

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2192

H.P. 1561

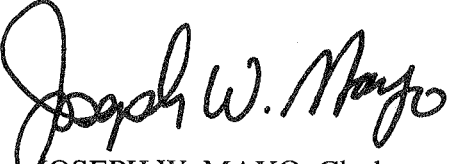
House of Representatives, February 3, 1998

**An Act to Create a Nonlegislative System to Adjust Municipal
Valuations in the Circumstance of Sudden and Severe Valuation
Disruption.**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule
205.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative VIGUE of Winslow.
Cosponsored by Senator DAGGETT of Kennebec and
Representatives: GAGNON of Waterville, JABAR of Waterville, MERES of Norridgewock,
POULIN of Oakland, TESSIER of Fairfield, Senator: CAREY of Kennebec.

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

2
3 **Sec. 1. 36 MRSA §305, sub-§1**, as amended by PL 1995, c. 462,
4 Pt. A, §67, is further amended to read:

6 **1. Just value.** Certify to the Secretary of State before
7 the first day of February the equalized just value of all real
8 and personal property in each municipality and unorganized place
9 that is subject to taxation under the laws of this State, except
10 that percentage of captured assessed value located within a tax
11 increment financing district that is used to finance that
12 district's development plan and the valuation amount by which the
13 current assessed value of commercial and industrial property
14 within a municipal incentive development zone, as determined in
15 Title 30-A, section 5284, exceeds the assessed value of
16 commercial and industrial property within the zone as of the date
17 the zone is approved by the Commissioner of Economic and
18 Community Development, known in this subsection as the "sheltered
19 value," up to the amount invested by a municipality in
20 infrastructure improvements under an infrastructure improvement
21 plan adopted pursuant to Title 30-A, section 5283. The Except as
22 provided in subsection 1-A, the equalized just value must be
23 uniformly assessed in each municipality and unorganized place and
24 be based on 100% of the current market value. It must separately
25 show for each municipality and unorganized place the actual or
26 estimated value of all real estate that is exempt from property
27 taxation by law or is the captured value within a tax increment
28 financing district that is used to finance that district's
29 development plan, as reported on the municipal valuation return
30 filed pursuant to section 383, or that is the sheltered value of
31 a municipal incentive development zone. The valuation as filed
32 remains in effect until the next valuation is filed and is the
33 basis for the computation and apportionment of the state and
34 county taxes;

36 **Sec. 2. 36 MRSA §305, sub-§1-A** is enacted to read:

38 **1-A. Sudden and severe valuation disruption.** Include in
39 every certification to the Secretary of State required by
40 subsection 1, as applicable, an adjustment to reflect any sudden
41 and severe valuation disruption that may have occurred in that
42 municipality or unorganized territory since the previous
43 certification. The adjustment must be established by the State
44 Tax Assessor, who must consult with the municipal assessors or
45 the chief assessor of the primary assessing area with respect to
46 any adjustments that must be established in the organized areas
47 of the State. For the purpose of this subsection, "sudden and
48 severe valuation disruption" means the loss of 3% of the actual
49 value of the municipality or unorganized territory due to the
50 loss, destruction, removal or obsolescence of the real or

2 personal property of any single industrial or commercial taxpayer
3 within the municipality or unorganized territory.

4

5 SUMMARY

6

7 Under current law and regulation, any municipality's
8 equalized valuation as established by the Bureau of Revenue
9 Services reflects that municipality's equalized valuation 2 years
10 prior to the date of certification. In circumstances when a
11 municipality is highly dependent on a single taxpayer and there
12 occurs a significant devaluation of that taxpayer's property due
13 to destruction or disruptive economic forces, that municipality
14 faces the immediate tax revenue loss attributable to that
15 devaluation without obtaining for 2 years any offsetting
16 adjustments to its education subsidy or county assessment that
17 reflect the sudden loss in value. Municipalities in these
18 circumstances typically seek legislative approval for an
19 expedited adjustment of their equalized value on a case-by-case
20 basis. This bill would allow that adjustment to occur at the
21 administrative level whenever the sudden reduction in value of a
22 single commercial or industrial taxpayer's property results in a
loss of 3% of the municipality's actual tax base.