

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2026

Legislative Document

No. 2178

S.P. 883

In Senate, January 27, 2026

**An Act to Establish the Independent Office of Tax Appeals and
Make Other Changes to the Laws Governing the Tax Appeals
Process**

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 203.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "DAREK M. GRANT".

DAREK M. GRANT
Secretary of the Senate

Presented by Senator GROHOSKI of Hancock.

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

PART A

Sec. A-1. 36 MRSA §151-C, sub-§2, ¶C, as amended by PL 2025, c. 486, Pt. A, §1, is further amended to read:

C. Propose to the assessor and the bureau's division directors any recommended changes in the administrative practices of the bureau to mitigate problems identified or arising under paragraphs A and B; and

Sec. A-2. 36 MRSA §151-C, sub-§2, ¶D, as amended by PL 2025, c. 486, Pt. A, §1, is further amended to read:

D. Identify legislative changes that may be appropriate to mitigate problems identified or arising under paragraphs A and B and report recommendations in the annual report required under subsection 3.; and

Sec. A-3. 36 MRSA §151-C, sub-§2, ¶E is enacted to read:

E. Identify administrative or legislative changes that would further improve the tax dispute resolution and administrative tax appeals processes under sections 151, 151-E, 271 and 844.

PART B

Sec. B-1. 4 MRSA §807, sub-§3, ¶R, as amended by PL 2019, c. 449, §1, is further amended to read:

R. A person who is not an attorney but who is a public accountant, an enrolled agent, an enrolled actuary or any other person permitted to represent the taxpayer under Title 36, section 151-A, subsection 2 and is representing a party in any hearing, action or proceeding before the ~~Maine Board~~ Independent Office of Tax Appeals in accordance with Title 36, section 151-D 151-E;

Sec. B-2. 5 MRSA §12004-B, sub-§10, as enacted by PL 2011, c. 694, §1, is repealed.

Sec. B-3. 36 MRSA §111, sub-§1-C, as amended by PL 2013, c. 331, Pt. C, §1 and affected by §41, is repealed.

Sec. B-4. 36 MRSA §111, sub-§1-H is enacted to read:

1-H. Office. For purposes of this chapter, "office" means the Independent Office of Tax Appeals as established in section 151-E.

Sec. B-5. 36 MRSA §112, sub-§7-A, as amended by PL 2013, c. 331, Pt. C, §2 and affected by §41, is further amended to read:

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 office~~ 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

1 paragraph does not apply to criminal tax investigations conducted by the assessor or by the
2 Attorney General.

3 **Sec. B-6. 36 MRSA §151**, as amended by PL 2023, c. 360, Pt. B, §1 and c. 412, Pt.
4 M, §§1 and 2, is further amended to read:

5 **§151. Review of decisions of State Tax Assessor**

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

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

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

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

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

37 (1) For a small claim request, filing a petition for review in Superior Court. For
38 purposes of this subparagraph, "small claim request" has the same meaning as in
39 paragraph E; or

40 (2) For all other requests:

41 (a) Filing a statement of appeal with the board office when the amount of tax
42 or refund request in controversy is \$500,000 or less; or

43 (b) Filing a petition for review in Superior Court.

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

3 E. A reconsidered decision rendered on any request other than a small claim request
4 constitutes the assessor's final determination, subject to review either by the ~~board~~ office or directly by the Superior Court, except that the ~~board~~ office may review a
5 reconsidered decision rendered on any request other than a small claim request if the
6 amount of tax or refund request in controversy is \$500,000 or less. A reconsidered
7 decision rendered on a small claim request constitutes the assessor's final determination
8 and final agency action and is subject to de novo review by the Superior Court. For
9 purposes of this paragraph, "small claim request" means a petition for reconsideration
10 when the amount of tax or refund request in controversy is less than \$1,000 \$500.

