

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)

(New Title)
New Draft "A" of: H. P. 539, L. D. 655

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1917

H. P. 1664

House of Representatives, June 5, 1975

Reported by Majority from Committee on Taxation and printed under Joint Rules No. 18.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Revise An Act Relating to Property Taxation which was
Enacted by the 106th Legislature.

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

Sec. 1. 30 MRSA § 2060, sub-§ 5, ¶ E is enacted to read:

E. This subsection shall not apply in any municipality which is incorporated into a primary assessing area.

Sec. 2. 36 MRSA § 291, first ¶, as repealed and replaced by PL 1969, c. 502, § 3, is amended to read:

There is hereby established a Municipal Valuation Appeals Board to which a municipality may appeal from the ~~equalized valuation determined by the State Tax Assessor~~ Bureau of Taxation's determination of equalized valuation or minimum assessing standards when the municipality feels aggrieved by such ~~valuation~~ determination.

Sec. 3. 36 MRSA § 292, as repealed and replaced by PL 1969, c. 502, § 3, is amended to read:

§ 292. Duties, procedures

The Municipal Valuation Appeals Board shall hear appeals by any municipality deeming itself aggrieved by the ~~state valuation of the State Tax Assessor~~ Bureau of Property Taxation's determination of equalized valuation or minimum assessing standards and render its decision based upon the recorded evidence.

Any municipality deeming itself aggrieved shall file a written notice of appeal with the board within 30 days of notification of the ~~valuation by the State Tax Assessor~~ **Bureau of Property Taxation's decision**. The appeal to the board shall be in writing signed by a majority of the municipal officers, and shall be accompanied by an affidavit stating the grounds for appeal. ~~A copy of the appeal and affidavit shall be served on the State Tax Assessor.~~ The municipality appealing shall have the burden of proving that the ~~valuation established by the State Tax Assessor is erroneous with respect to that municipality.~~ **A copy of the appeal and affidavit shall be served on the Bureau of Taxation and the bureau shall have the burden of proving that its determination is erroneous with respect to that municipality.**

The board shall hear such an 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 ~~State Tax Assessor~~ **Bureau of Property Taxation**. The board, after hearing, shall have the power to: ~~raise or lower or sustain the state valuation as determined by the State Tax Assessor with respect to the municipality which has filed the appeal. The decision of the board shall be final. The valuation thus determined shall be certified to the State Tax Assessor who shall, if necessary, incorporate the decision in the valuation certified pursuant to section 381~~

1. **Raise, lower or sustain state valuation.** Raise or lower or sustain the state valuation as determined by the Bureau of Property Taxation with respect to the municipality which has filed the appeal; the decision of the board shall be final; the valuation thus determined shall be certified to the Bureau of Property Taxation which shall, if necessary, incorporate the decision in the valuation certified pursuant to section 381;

2. **Raise, lower or sustain Bureau of Property Taxation's determination.** Raise or lower or sustain the Bureau of Property Taxation's determination of the municipality's achieved assessing standards and then, if such achieved standards were inadequate under the provisions of this chapter and upon receiving from both the bureau and the municipality recommended solutions to the inaccurate assessing practices, order the municipality to take the corrective steps the board deems necessary.

The board shall have the power to administer oaths, take testimony, hold hearings, summons such witnesses and subpoena such records, files and documents as it deems necessary for the proper hearing and disposal of the appeal.

The board shall have the power to promulgate rules and regulations governing procedure before it.

Sec. 4. 36 MRSA §§ 301 and 302, as enacted by PL 1973, c. 620, § 10, are amended to read:

§ 301. State Director of Property Taxation

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 As-~~

essor through the Bureau of Property Taxation Director of Property Taxation, except for such portion of those activities expressly delegated by this chapter to the primary assessing areas or those activities expressly prohibited by this chapter to the Bureau of Property Taxation. The ~~State Tax Assessor~~ director shall ~~make~~ take all necessary and legal means to ensure that the intent of this chapter is fulfilled.

§ 302. Unorganized territories

The Bureau of Property Taxation 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 ~~district~~ unit.

Sec. 5. 36 MRSA § 303, as enacted by PL 1973, c. 620, § 610, is repealed and the following enacted in place thereof:

§ 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 director 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 director believes important;
- C. If the director wishes, the appointment of an advisory committee to assist him in making the division and in establishing assessing standards;
- 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 director. When conditions justify alteration of the boundaries of the primary assessing areas, the director 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. As such, the municipality shall be subject to the minimum assessing standards of subchapter V, the rules and regulations of the bureau as described in section 328 and, if the unit decides to hire a professional full-time assessor, the assessor certification requirements of sections 311 and 312.

Sec. 6. 36 MRSA § 304, as enacted by PL 1973, c. 620, § 10, is repealed and the following enacted in place thereof:

§ 304. Establishment of primary assessing areas

The director 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.

