayer may continue the property in its deferred tax status by filing a claim within the time and in the manner provided under section 6251 if:

- A. The spouse of the taxpayer is or will be 65 years of age or older not later than 6 months from the day the circumstance listed in section 6259, subsections 1 to 3 occurs; and
- B. The property is the homestead of the spouse of the taxpayer and meets the requirements of section 6252, subsection 2.

**2. Continuation of deferral by spouse.** A spouse who does not meet the age requirements of subsection 1, paragraph A or the disability requirement of section 6251, subsection 1, paragraph A, but is otherwise qualified to continue the property in its tax-deferred status under subsection 1 may continue the deferral of property taxes deferred for previous years by filing a claim within the time and in the manner provided under section 6251. If a spouse eligible for and continuing the deferral of taxes previously deferred under this subsection becomes 65 years of age or meets the disability requirement of section 6251, subsection 1, paragraph A prior to April 1st of any year, the spouse may elect to continue the deferral of previous years' taxes deferred under this subsection and may elect to defer the current assessment year's taxes on the homestead by filing a claim within the time and in the manner provided under section 6251. Thereafter, payment of the taxes levied on the homestead and deferred under this subsection and payment of taxes levied on the homestead in the current assessment year and in future years may be deferred in the manner provided in and subject to this chapter.

**3. Filing extension.** Notwithstanding that section 6251 requires that a claim be filed no later than April 1st, if the bureau determines that good and sufficient cause exists for the failure of a spouse to file a claim under this section on or before April 1st, the claim may be filed within 90 days after notice of taxes due and payable under section 6260 is mailed or delivered by the department to the taxpayer or spouse.

### §6262. Voluntary payment of deferred tax and interest

**1. Payments.** All payments of deferred taxes shall be made to the bureau.

**2. Taxes and interest.** Subject to subsection 3, all or part of the deferred taxes and accrued interest may at any time be paid to the bureau by:

- A. The taxpayer or the spouse of the taxpayer;
- B. The next of kin of the taxpayer, heir at law of the taxpayer, child of the taxpayer or any person having or claiming a legal or equitable interest in the property; or
- C. Any other person or organization making a payment as a gift to the taxpayer.

**3. Notice of payment.** A person listed in subsection 2, paragraph B or C may make the payments only if no objection is made by the taxpayer within 30 days after the bureau deposits in the mail notice to the taxpayer of the fact that the payment has been tendered.

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**4. Payment application.** Any payment made under this section shall be applied first against accrued interest and any remainder against the deferred taxes. This payment does not affect the deferred-tax status of the property. Unless otherwise provided by law, this payment does not give the person paying the taxes any interest in the property or any claim against the estate, in the absence of a valid agreement to the contrary.

**5. Lien discharge.** When the deferred taxes and accrued interest are paid in full and the property is no longer subject to deferral, the bureau shall prepare and record in the county in which the property is located a lien discharge.

### §6263. Extension of time for payment upon death of claimant or spouse

**1. Payment extension.** If the taxpayer who claimed homestead property tax deferral dies, or if a spouse who continued the deferral under section 6261 dies, the bureau may extend the time for payment of the deferred taxes and interest accruing with respect to the taxes becoming due and payable under section 6260, subsection 2, if:

A. The homestead property becomes property of an individual or individuals:

(1) By inheritance or devise; or

(2) If the individual or individuals are heirs or devisees in the course of settlement of the estate;

B. An individual or individuals commence occupancy of the property as a principal residence on or before August 15th of the calendar year following the calendar year of death; or

C. An individual or individuals make application to the bureau for an extension of time for payment of the deferred taxes and interest prior to August 15th of the calendar year following the calendar year of death.

**2. Extension terms.** Subject to paragraph B, an extension granted under this section shall be for a period not to exceed 5 years after August 15th of the calendar year following the calendar year of death. The terms and conditions under which the extension is granted shall be in accordance with a written agreement entered into by the bureau and the individual or individuals. An extension granted under this section shall terminate immediately if:

A. The homestead property is sold or otherwise transferred by any party to the extension agreement;

B. All of the heirs or devisees who are parties to the extension agreement cease to occupy the property as a principal residence; or

C. The homestead property, a mobile or floating home is moved out of the State.

**3. Accrued interest.** During the period of extension, and until paid, the deferred taxes shall continue to accrue interest in the same manner and at the same rate as provided under section 6255, subsection 3. No interest may accrue upon interest.