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

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

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

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

24 **Sec. B-7. 36 MRSA §151-A, sub-§2**, as amended by PL 2013, c. 331, Pt. C, §4
25 and affected by §41, is further amended to read:

26 **2. Representative of taxpayer.** The taxpayer may bring to any interview with the
27 State Tax Assessor or to any proceeding pursuant to section ~~151-D~~ 151-E any attorney,
28 certified public accountant, enrolled agent, enrolled actuary or any other person permitted
29 to represent the taxpayer. If the taxpayer does not bring anyone to the interview or
30 proceeding but clearly states at any time during the interview or proceeding that the
31 taxpayer wishes to consult with an attorney, certified public accountant, enrolled agent,
32 enrolled actuary or any other person permitted to represent the taxpayer, the State Tax
33 Assessor shall suspend the interview or the ~~board~~ office shall suspend the proceeding. The
34 suspension must occur even if the taxpayer has answered one or more questions before that
35 point in the interview or proceeding. The interview must be rescheduled to be held within
36 10 working days.

37 **Sec. B-8. 36 MRSA §151-D**, as amended by PL 2013, c. 331, Pt. B, §§1 and 2, is
38 repealed.

39 **Sec. B-9. 36 MRSA §151-E** is enacted to read:

40 **§151-E. Independent Office of Tax Appeals**

41 **1. Office established; purpose.** There is established within the Department of
42 Administrative and Financial Services the Independent Office of Tax Appeals to hear and

1 decide appeals from decisions of the State Tax Assessor as provided by this section. The
2 office is independent of and is not subject to the supervision or control of the State Tax
3 Assessor or any other employee of the bureau. The purpose of the office is to provide
4 taxpayers with a fair, low-cost and easily accessible forum for resolving tax disputes with
5 the bureau, to ensure due process and to provide an alternative to appealing a reconsidered
6 decision of the assessor directly to the Superior Court pursuant to section 151, subsection
7 2, paragraph F, subparagraph (2).

8 **2. Composition of office; appointment; office location.** The office is composed of
9 the Chief Hearing Officer, appointed by and serving at the pleasure of the Commissioner
10 of Administrative and Financial Services; hearing officers; and an administrative staff
11 person hired by the commissioner or the Chief Hearing Officer. The hearing officers may
12 be referred to as either "appeals officer" or "hearing officer." The Chief Hearing Officer is
13 an unclassified employee at salary range 33. Other staff of the office are hired as classified
14 employees subject to the Civil Service Law.

15 The office shall establish and maintain office space in the City of Augusta. The office may
16 meet and conduct appeals conferences and hearings under subsection 8 at any place within
17 the State and remotely pursuant to rules adopted pursuant to subsection 10.

18 **3. Qualifications.** The Chief Hearing Officer and hearing officers must be residents
19 of this State and members of the bar of this State with substantial knowledge of tax law.
20 The Chief Hearing Officer and hearing officers may not hold any elective office or any
21 public office involving assessment of taxes or administration of any of the tax laws of this
22 State.

23 **4. Powers and duties.** The office has all powers as are necessary to carry out its
24 duties, including the following:

- 25 A. To hear and determine appeals in accordance with this section;
- 26 B. To raise or lower assessments to conform to the law;
- 27 C. To adopt rules in accordance with the Maine Administrative Procedure Act
28 governing procedures before the office pursuant to subsection 10;
- 29 D. To administer oaths, take testimony, hold hearings, summon witnesses and
30 subpoena records, files and documents the office considers necessary for carrying out
31 its responsibilities; and
- 32 E. To charge a fee for filing a petition with the office for an appeal.

33 The Commissioner of Administrative and Financial Services may assign other duties to the
34 hearing officers consistent with this subsection, including assisting the State Board of
35 Property Tax Review.

36 **5. Chief Hearing Officer; duties.** Under the supervision and direction of the
37 Commissioner of Administrative and Financial Services, the Chief Hearing Officer shall
38 manage the work of the office, including:

- 39 A. Ensuring that the office provides taxpayers with a low-cost and easily accessible
40 forum for resolving tax disputes with the bureau filed with the office under section 151,
41 including the use of mediation when appropriate, and ensuring due process;

1 B. Assigning a hearing officer to preside over an appeal forwarded to the office under
2 section 151;

3 C. Developing, adopting and implementing rules, policies and procedures to carry out
4 the provisions of this section and section 151 and to comply with all applicable laws;

5 D. Ensuring proper records of all matters, hearings and transactions of the office;

6 E. Assigning duties to the office's administrative staff person to provide administrative
7 staff assistance to the State Board of Property Tax Review consistent with the appeals
8 workload of the office and as requested by that board under section 271, subsection 4;
9 and

10 F. Ensuring that assignment of duties to hearing officers comports with conflicts of
11 interest standards and other ethics standards.

