

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 91

H.P. 67

House of Representatives, February 6, 1989

Reported by Representative CASHMAN for the Special Commission to Study School Funding and State Tax Law pursuant to Public Law 1987, chapter 848.

Reference to the Joint Standing Committee on Taxation suggested and printing ordered under Joint Rule 18.

Ed Pert

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE

Resolve, to Establish a Commission to Study Problems with the
Municipal Assessment and Collection of Property Taxes.

(EMERGENCY)



1 **Emergency preamble.** Whereas, Acts and resolves of the
Legislature do not become effective until 90 days after
3 adjournment unless enacted as emergencies; and

5 **Whereas,** it is necessary for the Commission to Study
Problems with the Municipal Assessment and Collection of Property
7 Taxes to start its work by July 15, 1989; and

9 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
11 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
13 safety; now, therefore, be it

15 **Commission established; membership. Resolved:** That the
Commission to Study Problems with the Municipal Assessment and
17 Collection of Property Taxes shall be established. The
commission shall consist of 10 members, appointed in the
19 following manner: two members of the House of Representatives
appointed by the Speaker of the House; 2 Senators appointed by
21 the President of the Senate; the Director of the Property Tax
Division, Bureau of Taxation, Department of Finance; and one town
23 manager, one representative of the Maine Municipal Association,
and 3 municipal officials appointed jointly by the Speaker of the
25 House and the President of the Senate. The Speaker of the House
and the President of the Senate shall promptly notify the
27 Legislative Council of the appointments; and be it further

29 **Commission charged. Resolved:** That the commission shall
study taxpayers' general dissatisfaction with property taxes to
31 find the reasons for property taxpayers' frustrations and the
causes of local anti-property tax pressures. Specifically, the
33 commission shall:

35 1. Examine the problems, if any, preventing municipalities
from adopting the State of Maine Assessment Manual. The
37 commission shall investigate ways to encourage municipalities
that do not presently use the manual to adopt the manual for
39 their assessment of property;

41 2. Examine the method municipalities use to collect property
taxes and explore whether alternative methods, such as quarterly
43 or more frequent payment schedules, would be more acceptable to
taxpayers;

45 3. Study whether the state payment to low-income and elderly
47 taxpayers under the tax circuit breaker programs could be
credited to the property taxes owed rather than made as direct
49 payments to the taxpayer. The commission should assess whether
this would make a clearer connection between the circuit breaker
51 and the property tax and give town officials some recognition
that property taxes have been reduced; and

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4. Study whether the inequities in the assessments of residential properties within a municipality and between residential and other types of property within a municipality can be reduced. For assessments to be equitable, each property should be assessed at the same percent of full value; and be it further

Convening of commission. Resolved: That, when the appointment of all commission members is completed, the Chair of the Legislative Council shall call the first meeting. The first meeting shall be called on or before August 1, 1989. At the first meeting, the members shall elect a chair and other officers; and be it further

Report. Resolved: That the commission shall present its findings, together with any recommended legislation to the Legislature by November 15, 1989; and be it further

Staff; compensation. Resolved: That the commission may request necessary staff assistance from the Legislative Council. The members of the commission who are Legislators shall receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for days in attendance at commission meetings. All members of the commission shall receive reimbursement for expenses upon application to the Executive Director of the Legislative Council; and be it further

Appropriation. Resolved: That the following funds are appropriated from the General Fund to carry out the purposes of this resolve.

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Personal Services	\$1,320
All Other	4,700

Provides funds for legislative per diem, travel for all members and related expenses of the commission.

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TOTAL	<u>\$6,020</u>

FINANCE, DEPARTMENT OF

Bureau of Taxation

All Other	\$175,000
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1 Provides funds for computer software and
2 contract services to update the State of
3 Maine Assessment Manual.

5 DEPARTMENT OF FINANCE
6 TOTAL \$175,000

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8 TOTAL APPROPRIATIONS \$181,020

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10 **Emergency clause.** In view of the emergency cited in the
11 preamble, this resolve shall take effect when approved.

12 **STATEMENT OF FACT**

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14 This resolve establishes the Commission to Study Problems
15 with the Municipal Assessment and Collection of Property Taxes.
16 The general purpose is to study taxpayers' dissatisfaction with
17 property taxes to find the reasons for property taxpayers'
18 frustrations and the causes of local anti-property tax pressures.
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