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### §6264. Limitations

Nothing in this chapter is intended to or may be construed to:

1. **Foreclosure.** Prevent the collection, by foreclosure, of property taxes which become a lien against tax-deferred property;
2. **Benefited property.** (Repealed)
3. **Land provisions.** Affect any provision of any mortgage, or other instrument relating to land, requiring a person to pay property taxes.

### §6265. Deed or contract clauses preventing application for deferral prohibited; clauses void

After the effective date of this chapter, it shall be unlawful for any mortgage trust deed or land sale contract to contain a clause or statement that prohibits the owner from applying for the benefits of the deferral of homestead property taxes provided in this chapter. Any such clause or statement in a mortgage trust deed or land sale contract executed after the effective date of this chapter shall be void.

### §6266. Senior Property Tax Deferral Revolving Account; sources; uses

1. **Revolving account.** This section establishes in the State Treasury the Senior Property Tax Deferral Revolving Account, referred to in this section as "the revolving account," to be used by the bureau for the purpose of making the payments to municipal tax collectors and to the Unorganized Territory Education and Services Fund, established in section 1605, of property taxes deferred for tax years beginning on or after April 1, 2022, as required by section 6257, reimbursements, as required under section 6254, subsection 4, and repayment of transfers pursuant to subsection 5.

2. **Advancement of funds.** The funds necessary to make payments under subsection 1 must be advanced to the bureau from time to time as necessary by the Treasurer of State as a transfer under subsection 4.

3. **Payments credited.** All sums of money received by the bureau under this chapter as repayments of deferred property taxes including the interest accrued under section 6255, subsection 3, upon receipt, must be credited to the revolving account and must be available for the purposes of subsection 1 and subsection 5.

4. **Transfer request.** If there is not sufficient money in the revolving account to make the payments required by subsection 1, the State Tax Assessor shall notify the Treasurer of State of the amount necessary to make the required payments and the Treasurer of State shall transfer that amount from the Housing Opportunities for Maine Fund, established in Title 30-A, section 4853, to the revolving account.

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**5. Reimbursement of funds.** When the bureau determines that funds in sufficient amounts are available in the revolving account, the bureau shall repay to the Housing Opportunities for Maine Fund, established in Title 30-A, section 4853, the amounts advanced as transfers under subsection 4.

### §6267. Phase out of elderly tax deferral program (REPEALED)

## CHAPTER 908-A MUNICIPAL PROPERTY TAX DEFERRAL FOR SENIOR CITIZENS

### §6271. Municipal authority

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

A. "Eligible homestead" means the owner-occupied principal dwelling, either real or personal property, owned by a taxpayer and the land upon which it is located. If the dwelling is located in a multiunit building, the eligible homestead is the portion of the building actually used as the principal dwelling and its percentage of the value of the common elements and of the value of the tax lot upon which it is built. The percentage is the value of the dwelling compared to the total value of the building exclusive of the common elements, if any.

B. "Federal poverty level" means the nonfarm income official poverty line for a family of the size involved, as defined by the federal Office of Management and Budget and revised annually in accordance with the United States Omnibus Budget Reconciliation Act of 1981, Section 673, Subsection 2.

C. "Household income" has the meaning set out in section 6201, subsection 7.

D. "Program" means a tax deferral program adopted by a municipality pursuant to subsection 2.

E. "Tax-deferred property" means the property upon which taxes are deferred under this chapter.

F. "Taxes" or "property taxes" means ad valorem taxes, assessments, fees, and charges entered on the assessment and tax roll.

G. "Taxpayer" means an individual who is responsible for payment of property taxes and has applied to participate or is currently participating in the program under this chapter.

**2. Authority.** The legislative body of a municipality may by ordinance adopt a property tax deferral program for senior citizens, referred to in this section as "the program." Upon application by a taxpayer, a municipality may defer property taxes on property if the following conditions are met:

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- A. The property is an eligible homestead where the taxpayer has resided for at least 10 years prior to application;
- B. The taxpayer is an owner of the eligible homestead, is at least 70 years of age on April 1st of the first year of eligibility and occupies the eligible homestead; and
- C. The household income of the taxpayer does not exceed 300% of the federal poverty level.

An application, information submitted in support of an application and files and communications relating to an application for deferral of taxes under the program are confidential. Hearings and proceedings held by a municipality on an application must be held in executive session unless otherwise requested by the applicant. Nothing in this paragraph applies to the recording of liens or lists under subsection 3 or any enforcement proceedings undertaken by the municipality pursuant to this chapter or other applicable law.