12 **6. Procedures for filing petitions for appeal.** An appeal to the office pursuant to
13 section 151 must be commenced by filing a petition for appeal with the office and paying
14 the appropriate filing fee if required. Upon receipt, a copy of the petition must be provided
15 to the State Tax Assessor and to the Office of the Attorney General.

16 Filing a petition for appeal with the office may be accomplished by delivery of the petition
17 to the office by mail addressed to the office. All papers to be filed that are transmitted by
18 the United States Postal Service are deemed filed on the day the papers are deposited in the
19 mail as provided in section 153. The office shall place a petition for appeal that is filed
20 without payment of a required filing fee on the docket and shall notify the petitioner that
21 the appeal will not be processed further without payment.

22 **7. Case scheduling conference.** A hearing officer shall set a date and time for a
23 scheduling conference to identify the issues in dispute, set a date for filing of briefs and
24 supporting materials, set a date for the appeals conference if one is requested and facilitate
25 the parties' efforts to narrow or resolve all or part of the appeal through settlement or
26 stipulation. An appeal with an amount of tax or refund request in controversy of \$50,000
27 or less must be heard and determined by the office on a priority basis over its other docketed
28 cases.

29 **8. Hearing and determination of cases.** Cases must be heard and determined by the
30 office as follows.

31 A. The assigned hearing officer shall preside over the case. The hearing officer has the
32 authority to administer oaths, take testimony, summon witnesses and subpoena records,
33 files and documents the hearing officer considers necessary for carrying out the
34 responsibilities of the office.

35 B. If requested by a petitioner in the statement of appeal or at the scheduling
36 conference, the office shall hold an appeals conference to receive additional
37 information and to hear arguments regarding the assessment or determination. The
38 hearing officer shall provide the petitioner with at least 10 business days' notice of the
39 date, time and place of the appeals conference. The appeals conference may be held
40 with fewer than 10 business days' notice if a mutually convenient date, time and place
41 can be arranged. If the petitioner does not request an appeals hearing in the statement
42 of appeal or at the scheduling conference, the appeals officer shall determine the matter
43 based on written submissions by the petitioner and the State Tax Assessor.

1 C. The hearing officer need not observe the rules of evidence observed by courts but
2 shall observe the rules of privilege recognized by law.

3 D. Both a petitioner and the State Tax Assessor may submit to the hearing officer,
4 whether or not an appeals conference has been requested pursuant to paragraph B,
5 written testimony in the form of an affidavit, documentary evidence and written legal
6 argument and written factual argument.

7 E. The hearing officer may encourage the petitioner and the State Tax Assessor to
8 resolve disputed issues.

9 F. Except when otherwise provided by law, a petitioner has the burden of proving, by
10 a preponderance of the evidence, that the State Tax Assessor has erred in applying or
11 interpreting the relevant law.

12 The appeals officer shall exercise independent judgment. The hearing officers and
13 other office staff may not have any ex parte communications with the parties, or with
14 any other employee of the Department of Administrative and Financial Services except
15 those employees in the office; however, the hearing officers and other administrative
16 staff persons may have ex parte communication limited to questions that involve
17 ministerial or other administrative matters that do not address the substance of the
18 issues or position taken by the petitioner or the State Tax Assessor.

19 G. The hearing officer shall prepare a decision on the appeal based upon the evidence
20 and argument presented. The decision must be in written form and must state findings
21 of fact and conclusions of law. The office shall issue and deliver copies of the decision
22 to the parties. Unless the decision is revised by the office under rules adopted by the
23 office pursuant to subsection 10, the decision is final and is subject to appeal under
24 subsection 9. A revised decision is final, is not subject to further revision by the office
25 and is subject to appeal under subsection 9.

