

# 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 electronic originals  
(may include minor formatting differences from printed original)



# 129th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2020

---

Legislative Document

No. 2045

---

H.P. 1456

House of Representatives, January 16, 2020

---

### An Act Relating to the Valuation of Certain Retail Property

---

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative TIPPING of Orono.  
Cosponsored by President JACKSON of Aroostook and  
Representatives: CARDONE of Bangor, DAUGHTRY of Brunswick, GROHOSKI of  
Ellsworth, HEPLER of Woolwich, MASTRACCIO of Sanford, TEPLER of Topsham, Senator:  
LIBBY of Androscoggin.

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

2 **Sec. 1. 36 MRSA §701-A**, as amended by PL 2007, c. 389, §1, is further amended  
3 to read:

4 **§701-A. Just value defined**

5 In the assessment of property, assessors in determining just value are to define this  
6 term in a manner that recognizes only that value arising from presently possible land use  
7 alternatives to which the particular parcel of land being valued may be put. In  
8 determining just value, assessors must consider all relevant factors, including without  
9 limitation the effect upon value of any enforceable restrictions to which the use of the  
10 land may be subjected including the effect on value of designation of land as significant  
11 wildlife habitat under Title 38, section 480-BB, current use, physical depreciation, sales  
12 in the secondary market, functional obsolescence and economic obsolescence.  
13 Restrictions include but are not limited to zoning restrictions limiting the use of land,  
14 subdivision restrictions and any recorded contractual provisions limiting the use of lands.  
15 The just value of land is determined to arise from and is attributable to legally permissible  
16 use or uses only.

17 For the purpose of establishing the valuation of unimproved acreage in excess of an  
18 improved house lot, contiguous parcels and parcels divided by road, powerline or right-  
19 of-way may be valued as one parcel when: each parcel is 5 or more acres; the owner  
20 gives written consent to the assessor to value the parcels as one parcel; and the owner  
21 certifies that the parcels are not held for sale and are not subdivision lots.

22 For the purpose of establishing the valuation of a retail sales facility, as defined in  
23 section 6651, subsection 5, in excess of 20,000 square feet, the property must be valued  
24 based on its current use or, if the property is vacant, at its highest and best use. In  
25 establishing the valuation, assessors shall consider:

26 **1. Highest and best use.** Sales and rentals of properties exhibiting the same or a  
27 similar highest and best use, taking into consideration the pool of potential buyers and  
28 sellers that typically buy or sell properties similar to the property being valued, including  
29 potential buyers who are investors or owner-occupants; and

30 **2. Similar properties.** Sales and rentals of properties that are similar to the property  
31 being valued with regard to age, condition, use, type of construction, location, design,  
32 physical features and economic characteristics.

33 **SUMMARY**

34 This bill provides that, for property tax purposes, retail sales facilities in excess of  
35 20,000 square feet must be valued based on their current use compared to similar  
36 properties in their retail market segment or, if vacant, according to their highest and best  
37 use.