The municipality shall make available upon request the most recent list of tax-deferred properties of that municipality required to be filed under subsection 3. The municipality may publish and release as public information statistical summaries concerning the program as long as the release of the information does not jeopardize the confidentiality of individually identifiable information.

**3. Effect of deferral.** If property taxes are deferred under the program, the lien established on the eligible homestead under section 552 continues for the purpose of protecting the municipal interest in the tax-deferred property. Interest on the deferred taxes accrues at the rate of 0.5 percentage points above the otherwise applicable rate for delinquent taxes unless the municipality adopts a lower interest rate. In order to preserve the right to enforce the lien, the municipality shall record in the county registry of deeds a list of the tax-deferred properties of that municipality. The list must contain a description of each tax-deferred property as listed in the municipal valuation together with the name of the taxpayer listed on the valuation. The list must be updated annually to reflect the addition or deletion of tax-deferred properties, the amount of deferred taxes accrued for each property and payments received.

The recording of the tax-deferred properties under this subsection is notice that the municipality claims a lien against those properties in the amount of the deferred taxes plus interest together with any fees paid to the county registry of deeds in connection with the recording. For a property deleted from the list, the recording serves as notice of release or satisfaction of the lien, even though the amount of taxes, interest or fees is not listed.

**4. Notice.** The State Tax Assessor shall prepare a one-page notice of the effect of the deferral of property taxes under this section, of the right of the municipality to file a tax lien mortgage pursuant to chapter 105 and that the deferred taxes become due and payable as established in subsection 5. This notice must have a readability score, as determined by a recognized instrument for measuring adult literacy levels, equivalent to no higher than a 6th grade reading level. A municipality that adopts the program shall provide a copy of this notice to each taxpayer applying to the program at the time of application and shall also annually provide to each taxpayer in the program, in lieu of a property tax bill, a copy of this notice together with an accounting of taxes deferred and interest accrued.



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**5. Lien.** When it is determined that one of the events set out in subsection 6 has occurred and that a property is no longer eligible for property tax deferral under this chapter, the municipality shall send notice by certified mail to the taxpayer, or the taxpayer's heirs or devisees, listing the total amount of deferred property taxes, including accrued interest and costs of all the years and establishing a due and payable date. For events listed in subsection 6, paragraphs A, B and C, payment is due within 45 days of the date of the notice. When the event listed in subsection 6, paragraph D occurs, the total amount of deferred taxes is due and payable 5 days before the date of removal of the property from the State. The municipality shall include in the notice a statement that the lien enforcement procedures pursuant to chapter 105, subchapter 9 apply.

If the deferred tax liability of a property has not been satisfied by the date established pursuant to this subsection, the municipality may enforce the lien according to procedures in chapter 105, subchapter 9.

Partial payments accepted during the 18-month redemption period provided for in section 943 may not interrupt or extend the redemption period or in any way affect foreclosure procedures.

**6. Events requiring the payment of deferred tax and interest.** Subject to subsection 7, all deferred taxes and accrued interest must be paid pursuant to subsection 5 when:

- A. The taxpayer dies;
- B. Some person other than the taxpayer becomes the owner of the property;
- C. The tax-deferred property is no longer occupied by the taxpayer as a principal residence, except that this paragraph does not apply if the taxpayer is required to be absent from the eligible homestead for health reasons; or
- D. The tax-deferred property, a mobile home, is moved out of the State.

**7. Election to continue deferral.** If one of the events listed in subsection 6 occurs, and the ownership of the eligible homestead is transferred to another member of the same household, the transferee may apply to the municipality for continuation of the deferral of taxes if the transferee meets the conditions in subsection 2, paragraphs B and C.

**8. Repeal of program.** A municipality that has adopted the program under this section may discontinue it through the same procedure by which the program was adopted; however, any taxes deferred under the program continue to be deferred under the conditions of the program on the date it was ended.

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CHAPTER 908-B  
PROPERTY TAX STABILIZATION FOR SENIOR CITIZENS

**§6281. Stabilization of property taxes on homesteads of individuals 65 years of age or older**

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

A. "Eligible homestead" means a homestead occupied by an eligible individual who is eligible for a homestead exemption under chapter 105, subchapter 4-B for the property tax year during which an application for stabilization is made.

B. "Eligible individual" means an individual who:

(1) Is 65 years of age or older; and

(2) Is a permanent resident of the State as defined in section 681, subsection 4 who has owned a homestead in the State for at least 10 years.