26 **9. Appeal to Superior Court.** A determination by the office is not an adjudicatory
27 proceeding within the meaning of that term in the Maine Administrative Procedure Act. A
28 decision of the office constitutes the final administrative decision on the appeal and is
29 subject to de novo review by the Superior Court. The burden of proof is on the taxpayer.
30 A person who wishes to appeal a final decision of the office to the Superior Court must file
31 a petition for review within 60 days after receipt of the decision. If a person does not file a
32 request for review with the Superior Court within the period specified in this subsection,
33 no further review is available.

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

40 **11. Annual report.** By January 15, 2027 and annually thereafter, the office shall
41 prepare and submit a report on the activities of the office to the Commissioner of
42 Administrative and Financial Services and the joint standing committee of the Legislature
43 having jurisdiction over taxation matters.

Sec. B-10. 36 MRSA §191, sub-§2, ¶C, as amended by PL 2023, c. 360, Pt. A, §1, is further amended to read:

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 office~~ or the State Board of Property Tax Review as established by Title 5, section 12004-B, subsection 6 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;

Sec. B-11. 36 MRSA §191, sub-§2, ¶XX, as amended by PL 2023, c. 360, Pt. A, §2, is further amended to read:

XX. The disclosure of information by the assessor to the ~~board office~~ or the State Board of Property Tax Review as established by Title 5, section 12004-B, subsection 6, except that such disclosure is limited to information that is pertinent to an appeal or other action or proceeding before the ~~board office~~ or the State Board of Property Tax Review;

Sec. B-12. 36 MRSA §191, sub-§2, ¶YY, as amended by PL 2023, c. 360, Pt. A, §3, is further amended to read:

YY. The inspection and disclosure of information by the board office, or by the State Board of Property Tax Review as established by Title 5, section 12004-B, subsection 6, to the extent necessary to conduct appeals procedures pursuant to this Title and issue a decision on an appeal to the parties. The board office and the State Board of Property Tax Review 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;

Sec. B-13. Cost administration. The Commissioner of Administrative and Financial Services, the State Tax Assessor and the Chief Hearing Officer of the Independent Office of Tax Appeals shall manage the implementation of this Part to ensure that this Part is implemented within existing resources.

Sec. B-14. Creation of Independent Office of Tax Appeals; elimination of Maine Board of Tax Appeals; transition provisions. The following provisions govern the elimination of the Department of Administrative and Financial Services, Maine Board of Tax Appeals established in the Maine Revised Statutes, Title 5, section 12004-B, subsection 10 and the creation of the Department of Administrative and Financial Services, Independent Office of Tax Appeals established under Title 36, section 151-E.

1. On September 15, 2026, the Maine Board of Tax Appeals is eliminated and the Independent Office of Tax Appeals is established.

2. The Commissioner of Administrative and Financial Services shall appoint the Chief Hearing Officer under Title 36, section 151-E no later than September 15, 2026.

3. Three authorized positions and any incumbent personnel in the appeals office of the Maine Board of Tax Appeals are transferred to the Independent Office of Tax Appeals. These employees retain all the employee rights, privileges and benefits, including sick

1 leave, vacation leave and seniority, provided under the Civil Service Law, collective
2 bargaining agreements and current state personnel policies.

3 4. All funds, property and equipment previously belonging to or allocated for the use
4 of the Maine Board of Tax Appeals become the property of the Independent Office of Tax
5 Appeals.

6 5. All cases pending with the Maine Board of Tax Appeals as of September 15, 2026
7 are transferred to the Independent Office of Tax Appeals for review of jurisdiction. Cases
8 that were within the jurisdiction of the Maine Board of Tax Appeals when filed are deemed
9 within the jurisdiction of the Independent Office of Tax Appeals and ready for scheduling
10 and determination.

11 **Sec. B-15. Effective date.** This Part takes effect September 15, 2026.