Sec. 7. 36 MRSA § 306, as enacted by PL 1973, c. 620, § 10, is repealed and the following enacted in place thereof:

§ 306. Definitions

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

1. Chief assessor. "Chief assessor" shall mean that person primarily responsible for the assessing function in a primary assessing unit or primary assessing district designated as such by the director.

2. Director. "Director" shall mean the State Director of Property Taxation.

3. Hours of classroom training. "Hours of classroom training" shall mean clock-hours not credit hours.

4. Municipal assessing unit. "Municipal assessing unit" shall mean any municipality choosing not to be designated by the Bureau of Property Taxation as a primary assessing area, either single unit or district member.

5. Primary assessing area. "Primary assessing area" shall mean that area of the State designated by the director as the basic geographic division of the state's territory for the purpose of property tax assessment and administration. Said area may be either a:

A. "Primary assessing unit," a single municipality designated by the director as a primary assessing area;

B. "Primary assessing district," a multi-municipal area of the State designated by the director as a multi-municipal assessing area.

6. Professional assessor. "Professional assessor" shall mean any person employed full time by one or more municipalities or by a primary assessing area and devoting 75% of his or her time to assessment administration.

7. State supervisory agency. "State supervisory agency" shall mean the Bureau of Property Taxation.

Sec. 8. 36 MRSA § 311, as repealed and replaced by PL 1973, c. 695, § 6, is repealed and the following enacted in place thereof:

§ 311. Certification

The director 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 director 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 director each year.

Any certificate issued by the director may for cause be revoked after a hearing and findings of fact. In revoking a certificate, the director 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.

Sec. 9. 36 MRSA § 312, as repealed and replaced by PL 1973, c. 695, § 6, is amended to read:

§ 312. Penalty

After July 1, 1980, no person shall be eligible to perform the duties of ~~an~~ 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. Any person convicted of violating this section shall be punished by a fine of not less than \$100 nor more than \$250.

Sec. 10. 36 MRSA § 313, as repealed and replaced by PL 1973, c. 695, § 6, is amended to read:

§ 313. Tenure

~~An~~ 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.

~~An~~ 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 Property Taxation.

Sec. 11. 36 MRSA § 314, as repealed and replaced by PL 1973, c. 695, § 6, is amended to read:

§ 314. Removal

Chief ~~Assessors~~ assessors may be removed from office as follows:

1. **Probationary term.** Any chief assessor serving a probationary term may be removed by the executive committee upon 30 days' written notice stating the reason therefor.

2. **Tenure.** ~~A~~ A chief assessor having tenure may be removed for cause by the executive committee on the form and manner provided for the removal of town managers in Title 30, section 2313. The chief tax assessor shall hold office for an indefinite term unless otherwise specified by contract.

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

4. ~~Lapsed or expired certification. Any assessor whose certification has lapsed or expired~~

Sec. 12. 36 MRSA § 315, as enacted by PL 1973, c. 620, § 10, is repealed.

Sec. 13. 36 MRSA c. 102, sub-c. V is enacted to read:

SUBCHAPTER V

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;

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 July 1, 1980 by the Bureau of Property Taxation as a professionally trained assessor. The bureau shall publish, for the information of the municipalities, a listing of certified assessors and assessing firms or organizations recognized by it as professionally qualified.

§ 328. Administrative rules and regulations

Any rules and regulations established by the Bureau of Property Taxation shall recognize the freedom, invention and individual means of the municipalities by which said standards will be met. For municipal assessing units and primary assessing areas alike 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;
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;
8. 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;
9. Annual sales ratio studies. Assessors will conduct annual sales ratio studies; and
10. Tax maps. Municipal assessing units do not necessarily have to maintain tax maps.

Upon a municipal assessing unit's or primary assessing area'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 291 through 293 and 329.

§ 329. Inability to achieve standards

Upon an initial determination by the Bureau of Property Taxation that a municipal assessing unit has not met the minimum standards set forth in this subchapter, the municipality has the following 2 options:

1. The municipality may accept the bureau's determination. Upon such acceptance, the bureau shall consult with the officers of the municipality and require steps by which the municipality shall achieve an equitable level of assessing practices. Such steps shall endeavor to accommodate the preferences of the municipal officers and may include membership in a primary as-

sessing district, the joining with a companion municipality in the hiring of a part-time, professional assessor or an assessing firm or other arrangements approved by the Bureau of Property Taxation;

2. The municipal assessing unit deeming itself aggrieved may file a written notice of appeal with the Municipal Valuation Appeals Board in accordance with the provisions of sections 291 through 293.