C. "Homestead" has the same meaning as under section 681, subsection 2.

D. "Stabilize" means to maintain the property tax billed to an eligible individual for the individual's eligible homestead at the amount billed for that homestead for the property tax year preceding the date of application for stabilization.

**2. Application for stabilization.** An individual may apply by December 1st to the municipality in which the individual's homestead is located requesting that the municipality stabilize the property tax assessed on that individual's homestead for the property tax year beginning on April 1st following the submission of the application. A new application is required for each year for which stabilization is requested.

**3. Stabilization for eligible individual.** If a municipality determines that an applicant for stabilization under subsection 2 is an eligible individual and that the individual's homestead is an eligible homestead, the municipality shall stabilize the property tax on the individual's homestead billed for the property tax year for which stabilization was requested.

**4. Transfer of eligibility.** If an eligible individual has been eligible for stabilization under this section and establishes a new homestead in the State, the individual continues to be eligible for stabilization. If an eligible individual establishes a new homestead in a different municipality, at the request of the eligible individual, the municipality where eligibility was first established shall notify the new municipality of the eligible individual's previous eligibility and the amount at which the property taxes were stabilized. The new municipality shall bill the eligible individual at the stabilized amount and is eligible for state compensation under subsection 5.

**5. State compensation.** A municipality that has stabilized property tax for an eligible individual under this chapter may recover from the State 100% of the amount by which the property tax assessed on the homestead of an eligible individual in the usual manner exceeds the

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stabilized amount of property tax billed under subsection 3. A municipality claiming compensation under this subsection shall submit a claim to the bureau by November 1st of the year in which the property tax was stabilized. The bureau shall review claims and determine the total amount to be paid to each municipality. The bureau shall certify and the Treasurer of State shall pay the amount due to each municipality by January 15th of the year following the year in which the claim for compensation was submitted.

### CHAPTER 915 REIMBURSEMENT FOR TAXES PAID ON CERTAIN BUSINESS PROPERTY

#### §6651. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Eligible property.** "Eligible property" means qualified business property first placed in service in the State, or constituting construction in progress commenced in the State, after April 1, 1995 but does not include property that is eligible business equipment as defined in section 691, subsection 1. "Eligible property" includes, without limitation, repair parts, replacement parts, additions, accessions and accessories to other qualified business property placed in service on or before April 1, 1995 if the part, addition, accession or accessory is first placed in service, or constitutes construction in progress, in the State after April 1, 1995, unless that property is eligible business equipment as defined in section 691, subsection 1. "Eligible property" includes used qualified business property if the qualified business property was first placed in service in the State, or constituted construction in progress commenced in the State, after April 1, 1995 but does not include property that is eligible business equipment as defined in section 691, subsection 1. "Eligible property" also includes inventory parts.

**2. Inventory parts.** "Inventory parts" includes repair parts, replacement parts, replacement equipment, additions, accessions and accessories on hand but not in service and stocks or inventories of repair parts, replacement parts, replacement equipment, additions, accessions and accessories on hand but not in service if acquired after April 1, 1995, regardless of when placed in service.

**2-A. Primarily.** "Primarily" means more than 50% of the time.

**3. Qualified business property.** "Qualified business property" means tangible personal property that:

A. Is used or held for use exclusively for a business purpose by the person in possession of it or, in the case of construction in progress or inventory parts, is intended to be used exclusively for a business purpose by the person who will possess that property; and

B. Either:

(1) Was subject to an allowance for depreciation under the Code on April 1st of the property tax year to which the claim for reimbursement relates or would have been

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subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated; or

(2) In the case of construction in progress or inventory parts, would be subject under the Code to an allowance for depreciation when placed in service or would have been subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated.

"Qualified business property" also includes all property that is affixed or attached to a building or other real estate if it is used to further a particular trade or business activity taking place in that building or on that real estate. "Qualified business property" does not include components or attachments to a building if used primarily to serve the building as a building, regardless of the particular trade or activity taking place in or on the building. "Qualified business property" also does not include land improvements if used primarily to further the use of the land as land, regardless of the particular trade or business activities taking place in or on the land. In the case of construction in progress or inventory parts, the term "used" means intended to be used. "Qualified business property" also does not include any vehicle registered for on-road use on which a tax assessed pursuant to chapter 111 has been paid or any watercraft registered for use on state waters on which a tax assessed pursuant to chapter 112 has been paid.

**4. Retail sales activity.** "Retail sales activity" means an activity associated with the selection and purchase of goods or the rental of tangible personal property.

