

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
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3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
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5 Legislative Document

No. 652

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7 H.P. 502

House of Representatives, February 10, 1983

8 Reported by Representative Higgins for the Committee on Taxation. Sent  
9 up for concurrence and ordered printed.  
10

EDWIN H. PERT, Clerk

11 Reported from the Committee on Taxation under Joint Rule 18, pursuant  
12 to Public Law 1981, Chapter 711 of the 110th Legislature.

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13 STATE OF MAINE  
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15 IN THE YEAR OF OUR LORD  
16 NINETEEN HUNDRED AND EIGHTY-THREE  
17

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18 RESOLUTION, Proposing an Amendment to  
19 the Constitution of Maine to Change  
20 the Municipal Property Tax Loss Reim-  
21 bursement Formula, to Change the Penalty  
22 for the Withdrawal of Land from Current  
23 Use Valuation and to Require a Two-thirds  
24 Vote for the Expenditure of Funds from the  
25 Mining Excise Tax Trust Fund.  
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27 Constitutional amendment. RESOLVED: Two-thirds  
28 of each branch of the Legislature concurring, that  
29 the following amendments to the Constitution of Maine  
30 be proposed:

31 Constitution, Art. IV, Pt. 3, §23, as enacted by  
32 CR 1977, c. 5, is amended to read:

33 Section 23. Municipalities reimbursed annu-  
34 ally. The Legislature shall annually reimburse each

1 municipality from state tax sources for not less than  
2 50% of the property tax revenue loss suffered by that  
3 municipality during the previous calendar year  
4 because of statutory property tax exemptions or cred-  
5 its enacted after April 1, 1978. This section shall  
6 allow, but not require, reimbursement for a statutory  
7 property tax exemption or credit for unextracted min-  
8 erals. The Legislature shall enact appropriate  
9 legislation to carry out the intent of this section.

10 Constitution, Art. IX, §8, sub-§2, as repealed  
11 and replaced by CR 1977, c. 6, is amended to read:

12 2. The Legislature shall have power to provide  
13 for the assessment of the following types of real  
14 estate whenever situated in accordance with a valua-  
15 tion based upon the current use thereof and in accor-  
16 dance with such conditions as the Legislature may  
17 enact:

18 A. Farms and agricultural lands, timberlands and  
19 woodlands;

20 B. Open space lands which are used for recrea-  
21 tion or the enjoyment of scenic natural beauty;  
22 and

23 C. Lands used for game management or wildlife  
24 sanctuaries.

25 In implementing paragraphs A, B and C, the Legis-  
26 lature shall provide that any change of use higher  
27 than those set forth in paragraphs A, B and C, except  
28 when the change is occasioned by a transfer resulting  
29 from the exercise or threatened exercise of the power  
30 of eminent domain, shall result in the imposition of  
31 a minimum penalty equal to the tax which would have  
32 been imposed over the 5 years preceding that change  
33 of use had that real estate been assessed at its  
34 highest and best use, less all taxes paid on that  
35 real estate over the preceding 5 years, and interest,  
36 upon such reasonable and equitable basis as the  
37 Legislature shall determine. Any statutory or con-  
38 stitutional penalty imposed as a result of a change  
39 of use, whether imposed before or after the approval  
40 of this subsection, shall be determined without

1 regard to the presence of minerals, provided that,  
2 when payment of the penalty is made or demanded,  
3 whichever occurs first, there is in effect a state  
4 excise tax which applies or would apply to the mining  
5 of those minerals.

6           Constitution, Art. IX, §20 is enacted to read:

7           Section 20. Mining Excise Tax Trust Fund. The  
8 principal amount of the Mining Excise Tax Trust Fund  
9 or any successor fund may not be expended unless the  
10 expenditure is approved in a separate measure by a  
11 two-thirds vote of all the members elected to each  
12 House of the Legislature and by the Governor.

13           Constitutional referendum procedure; form of  
14 question; effective date. Resolved: That the city  
15 aldermen, town selectmen and plantation assessors of  
16 this State shall notify the inhabitants of their  
17 respective cities, towns and plantations to meet, in  
18 the manner prescribed by law for holding a statewide  
19 election, at a statewide election, on the Tuesday  
20 following the first Monday of November following the  
21 passage of this resolution, to vote upon the ratifi-  
22 cation of the amendments proposed in this resolution  
23 by voting upon the following question:

24           "Shall the Constitution of Maine be amended to  
25 change the municipal property tax loss reimbursement  
26 formula, to change the penalty for withdrawal of min-  
27 eral lands from current use valuation and to require  
28 a two-thirds vote for the expenditure of funds from  
29 the Mining Excise Tax Trust Fund?"

30           The legal voters of each city, town and  
31 plantation shall vote by ballot on this question, and  
32 shall designate their choice by a cross or check mark  
33 placed within the corresponding square below the word  
34 "Yes" or "No." The ballots shall be received,  
35 sorted, counted and declared in open ward, town and  
36 plantation meetings and returns made to the Secretary  
37 of State in the same manner as votes for members of  
38 the Legislature. The Governor shall review the  
39 returns and, if it appears that a majority of the  
40 legal votes are in favor of the amendments, the Gov-

1 ernor shall proclaim that fact without delay and the  
2 amendments shall become part of the Constitution on  
3 January 1, 1984.

4 Secretary of State shall prepare ballots.  
5 Resolved: That the Secretary of State shall prepare  
6 and furnish to each city, town and plantation all  
7 ballots, returns and copies of this resolution neces-  
8 sary to carry out the purposes of this referendum.

9 STATEMENT OF FACT

10 This bill is submitted by the Joint Standing  
11 Committee on Taxation of the 110th Legislature as the  
12 result of a study conducted to determine what consti-  
13 tutional amendments might be necessary to facilitate  
14 mining in Maine.

15 This bill allows the State to reimburse munici-  
16 palities for more than 50% of the property tax reve-  
17 nue loss caused by statutory property tax exemptions  
18 or credits. It also permits, but would not require,  
19 reimbursement for statutory property tax exemptions  
20 or credits for unextracted minerals. It provides  
21 that the penalty of the Constitution of Maine, Arti-  
22 cle IX, Section 8, be determined, without regard to  
23 the presence of minerals, if mining of minerals would  
24 be subject to a state excise tax at the time when the  
25 determination is made that a change of use has  
26 occurred. It also provides that before the principal  
27 of the Mining Excise Tax Trust Fund may be spent, the  
28 expenditure must be approved in a separate measure by  
29 a 2/3 vote of the elected members of each House of  
30 the Legislature and by the Governor.

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