

MAINE STATE LEGISLATURE

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(Governor's Bill)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1742

S. P. 479

In Senate, April 29, 1977

Referred to Committee on Taxation. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Carpenter of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Providing for Changes in the Laws Relating to Property Taxation.

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

Sec. 1. 30 MRSA § 2060, sub-§ 6, as reenacted by PL 1973, c. 695, § 1, is repealed.

Sec. 2. 30 MRSA § 5351, sub-§ 2, as reenacted by PL 1973, c. 695, § 2, is repealed.

Sec. 3. 36 MRSA § 208, as repealed and replaced by PL 1975, c. 628, § 1, is amended by adding a new paragraph to read:

The Tax Assessor shall conduct annual assessment-sales ratio studies applicable to each municipality and primary assessing area and publish the results of such studies.

Sec. 4. 36 MRSA § 209-A is enacted to read:

§ 209-A. Withholding municipal revenue sharing funds

The Tax Assessor shall have power, in his discretion, to direct the Treasurer of State to withhold from a particular municipality all municipal revenue sharing funds, allocated to that municipality pursuant to Title 30, section 5055, when the municipality has failed to comply with the laws, rules and regulations relating to taxation of property for a period of 3 months after receiving notice from the Tax Assessor of such failure. Upon directing the Treasurer of State to withhold funds, the Tax Assessor shall notify the municipality in writing of the laws, rules and regulations which the municipality

has failed to comply with. When the municipality complies with all laws, rules and regulations specified by the Tax Assessor, the Tax Assessor shall direct the Treasurer of State to cease withholding the municipal revenue sharing funds allocated to that municipality.

Sec. 5. 36 MRSA § 305-A is enacted to read:

§ 305-A. Revaluation and mapping services

The Bureau of Taxation shall furnish assistance to municipalities and primary assessing areas in developing contracts for appraisal, revaluation or mapping services.

The Tax Assessor shall maintain and keep current a list of persons or firms qualified to perform expert appraisal, revaluation or mapping services. No municipality or primary assessing area may contract for such services with any person or firm not included on such list. The Tax Assessor shall promulgate regulations establishing the qualifications necessary for inclusion on the list and the procedures to be followed in applying for inclusion.

A municipality or primary assessing area may not enter into a contract for appraisal, revaluation or mapping services without prior approval of the Tax Assessor. In determining whether to approve or disapprove of a proposed contract, the Tax Assessor shall consider whether the person or firm offering the revaluation or mapping services is qualified to perform the specific services contracted for, and whether the terms of the contract adequately protect the interest of the municipality or primary assessing area.

If the Tax Assessor approves a contract, the municipality or primary assessing area shall place 20% of the contract price in escrow with the Bureau of Taxation. Payment of this 20% shall be contingent upon the Tax Assessor's determination that the contract has been satisfactorily fulfilled by the party offering the services. If the Tax Assessor determines that the contract has not been satisfactorily completed by the party offering the services, the Tax Assessor shall continue to hold the escrow funds until satisfactory completion occurs. If the Tax Assessor determines that the party offering the services cannot or will not satisfactorily complete the contract, the Tax Assessor shall return the escrow funds to the municipality or primary assessing area. If the Tax Assessor determines that the party offering the services has satisfactorily completed the contract, then the Tax Assessor shall pay over the escrow funds to that party.

Any person, firm, municipality or primary assessing area, which is aggrieved by any determination made by the Tax Assessor pursuant to this section, may apply for reconsideration within 30 days of the determination. The Tax Assessor shall schedule a hearing on any application for reconsideration within 30 days of application. The Tax Assessor shall issue his decision on the application for reconsideration within 30 days of the hearing. Any party aggrieved by the Tax Assessor's decision may appeal pursuant to the Maine Rules of Civil Procedure, Rule 80B.