**5. Retail sales facility.** "Retail sales facility" means a structure used to serve customers who are physically present at the facility for the purpose of selecting and purchasing goods at retail or for renting tangible personal property. "Retail sales facility" does not include a separate structure that is used as a warehouse or call center facility.

### **§6652. Reimbursement allowed; limitation**

**1. Generally.** A person against whom taxes have been assessed pursuant to Part 2, except for chapters 111 and 112, with respect to eligible property and who has paid those taxes is entitled to reimbursement of a portion of those taxes from the State as provided in this chapter. The reimbursement under this chapter is the percentage of the taxes assessed and paid with respect to eligible property specified in subsection 4. For purposes of this chapter, a tax applied as a credit against a tax assessed pursuant to chapter 111 or 112 is a tax assessed pursuant to chapter 111 or 112. A taxpayer that included eligible property in its investment credit base under section 5219-M and claimed the credit provided in section 5219-M on its income tax return may not be reimbursed under this chapter for taxes assessed on that same eligible property in a year in which that credit is taken. A successor in interest of a person against whom taxes have been assessed with respect to eligible property is entitled to reimbursement pursuant to this section, whether the tax was paid by the person assessed or by the successor, as long as a transfer of the property in question to the successor has occurred and the successor is the owner of the property as of August 1st of the year in which a claim for reimbursement may be filed pursuant to section 6654. For purposes of this subsection, "successor in interest" includes the initial successor and any subsequent successor. When an eligible successor in interest exists, the successor is the only person to whom reimbursement under this chapter may be made with respect to the transferred property. For an item of eligible property that is first subject to assessment under Part 2 on or after April 1, 2008,

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and for any item of eligible property for which reimbursement is paid under subsection 4, paragraph B, the reimbursement otherwise payable under this section may not exceed the actual property taxes paid less any tax increment financing refund received with respect to that property.

**1-A. Certain persons excluded.** Notwithstanding any other provision of law, the following persons are not eligible for reimbursement pursuant to this chapter:

- A. A public utility as defined by Title 35-A, section 102;
- B. A person that provides radio paging services as defined by Title 35-A, section 102;
- C. A person that provides mobile telecommunications services as defined by Title 35-A, section 102;
- D. A cable television company as defined by Title 30-A, section 2001;
- E. A person that provides satellite-based direct television broadcast services; and
- F. A person that provides multichannel, multipoint television distribution services.

This subsection applies retroactively to property tax years beginning after April 1, 1995.

**1-B. Certain property excluded.** Notwithstanding any other provision of law, reimbursement pursuant to this chapter may not be made with respect to the following property:

- A. Office furniture, including, without limitation, tables, chairs, desks, bookcases, filing cabinets and modular office partitions;
- B. Lamps and lighting fixtures;
- C. Gambling machines or devices, including any device, machine, paraphernalia or equipment that is used or usable in the playing phases of any gambling activity as that term is defined in Title 8, section 1001, subsection 15, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine. "Gambling machines or devices" includes, without limitation:
  - (1) Associated equipment as defined in Title 8, section 1001, subsection 2;
  - (2) Computer equipment used directly and primarily in the operation of a slot machine as defined in Title 8, section 1001, subsection 39;
  - (3) An electronic video machine as defined in Title 17, section 1831, subsection 4;
  - (4) Equipment used in the playing phases of lottery schemes; and
  - (5) Repair and replacement parts of a gambling machine or device; or

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D. Personal property that would otherwise be entitled to reimbursement under this chapter used primarily to support a telecommunications antenna used by a telecommunications business subject to the tax imposed by section 457.

Property affected by this subsection that was eligible for reimbursement pursuant to this chapter of property taxes paid for the 1996 property tax year is grandfathered into the program and continues to be eligible for reimbursements unless it subsequently becomes ineligible.

**1-C. Certain energy facilities.** Reimbursement for certain energy facilities under this chapter is limited as follows.

A. Reimbursement may not be made for a natural gas pipeline, including pumping or compression stations, storage depots and appurtenant facilities used in the transportation, delivery or sale of natural gas, but not including a pipeline that is less than a mile in length and is owned by a consumer of natural gas delivered through the pipeline.

B. Except as provided in paragraph C, reimbursement may not be made for property used to produce or transmit energy primarily for sale. Energy is primarily for sale if during the property tax year for which a claim is being made 2/3 or more of the useful energy is directly or indirectly sold and transmitted through the facilities of a transmission and distribution utility as defined in Title 35-A, section 102, subsection 20-B.