Sec. 14. 36 MRSA §§ 471 and 472, as enacted by PL 1973, c. 620, § 10, are amended to read:

§ 471. Area, body politic

The primary assessing ~~area~~ district shall be composed of those municipalities named in the order issued by the ~~State Tax Assessor~~ director. The residents of a primary assessing ~~area~~ 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 ~~area~~ 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 ~~only one~~ a municipality is designated as ~~the~~ a primary assessing ~~area~~ unit, sections 472 to 474 shall not apply.

§ 472. Executive committee

The governing body of a primary assessing ~~area~~ district shall be an executive committee composed of ~~one municipal officer~~ 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 Assessor~~ director. It is not necessary that the ~~State Tax Assessor~~ director attend all meetings of a primary assessing area and the ~~State Tax Assessor~~ director 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 ~~areas~~ districts shall elect from their number ~~one municipal officer~~ the municipal officer or officers to serve on the executive committee. ~~Voting of the executive committee shall be weighted based upon the latest Federal Census of each of the municipalities participating in the primary assessing area~~

2. **Terms.** The terms of members of the executive committee shall be for ~~3~~ years. ~~Vacancies shall be filled in the same manner as voting members are appointed~~

STATEMENT OF FACT

The purpose of this Act is to establish by statute minimal assessing standards for Maine communities that will insure by 1979 equitable assessing practices yet will allow the communities to largely choose the means by which

said standards shall be met. Most significantly, designation as a primary assessing area is optional; each municipality is free to continue its current assessing practices, including the hiring of part-time, non-certified assessors, as an independent municipal assessing unit.

This Act is a response to the competing needs of the community's right to local determination and self growth and the State's need to insure that its funding of education, general assistance, revenue sharing and other state-wide programs is based on equitable assessments and thus fairly distributed to all communities.

Instead of mandatory designation as a primary assessing area, municipalities may choose to remain municipal assessing units, free to continue their present assessing practices, including the hiring of part-time, non-certified assessors. However, if in 1979 the Bureau of Property Taxation determines that the minimum assessing standards of this Act have not been met, the municipality may either accept the bureau's determination and, after consultation with the bureau, undertake the corrective steps the bureau feels are necessary or the municipality may contest the bureau's determination before the Municipal Valuation Appeals Board and, if the bureau is upheld, accept the corrective steps the Appeals Board feels are necessary.

Because assessment standards are a complex and confusing subject, it is worthwhile to briefly examine the minimum standards set forth in this Act.

1. A 70% minimum assessment ratio by 1979 refers to the average ratio of the assessed value to the full market value of real property; a low assessment ratio might mean the assessor is not using current market value as a guide; this standard maintains the original Bureau of Property Taxation standard of a 50% ratio by 1977 but strengthens it over the next 2 years.

2. A maximum rating of assessment quality of 20 refers to assessing accuracy. For example, if a municipality were to achieve a 20 rating, its houses would be assessed $\pm 20\%$ of the average ratio shown by sales ratio studies. Thus, if a town's assessment ratio was 100%, a house with a fair market value of \$10,000 would be assessed within an \$8,000 to \$12,000 range if the town were to maintain a 20 quality rating (i.e., $\pm 20\%$ accuracy). It is probable that an assessor with a quality rating above 20 is not relating to property's actual worth. This standard grants 2 more years to achieve the 20 rating than was allowed by the standard promulgated by the Bureau of Property Taxation.

3. By allowing assessors or firms to be non-certified and hired part-time, communities are given great leeway as to exactly how they will achieve these minimum standards. They may decide to share their assessing costs with many communities and join a primary assessing district (it has been estimated that the cost to such a municipality might be only .013 to .033 of their total municipal revenue from the property tax) or remain a municipal assessing unit and join with a companion community in contracting for the part-time services of an assessor or some other means of achieving equitable assessing.

4. Tax maps need not be maintained by municipal assessing units.

5. A chief assessor of a primary assessing area or a professional full-time assessor shall be certified by July 1, 1980. Only a certificate of eligibility will be awarded; it will have different classes that distinguish between those skills needed for an urban municipality and those needed for a smaller community.

6. The Bureau of Property Taxation's new rules and regulations for municipal assessing units and primary assessing areas, both single units and districts, will be minimal guides designed to encourage individual initiatives. Thus such regulations shall recognize the following:

- a. Electronic data processing will be optional;
- b. The assessor's office need not be open full time;
- c. A uniform accounting system will not be mandated;
- d. Budgets for their initial year of operation will not have to be submitted to the Bureau of Property Taxation;
- e. The number of additional appraisers necessary will not be mandated;
- f. The following office records do not necessarily have to be maintained:
Copies of deeds, aerial photographs, summary accounts or "tab" cards, or, in the case of municipal assessing units, tax maps;
- g. Physical inspection and inventory of each real parcel and personal property account will take place at least every 4 years rather than every 3;
- h. Assessors will conduct annual sales ratio studies.