Sec. 6. 36 MRSA § 307 is enacted to read:

§ 307. Municipal revaluations

Any town council or any town or plantation having a population of less than 300 according to the latest U.S. Census report, by a majority vote at an annual or special meeting called for the purpose, may petition the Tax Assessor for the installation of an assessment system. The Tax Assessor shall, as soon as possible after the receipt of such petition, cause such assessment system to be installed.

The Tax Assessor shall install an assessment system, which, in his judgment, will be effective both in maintaining detailed and accurate records of each parcel of property assessed and in producing uniform and equitable valuations and assessments throughout the municipality in accordance with law.

The Tax Assessor, at his discretion, may require a municipality to pay for the total cost of an assessment system in one payment or may permit the municipality to amortize its payments on an annual basis for a period not to exceed 5 years. All payments by municipalities shall be deposited in the Assessment System Development Fund. The expenses incurred by the Tax Assessor shall be certified by him for payment from the Assessment System Development Fund. The Tax Assessor shall annually certify to the Treasurer of State the amounts due for such services and the Treasurer of State shall issue his warrant requiring the assessor of the municipality concerned to assess a tax for the amount so certified. Such tax shall be remitted to the Treasurer of State by the municipal treasurer within 90 days from the date the taxes are committed by the assessors.

Sec. 7. Appropriation. There is appropriated, for the purpose of installing assessment systems in certain municipalities, from the General Fund the sum of \$35,000 to the Department of Finance and Administration, Bureau of Taxation. The breakdown shall be as follows:

	1978-79
FINANCE AND ADMINISTRATION,	
DEPARTMENT OF	
Bureau of Taxation	
Personal Services	(2) \$27,000
All Other	6,000
Capital Expenditures	2,000
	\$35,000

Sec. 8. Appropriation. There is appropriated, for the purpose of installing assessment systems in certain municipalities, from the General Fund the sum of \$50,000 to the Assessment System Development Fund. All moneys deposited in the fund shall be carried over to the fiscal year beginning July 1, 1979. The breakdown shall be as follows:

	1978-79
ASSESSMENT SYSTEM DEVELOPMENT FUND	
All Other	\$50,000

Sec. 9. 36 MRSA § 327, sub-§ 2, as enacted by PL 1975, c. 545, § 13, is amended to read:

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~~ 18 by 1979 and thereafter;

Sec. 10. 36 MRSA § 501-A is enacted to read:

§ 501-A. Taxable status fixed

Notwithstanding anything to the contrary in this Title, all property subject to taxation shall have a taxable status fixed as of November 1st. The taxable year shall be from November 1st to November 1st.

Sec. 11. 36 MRSA § 708, as amended by PL 1973, c. 620, § 17, is further amended by adding at the end the following new sentence:

They shall classify each parcel of real estate in accordance with the property classification system required by the Tax Assessor and report the totals of assessed values for such classes on their annual municipal valuation returns.

Sec. 12. 36 MRSA § 754-A is enacted to read:

§ 754-A. Tax bills

Tax collectors shall annually, within 30 days after the commitment of taxes, prepare and mail a tax bill to each taxpayer who is named on the list provided by the assessors or municipal officers pursuant to sections 709 and 709-A. The tax bill shall include the assessed valuation of the taxpayer's property, the tax rate, the amount of tax due and a statement indicating the ratio or percentage of full, 100%, value used in determining the assessed valuation.

Sec. 13. 36 MRSA § 843, as last amended by PL 1973, c. 625, § 246, is repealed.

Sec. 14. 36 MRSA § 844, as last repealed and replaced by PL 1973, c. 645, § 6, is repealed and the following enacted in its place:

§ 844. Appeal to State Board of Assessment Review

If the assessor refuses to make the abatement asked for, the applicant may apply in writing to the State Board of Assessment Review within 30 days after notice of decision from which such appeal is being taken or after the application shall be deemed to have been denied, and if the board thinks he is overassessed he shall be granted such reasonable abatement as the board thinks proper. Either party may appeal from the decision of the State Board of Assessment Review directly to the Superior Court, under the conditions provided for in section 846. Appeals to the State Board of Assessment Review shall be directed to the Chairman of the State Board of Assessment Review, who shall convene the board to hear the appeal and shall notify all parties of the time and place thereof.