C. A cogeneration facility is eligible for reimbursement on that portion of property taxes paid multiplied by a fraction, the numerator of which is the total amount of useful energy produced by the facility during the property tax year for which a claim is being made that is directly used by a manufacturing facility without transmission over the facilities of a transmission and distribution utility as defined in Title 35-A, section 102, subsection 20-B and the denominator of which is the total amount of useful energy produced by the facility during the property tax year immediately preceding the property tax year for which a claim is being made.

D. For purposes of this subsection, unless the context indicates otherwise, the following terms have the following meanings.

(1) "Cogeneration facility" means the eligible property within a facility that produces electrical energy, thermal energy or both for commercial or industrial use when less than 2/3 of the useful energy produced by the facility during the property tax year is sold and transmitted directly or indirectly through the facilities of a transmission and distribution utility, as defined in Title 35-A, section 102, subsection 20-B. "Cogeneration facility" includes eligible property within a heat recovery steam generator.

(2) "Useful energy" is energy in any form that does not include waste heat, efficiency losses, line losses or other energy dissipation.

**1-D. Retail sales facilities.** Reimbursement pursuant to this chapter may not be made with respect to property that is located in a retail sales facility exceeding 100,000 square feet of interior customer selling space and used primarily in a retail sales activity, unless the facility is owned by a business whose Maine-based operation derives less than 50% of its total annual

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revenue on a calendar-year basis from sales that are subject to Maine sales tax. This subsection applies to property tax years beginning after April 1, 2006. Property affected by this subsection that was eligible for reimbursement pursuant to this chapter for property taxes paid for the 2006 property tax year is grandfathered into the program and continues to be eligible for reimbursement to the extent permitted by this chapter as it existed on April 1, 2006, unless that property subsequently becomes ineligible.

**2. Limitation.** Reimbursement may not be made by the State Tax Assessor pursuant to this chapter with respect to the payment of taxes assessed against property that is entitled to exemption pursuant to section 656, subsection 1, paragraph E or any other provision of law except that reimbursement must be made with respect to the payment of taxes assessed against property that has not been certified for exemption pursuant to section 656, subsection 1, paragraph E but that is entitled to exemption pursuant to that provision if that property has been placed in service after the December 1st immediately preceding April 1st of the tax year for which reimbursement is sought but prior to April 1st of the property tax year for which reimbursement is sought. The claimant may seek reconsideration, pursuant to section 151, of the assessor's denial of reimbursement under this subsection. If the assessor denies a reimbursement claim on the ground that the property in question is entitled to exemption under section 656, subsection 1, paragraph E and the claimant seeks reconsideration of the denial, the assessor shall, at the claimant's request, allow the claimant up to one year to obtain a statement from the Commissioner of Environmental Protection that the property at issue is not exempt. If the claimant timely produces such a statement or otherwise demonstrates that the property is not exempt, the assessor shall allow the reimbursement.

### **3. Withholding for failure to report.** (Repealed)

**4. Reimbursement percentage.** The reimbursement under this chapter is an amount equal to the percentage specified in paragraphs A and B of taxes assessed and paid with respect to each item of eligible property, except that for claims filed for application periods that begin on August 1, 2006, August 1, 2009, August 1, 2010 or August 1, 2013 the reimbursement is 90% of that amount and for claims filed for the application period that begins on August 1, 2014, the reimbursement is 80% of that amount.

A. For each of the first to 12th years for which reimbursement is made, the percentage is 100%.

B. Pursuant to section 699, subsection 2, reimbursement under this chapter after the 12th year for which reimbursement is made is according to the following percentages of taxes assessed and paid with respect to each item of eligible property.

(1) For the 13th year for which reimbursement is made, the percentage is 75%.

(2) For the 14th year for which reimbursement is made, the percentage is 70%.

(3) For the 15th year for which reimbursement is made, the percentage is 65%.

(4) For the 16th year for which reimbursement is made, the percentage is 60%.

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- (5) For the 17th year for which reimbursement is made, the percentage is 55%.
- (6) For the 18th year for which reimbursement is made and for subsequent years, the percentage is 50%.