12 PART C

13 **Sec. C-1. 5 MRSA §282, sub-§6**, as amended by PL 2001, c. 333, §1, is further
14 amended to read:

15 **6. Supervise.** To supervise and direct the administration of the State Claims
16 Commission, State Board of Property Tax Review and Independent Office of Tax Appeals;

17 **Sec. C-2. 36 MRSA §271, sub-§1**, as amended by PL 2017, c. 367, §1, is repealed
18 and the following enacted in its place:

19 **1. Organization; membership.** The organization of the State Board of Property Tax
20 Review, as established by Title 5, section 12004-B, subsection 6 and referred to in this
21 section as "the board," is governed by this subsection.

22 A. The board consists of at least 9 members but no more than 15 members, as
23 determined by the Governor, appointed by the Governor for terms of 3 years. The
24 membership must consist of a combination of attorneys, real estate brokers or
25 appraisers, engineers, assessors who have a current certificate of eligibility from the
26 State Tax Assessor under section 311, except assessors employed by the bureau, and
27 public members with expertise in taxation, finance or property valuation matters.

28 B. The board shall annually elect a chair and secretary. The secretary need not be
29 chosen from the members of the board.

30 C. The chair shall annually appoint from the other members of the board a vice-chair.
31 The vice-chair may act in the capacity of the chair in the event of the recusal or other
32 unavailability of the chair and after notice to the secretary.

33 **Sec. C-3. 36 MRSA §271, sub-§2, ¶A**, as amended by PL 2025, c. 469, §6 and
34 affected by §44, is further amended by amending subparagraph (7) to read:

35 (7) The current use valuation of certain working waterfront land law, chapter 105,
36 subchapter 10-A; and

37 **Sec. C-4. 36 MRSA §271, sub-§2, ¶A**, as amended by PL 2025, c. 469, §6 and
38 affected by §44, is further amended by amending subparagraph (8) to read:

39 (8) Section 209; and

1 **Sec. C-5. 36 MRSA §271, sub-§2, ¶A**, as amended by PL 2025, c. 469, §6 and
2 affected by §44, is further amended by enacting a new subparagraph (9) to read:

3 (9) As provided in section 6251, subsection 6;

4 **Sec. C-6. 36 MRSA §271, sub-§5**, as amended by PL 1995, c. 262, §1, is repealed
5 and the following enacted in its place:

6 **5. Hearings on appeals; jurisdictional issues.** Upon receipt of an appeal, including
7 an appeal of determination of jurisdictional authority of the board, the chair of the board
8 shall convene a panel consisting of 3 board members to hear the appeal and shall notify all
9 parties of the time and place of the hearing. In determining which members to select for the
10 panel, the chair shall consider the members' area of expertise. Two of the 3 members
11 constitute a quorum. The board shall adopt rules, consistent with this section, specifying
12 the timing and manner of board procedures, including scheduling conferences, motions to
13 dismiss on the grounds of lack of jurisdiction, mediation and hearings.

14 **Sec. C-7. 36 MRSA §271, sub-§10, ¶B**, as enacted by PL 2009, c. 571, Pt. WWW,
15 §7, is amended to read:

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

19 **Sec. C-8. 36 MRSA §273**, as amended by PL 1995, c. 262, §2, is further amended
20 to read:

21 **§273. Nonresidential Appeals related to nonresidential property of \$1,000,000 or
22 greater or properties**

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

30 **Sec. C-9. 36 MRSA §844, sub-§1**, as amended by PL 2025, c. 342, §1 and affected
31 by §3, is further amended to read:

32 **1. Municipalities without board of assessment review.** Except when the
33 municipality or primary assessing area has adopted a board of assessment review, if the
34 assessors or the municipal officers refuse to make the abatement asked for, the applicant
35 may apply to the county commissioners within 60 days after notice of the decisions from
36 which the appeal is being taken or within 60 days after the application is deemed to have
37 been denied. The applicant may not apply to the county commissioners to appeal a decision
38 of the assessors or the municipal officers with respect to nonresidential property or
39 properties having an equalized municipal valuation of ~~\$1,000,000~~ \$500,000 or greater,
40 either separately or in the aggregate. The applicant must make such an appeal to the State
41 Board of Property Tax Review pursuant to subsection 2. If the commissioners think that
42 the applicant is over-assessed, the applicant is granted such reasonable abatement as the
43 commissioners think proper. If the applicant has paid the tax, the applicant is reimbursed