Sec. 15. Appropriation. There is appropriated, for the purpose of funding the expenses created by Title 36, section 844, from the General Fund the

sum of \$25,000 to the State Board of Assessment Review. The breakdown shall be as follows:

	1977-78	1978-79
STATE BOARD OF ASSESSMENT REVIEW		
All Other	\$5,000	\$20,000

Sec. 16. 36 MRSA § 845 is repealed and the following enacted in its place:
§ 845. Appeal to Superior Court

Any person entitled to appeal to the State Board of Assessment Review may appeal from the board to the Superior Court in and for that county.

Sec. 17. Appropriation. There is appropriated, for the purpose of improving assessing practices in the unorganized territory from the General Fund the sum of \$60,500 to the Department of Finance and Administration, Bureau of Taxation. The breakdown shall be as follows:

	1977-78	1978-79
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Bureau of Taxation		
Personal Services	(2) \$10,000	(2) \$18,500
All Other	30,000	
Capital Expenditures	2,000	
	<hr/>	<hr/>
	\$42,000	\$18,500

Sec. 18. Appropriation. There is appropriated, for the purpose of providing increased technical assistance to local assessors, from the General Fund the sum of \$260,000 to the Department of Finance and Administration, Bureau of Taxation. The breakdown shall be as follows:

	1977-78	1978-79
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Bureau of Taxation		
Personal Services	(10) \$70,000	(10) \$145,000
All Other	10,000	30,000
Capital Expenditures	5,000	
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	\$85,000	\$175,000

STATEMENT OF FACT

Sec. 3 will authorize the Bureau of Taxation to publish the results of its sales-ratio studies which will allow taxpayers to compare these ratios with the certified ratio used by the assessors.

Sec. 4 authorizes the State Tax Assessor to direct the **Treasurer of State** to withhold revenue sharing funds from municipalities which have failed to comply with the laws relating to taxation of property.

Sec. 5 requires the Bureau of Taxation to maintain a listing of persons qualified to enter into contracts with municipalities for revaluation or mapping work. It also requires approval by the State Tax Assessor of any such contracts before and after such work is done with 20% of the contract price held in escrow pending final approval by the State Tax Assessor.

Secs. 6-8 will permit the Bureau of Taxation to establish assessment systems in municipalities of less than 300 population and allow repayment for such service over a 5-year period.

Sec. 9 reflects the recommendation that the maximum quality rating used in the new statutory assessment standards be measured by the coefficient of dispersion. As a result, a lower rating is achieved. The current 20 rating required in 1979 would be too high for equity purposes.

Sec. 10 changes the assessment date from April 1st to November 1st. This change will allow municipal budget committees and town meetings to have total taxable valuations available when considering municipal expenditures. It will allow an early establishment of the tax rate, earlier tax billings and less municipal borrowing in anticipation of taxes.

Sec. 11 will require municipalities to segregate or identify property in the valuation book by types of property in order to ensure proper comparisons with market values in sales-ratio studies.

Sec. 12 provides a statutory requirement for sending bills to taxpayers and further requires the bill to identify the ratio or percentage of full value used by the assessors in determining the assessed value.

Secs. 1, 2 and 13 to 16 removes the local assessment review boards and the county commissioners from the property tax appeal process and provides for all such appeals to be made to the State Assessment Review Board.

Sec. 17 provides the bureau with additional personnel in order to carry out an extensive program of technical assistance to municipal assessors so that they can meet the assessment standards mandated by statute.

Sec. 18 provides funding for updating the bureau's appraisal manual and further provides funding to maintain property values in the unorganized territory at a current level.