### **§6653. Taxpayer to obtain information**

Before filing a request for reimbursement with the State Tax Assessor pursuant to section 6654, a taxpayer must notify the assessor or assessors for any taxing jurisdiction in which eligible property is subject to tax and for which the taxpayer intends to claim reimbursement that the taxpayer intends to file a reimbursement request. The notification must also include a list of the property that the taxpayer believes constitutes eligible property, the original cost of that property, the date that property was acquired and whether the property was acquired new or used. The taxpayer must submit to the assessor or assessors of each taxing jurisdiction at the same time a request that the assessor or assessors of the taxing jurisdiction provide to the taxpayer a statement identifying the assessed just value of eligible property for which reimbursement will be requested and the associated tax attributed to that property. If the taxpayer submits the request to the assessor or assessors 60 days or more before the commitment date for the property tax year at issue, the assessor or assessors of the taxing jurisdiction shall make the statement available to the taxpayer at the time the taxing jurisdiction first bills the taxpayer for property taxes for the property tax year at issue. If the taxpayer submits the request to the assessor or assessors less than 60 days before the commitment date or after the commitment date, the assessor or assessors shall make the statement available to the taxpayer within 60 days after the request is made.

### **§6654. Claim for reimbursement**

A person entitled to reimbursement of property taxes paid with respect to eligible property pursuant to section 6652 may file a claim for reimbursement with the State Tax Assessor. The reimbursement claim must be filed with the State Tax Assessor on or after August 1st and on or before the following December 31st for property taxes paid during the preceding calendar year for which no previous reimbursement pursuant to this chapter has been made. For good cause, the State Tax Assessor may at any time extend the time for filing a claim for reimbursement for a period not exceeding 60 days from the original due date. Except as otherwise provided, the claim must be accompanied by the statement obtained by the claimant pursuant to section 6653. If the claimant requests reimbursement of an amount of tax that differs from the amount of tax specified for the eligible property in the statement provided by the assessor or assessors of the taxing jurisdiction, the claimant must attach to the claim form an explanation of the reasons for that difference and the State Tax Assessor shall determine the correct amount of reimbursement to which the claimant is entitled, taking into consideration both the statement from the assessor or assessors and the taxpayer's explanation. If, for any reason, the claimant is unable to obtain the statement specified in section 6653 from the assessor or assessors within the time specified in section 6653, the claimant must attach to the claim form an explanation of the amount of reimbursement requested and the State Tax Assessor shall process the claim without that statement.

### **§6655. Forms**



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The State Tax Assessor shall prescribe forms for the notice of claim and statement of the assessor or assessors provided in section 6653 and the claim for reimbursement, with instructions, and make those forms available to taxpayers and taxing jurisdictions. The forms must include a checkoff to indicate if the applicant is also receiving tax increment financing.

### **§6656. Payment of claims**

**1. Reimbursement claim.** Notwithstanding any other provision of law, except as provided in subsection 1-A, section 6652 and section 6662, upon receipt of a timely and properly completed claim for reimbursement, the State Tax Assessor shall certify that the claimant is eligible for reimbursement under this chapter. The assessor shall determine the benefit for each claimant and shall certify to the State Controller the amounts to be transferred to the Business Equipment Tax Reimbursement reserve account established, maintained, and administered by the State Controller from General Fund undedicated revenue.

**1-A. Suspension of reimbursement for nonpayment of taxes.** The State Tax Assessor shall suspend reimbursement under this chapter for a claimant who is delinquent in the payment of personal property taxes. For the purposes of this paragraph, delinquency occurs when:

- A. The taxpayer has a past due balance in a single municipality or the unorganized territory in the amount of \$10,000 or more in property tax on personal property; and
- B. The municipal tax collector certifies to the State Tax Assessor or, in the case of the unorganized territory, the State Tax Assessor determines that the taxpayer is delinquent in the payment of personal property taxes. Certification by the municipal tax collector must be made on a form prescribed by the State Tax Assessor and list the tax and interest due and the year for which it is due. The certification by the municipal tax collector or determination by the State Tax Assessor must be made from July 1st to July 15th in the same year as the application for which the reimbursement is to be suspended.

Within 10 days after certifying or determining that a taxpayer is delinquent, the municipal tax collector or, in the case of the unorganized territory, the State Tax Assessor shall notify the taxpayer that reimbursement under this chapter for the application period beginning August 1st of that year may be suspended under this subsection unless the past due taxes are paid by the end of the application period for that year.

A taxpayer receiving a notice under this subsection has until the last day of the application period prescribed under section 6654 to pay the past due tax to the municipality or, in the case of the unorganized territory, to the State Tax Assessor to redeem any otherwise eligible reimbursement under this chapter. When the municipal tax collector certifies to the State Tax Assessor or, in the case of the unorganized territory, the State Tax Assessor determines that the past due tax has been paid, the State Tax Assessor shall release the reimbursement that has been suspended to the taxpayer in the same manner as for other claims under this chapter. If the taxpayer does not pay the past due tax by the end of the application period, the taxpayer's eligibility for the suspended reimbursement is terminated.