1 out of the municipal treasury, with costs in either case. If the applicant fails, the
2 commissioners shall allow costs to the municipality, taxed as in a civil action in the
3 Superior Court, and issue their warrant of distress against the applicant for collection of the
4 amount due the municipality. The commissioners may require the assessors or municipal
5 clerk to produce the valuation by which the assessment was made or a copy of it. Either
6 party may appeal from the decision of the county commissioners to the Superior Court, in
7 accordance with the Maine Rules of Civil Procedure, Rule 80B. If the county
8 commissioners fail to give written notice of their decision within 60 days of the date the
9 application is filed, unless the applicant agrees in writing to further delay, the application
10 is deemed denied and the applicant may appeal to the Superior Court as if there had been a
11 written denial.

12 **Sec. C-10. 36 MRSA §844, sub-§2**, as amended by PL 2025, c. 342, §2 and
13 affected by §3, is further amended to read:

14 **2. Nonresidential property of \$1,000,000 \$500,000 or greater.** The applicant may
15 appeal the decision of the assessors or the municipal officers on a request for abatement
16 with respect to nonresidential property or properties having an equalized municipal
17 valuation of \$1,000,000 \$500,000 or greater, either separately or in the aggregate, to the
18 State Board of Property Tax Review within 60 days after notice of the decision from which
19 the appeal is taken or after the application is deemed to be denied. If the State Board of
20 Property Tax Review determines that the applicant is over-assessed, it shall grant such
21 reasonable abatement as it determines proper. For the purposes of this subsection,
22 "nonresidential property" means property that is used primarily for commercial, industrial
23 or business purposes, excluding unimproved land that is not associated with a commercial,
24 industrial or business use.

25 **Sec. C-11. Assignment of duties of limited-period director position.** The
26 limited-period Director of the Property Tax Review Board position established in Public
27 Law 2021, chapter 635, Part A, section 32 and continued through June 18, 2027 in Public
28 Law 2025, chapter 388, Part A, section 32 as a limited-period Public Service Manager II
29 position, if requested by the Commissioner of Administrative and Financial Services, shall
30 assist with and supervise the administration of the State Board of Property Tax Review.
31 The director shall perform such other duties as the commissioner may assign under the
32 Maine Revised Statutes, Title 5, section 282, subsection 6, including providing
33 administrative support to the Independent Office of Tax Appeals.

34 **Sec. C-12. Application.** That section of this Part that repeals and replaces the Maine
35 Revised Statutes, Title 36, section 271, subsection 5, and those sections of this Part that
36 amend Title 36, section 844, subsections 1 and 2, apply to property tax abatement appeals
37 filed on or after January 1, 2027.

38 **PART D**

39 **Sec. D-1. 36 MRSA §843, sub-§1**, as amended by PL 1995, c. 262, §4, is further
40 amended to read:

41 **1. Municipalities.** If Except for nonresidential property or properties with an
42 equalized municipal valuation of \$2,000,000 or greater, either separately or in the
43 aggregate, if a municipality has adopted a board of assessment review and the assessors or
44 the municipal officers refuse to make the abatement asked for, the applicant may apply in

1 writing to the board of assessment review within 60 days after notice of the decision from
2 which the appeal is being taken or after the application is deemed to have been denied, and,
3 if the board thinks the applicant is over-assessed, the applicant is granted such reasonable
4 abatement as the board thinks proper. ~~Except with regard to nonresidential property or~~
5 ~~properties with an equalized municipal valuation of \$1,000,000 or greater either separately~~
6 ~~or in the aggregate, either~~ Either party may appeal from the decision of the board of
7 assessment review directly to the Superior Court, in accordance with Rule 80B of the Maine
8 Rules of Civil Procedure. If the board of assessment review fails to give written notice of
9 its decision within 60 days of the date the application is filed, unless the applicant agrees
10 in writing to further delay, the application is deemed denied and the applicant may appeal
11 to Superior Court as if there had been a written denial.

