

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 368, L.D. 499, Bill, "An Act to Prohibit Local Assessors from Using the Phantom House Lot Method of Valuation"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 36 MRSA c. 105, sub-c. V-A is enacted to read:

SUBCHAPTER V-A

UNDEVELOPED LAND VALUATION

§721. Purpose

In order to encourage a more uniform and accurate approach to the local valuation of undeveloped land, this subchapter provides assessors with a benchmark value of undeveloped land in the region within which their local jurisdiction is located, and requires assessors to establish the basis for deviations from this benchmark value.

§722. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Assessor. "Assessor" means the State Tax Assessor with respect to the unorganized territory and the respective municipal assessors with respect to the organized areas.

2. Parcel. "Parcel" means contiguous land under the same ownership uninterrupted by intervening ownership, except for roads, rights-of-way or easements.

1 3. Undeveloped land. "Undeveloped land" means land without
2 improvements or structures, and does not include waterfront
3 acreage or areas zoned or in some stage of development, or
4 commercial, industrial or development districts.

5
6 §723. Applicability

7
8 This subchapter shall have mandatory application to parcels
9 consisting of at least 5 acres of undeveloped land. The approach
10 to valuing the undeveloped land applies exclusively to the
11 portion of the parcel determined to be undeveloped land.

12
13 §724. Base land values

14 The Bureau of Taxation shall annually, before March 1st,
15 establish by rule base land values for undeveloped land by region
16 for the entire State. One base value per region will be
17 established. The values established by March 1st are to apply to
18 the tax year based on the status of property as of April 1st of
19 the same calendar year. Regions will be determined by the Bureau
20 of Taxation and shall not divide minor civil divisions. The
21 availability of adequate sales data and locational relationships
22 shall be considered in determining regions. The base land value
23 for undeveloped land by region will be the mean value per acre
24 computed from sales data for the region.

25
26 §725. Sales data

27
28 The sales data for use in determining the mean value per
29 acre will be obtained from declaration of value forms
30 transmitted, pursuant to section 4641-D, to the Bureau of
31 Taxation. Sales occurring during the 3-year period ending June
32 30th of the year prior to the March 1st deadline are to be
33 considered. Based on information provided to the Bureau of
34 Taxation, only sales which meet the following criteria are to be
35 included in determining the mean value per acre:

36
37 1. Forty-acre parcels or larger. Sales of parcels of 40
38 acres or more;

39
40 2. No buildings or improvements. Sales of parcels without
41 buildings or improvements to the land;

42
43 3. "Arm's length" transactions. Sales of parcels occurring
44 at "arm's length" only; and

45
46 4. No subdivision, development or speculative resale.
47 Sales of parcels known or expected to result in subdivision,
48 development or speculative resale for either purpose.
49

1 §726. Valuation of land

3 In determining the just value of undeveloped land, an
5 assessor is to consider the base land value for the region. If
7 an assessor finds that the just value of undeveloped land for any
9 or all parcels containing at least 5 acres of undeveloped land
11 within the local tax jurisdiction is different from the base land
13 value, the assessor has the burden of establishing a reasonable
15 alternative analysis of value to arrive at just value for the
17 local jurisdiction. Such analysis is to be in writing and
19 available for public inspection. When used for assessment
21 purposes, the base land value is to be applied only to the
23 portion of the parcel which is undeveloped. The assessor is to
25 determine those areas of a parcel which are undeveloped land;
27 areas which are associated with improvements or structures are to
29 be excluded. The assessment book, or property record cards if
utilized by the jurisdiction, shall indicate that amount of any
parcel which is determined to be undeveloped land.

21 **Sec. 2. Effective date.** This Act shall take effect with regard
23 to property tax years based on the status of property as of April
25 1, 1990, or thereafter.'

27 **STATEMENT OF FACT**

29 This amendment enacts a workable method of establishing the
local valuation of undeveloped land.

Reported by the Committee on Taxation
Reproduced and distributed under the direction of the Clerk of the
House
6/14/89 (Filing No. H-528)