**2. Pay certified amounts.** The assessor shall pay the certified amounts to each approved applicant that qualifies for the benefit under this chapter by November 1st or within 90 days after

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receipt of the claim, whichever is later. Interest is not allowed on any payment made to a claimant pursuant to this chapter.

**3. Assignment of reimbursement payments.** A claimant may assign its right to payments under this chapter to secure a loan from the Finance Authority of Maine, and such an assignment, notwithstanding any contrary provision of law, is a legally valid assignment binding upon the claimant and its successors in interest. Upon notice of such an assignment given to the assessor by the Finance Authority of Maine and written confirmation of such an assignment signed by the claimant, the assessor shall pay to the Finance Authority of Maine any payments due to the claimant pursuant to this chapter and assigned to the Finance Authority of Maine until the Finance Authority of Maine notifies the assessor that the assignment has been released.

### **§6657. Audit of claim**

The State Tax Assessor has the authority to audit any claim filed under this chapter and take any action provided in section 384. If the State Tax Assessor determines that the amount of the claimed reimbursement is incorrect, the State Tax Assessor shall redetermine the claim and notify the claimant in writing of the redetermination and the State Tax Assessor's reasons. If the claimant has received reimbursement of an amount that the State Tax Assessor concludes should not have been reimbursed, the State Tax Assessor may issue an assessment for that amount within 3 years from the date the reimbursement claim was filed or at any time if a fraudulent reimbursement claim was filed. The claimant may seek reconsideration, pursuant to section 151, of the redetermination or assessment.

### **§6658. Subsequent changes**

If, after a claim for reimbursement has been filed, the associated property tax assessment is reduced or abated for any reason, or the property tax paid is applied as a credit against the tax assessed pursuant to chapter 111 or 112, the claimant shall file, within 60 days after receipt of the reduction, abatement or credit, an amended claim for reimbursement reflecting the reduction, abatement or credit. If a claimant has received reimbursement for property tax that is reduced, abated or credited against the tax assessed pursuant to chapter 111 or 112, the claimant shall, within 60 days of receipt of the reduction, abatement or credit, refund to the Bureau of Revenue Services the amount of the reimbursement attributable to the property tax that has been reduced, abated or credited. If the claimant fails to make the refund within the 60-day period, the State Tax Assessor, within 3 years from the claimant's receipt of reimbursement, may issue an assessment for the amount that the claimant owes to the Bureau of Revenue Services. The claimant may seek reconsideration, pursuant to section 151, of the assessment.

### **§6659. Legislative findings**

The Legislature finds that encouragement of the growth of capital investment in this State is in the public interest and promotes the general welfare of the people of the State. The Legislature further finds that the high cost of owning qualified business property in this State is a disincentive to the growth of capital investment in this State. The Legislature further finds that the program set forth in this chapter is a reasonable means of overcoming this disincentive and will encourage capital investment in this State.

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### **§6660. Availability of information**

Notwithstanding section 191, information contained in applications for reimbursement, the names of persons receiving reimbursement and the amount of reimbursement paid to an applicant may be publicly disclosed by the bureau. This section does not permit the disclosure of taxpayer identification numbers.

### **§6661. Certain leased property**

A lessor of eligible property shall pay over to the lessee of that property reimbursement of property taxes received by the lessor under this chapter with respect to that property to the extent that the lessor has been reimbursed for those taxes by the lessee.

**Revisor's Note:** §6661. Program name (As enacted by PL 2001, c. 396, §49 is REALLOCATED TO TITLE 36, SECTION 6663)

### **§6662. Disallowance of reimbursement for certain property**

Reimbursement under this chapter may not be made for property tax payments made with respect to property located at a facility that has permanently ceased all productive operations on April 1st of the year for which the property taxes are assessed and where no productive operations have been conducted for at least 12 months before the date that reimbursement is requested. This section does not apply if the owner of the facility has publicly advertised that the facility is available for sale or lease and has made a good faith effort to market and sell or lease the facility to prospective buyers or lessees.

### **§6663. Program name (REALLOCATED FROM TITLE 36, SECTION 6661)**

The procedure for business property tax reimbursement provided by this chapter may be referred to as the "Business Equipment Tax Reimbursement" or "BETR" program.

### **§6664. Report (REPEALED)**

### **§6665. Financial projections report (REPEALED)**



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