12 **Sec. D-2. 36 MRSA §843, sub-§1-A**, as amended by PL 1995, c. 262, §4, is further
13 amended to read:

14 **1-A. Nonresidential property of \$1,000,000 \$2,000,000 or greater.** ~~With regard to~~
15 ~~For~~ nonresidential property or properties with an equalized municipal valuation of
16 ~~\$1,000,000 \$2,000,000 or greater, either separately or in the aggregate, either party may~~
17 ~~appeal the decision of the local board of assessment review or the primary assessing area~~
18 ~~board of assessment review a refusal of the assessors or the municipal officers to make the~~
19 ~~abatement asked for~~ to the State Board of Property Tax Review within 60 days after notice
20 of the decision from which the appeal is taken or after the application is deemed to be
21 denied, as provided in subsections 1 and 2. The board shall hold a hearing de novo. If the
22 board thinks that the applicant is over-assessed, it shall grant such reasonable abatement as
23 the board thinks proper. For the purposes of this section, "nonresidential property" means
24 property that is used primarily for commercial, industrial or business purposes, excluding
25 unimproved land that is not associated with a commercial, industrial or business use.

26 **Sec. D-3. 36 MRSA §843, sub-§2**, as amended by PL 2001, c. 396, §17, is further
27 amended to read:

28 **2. Primary assessing areas.** ~~If~~ Except for nonresidential property or properties with
29 an equalized municipal valuation of \$2,000,000 or greater, either separately or in the
30 aggregate, if a primary assessing area has adopted a board of assessment review and the
31 assessors or municipal officers refuse to make the abatement asked for, the applicant may
32 apply in writing to the board of assessment review within 60 days after notice of the
33 decision from which the appeal is being taken or after the application is deemed to have
34 been denied, and if the board thinks the applicant is over-assessed, the applicant is granted
35 such reasonable abatement as the board thinks proper. ~~Except with regard to nonresidential~~
36 ~~property or properties with an equalized municipal valuation of \$1,000,000 or greater,~~
37 ~~either separately or in the aggregate, either~~ Either party may appeal the decision of the
38 board of assessment review directly to the Superior Court, in accordance with the Maine
39 Rules of Civil Procedure, Rule 80B. If the board of assessment review fails to give written
40 notice of its decision within 60 days of the date the application was filed, unless the
41 applicant agrees in writing to further delay, the application is deemed denied and the
42 applicant may appeal to the Superior Court as if there had been a written denial.

43 **PART E**

44 **Sec. E-1. 3 MRSA §959, sub-§1, ¶N**, as amended by PL 2021, c. 617, §1, is further
45 amended to read:

1 N. The joint standing committee of the Legislature having jurisdiction over taxation
2 matters shall use the following list as a guideline for scheduling reviews:

3 (1) State Board of Property Tax Review in ~~2027~~ 2028; ~~and~~
4 (2) Department of Administrative and Financial Services, Bureau of Revenue
5 Services in ~~2027~~; ~~and~~
6 (3) Department of Administrative and Financial Services, Independent Office of
7 Tax Appeals in 2028.

8 **Sec. E-2. Office of Tax Policy to study further simplification and**
9 **modernization of the administrative tax appeals process; report.**

10 **1. Study.** The Department of Administrative and Financial Services, Bureau of
11 Revenue Services, Office of Tax Policy shall consider options for further
12 simplification and modernization, including review of the following proposals:

13 A. Termination of the State Board of Property Tax Review, referred to in this
14 subsection as "the state board," effective January 1, 2028, and transfer of all the state
15 board's cases and appeals jurisdiction to the Independent Office of Tax Appeals,
16 referred to in this subsection as "the office," maintaining formal adjudicatory decision
17 making with limited on-the-record appeal to the Superior Court for such property tax
18 appeals cases and maintaining nonadjudicatory proceedings with continuing de novo
19 appeal rights for all other tax appeals;

20 B. If cases and jurisdiction are transferred from the state board as described in
21 paragraph A, considering whether all cases of the office, including matters currently
22 handled by the state board, should be decided by the office as informal non-
23 adjudicatory proceedings with full de novo review available by appeal to the Superior
24 Court;

25 C. If cases and jurisdiction are transferred from the state board as described in
26 paragraph A, whether the staffing of the office should be expanded, including the
27 addition of a paralegal or another hearing officer;

28 D. If the proposals referred to in paragraphs A and B are not recommended, whether
29 the compensation of state board members under the Maine Revised Statutes, Title 5,
30 section 12002-B should be increased;

31 E. Whether mandatory mediation should be discretionary with the state board or the
32 office, as appropriate; and

33 F. Whether property tax appeals jurisdiction threshold amounts should be adjusted up
34 or down or should be subject to periodic adjustment for inflation.

35 In conducting the study under this subsection, the Office of Tax Policy shall consult with
36 the Office of the Attorney General, municipal assessors and interested parties representing
37 accountants and lawyers practicing in the field of taxation in this State.

38 The Director of the State Board of Property Tax Review and, prior to September 15, 2026,
39 the Chief Appeals Officer of the Maine Board of Tax Appeals established under the Maine
40 Revised Statutes, Title 5, section 12004-B, subsection 10 and, on or after September 15,
41 2026, the Chief Hearing Officer of the Independent Office of Tax Appeals established

1 pursuant to Title 36, section 151-E shall assist the Office of Tax Policy in conducting the
2 study under this subsection.

3 **2. Report.** No later than December 15, 2026, the Department of Administrative and
4 Financial Services, Bureau of Revenue Services, Office of Tax Policy shall submit a report
5 to the joint standing committee of the Legislature having jurisdiction over taxation matters
6 that includes the office's findings and recommendations under subsection 1, including
7 suggested legislation. The joint standing committee may submit legislation related to the
8 report to the 133rd Legislature in 2027.

9 **SUMMARY**

10 This bill makes changes to improve the tax dispute resolution and administrative tax
11 appeals process as follows.

12 Part A adds to the duties and responsibilities of the taxpayer advocate and experience
13 officer in the Department of Administrative and Financial Services, Bureau of Revenue
14 Services the making of recommendations to further improve the tax appeals process.

15 Part B creates the Independent Office of Tax Appeals in the Department of
16 Administrative and Financial Services to replace the Maine Board of Tax Appeals and
17 simplifies and modernizes the appeals process to improve the tax dispute resolution
18 process. Part B takes effect September 15, 2026.

19 Part C makes changes to the composition and duties of the State Board of Property Tax
20 Review, including:

21 1. Changing the number of members from a fixed number, 15, to a range of 9 to 15
22 members, as determined by the Governor, and allowing any combination of qualifications
23 for members;

24 2. Requiring the annual appointment of a vice-chair of the board to act on the chair's
25 behalf in the event of the chair's recusal or other unavailability;

26 3. Reducing the size of the panels convened to determine appeals, including
27 jurisdictional issues, from 5 board members to 3 board members and reducing the quorum
28 to 2;

29 4. Expanding case jurisdiction by transferring jurisdiction for certain cases, such as
30 requests for abatement, currently appealable to county commissioners for nonresidential
31 property assessments over \$500,000; and

32 5. Requiring, at the direction of the Commissioner of Administrative and Financial
33 Services, the limited-period director position established and subsequently reauthorized
34 through June 18, 2027 to assist the board and the Independent Office of Tax Appeals.

35 Part D changes the jurisdictional threshold amounts and appeals process for
36 nonresidential property.

37 Part E adds legislative review of the Independent Office of Tax Appeals, changes the
38 year for legislative review of the State Board of Property Tax Review from 2027 to 2028
39 and directs the Department of Administrative and Financial Services, Bureau of Revenue
40 Services, Office of Tax Policy to review the administrative tax appeals process and file
41 with the Legislature by December 15, 2026 a report and recommended legislation for
42 further simplifying and modernizing the tax appeals process.