

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 1502

H.P. 1080

House of Representatives, May 5, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative SEAVEY of Kennebunkport.

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STATE OF MAINE

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

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An Act Concerning the State Valuation Procedure.

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

3 **36 MRSA §385** is enacted to read:

5 **§385. Waterfront and nonwaterfront property; state valuation**

7 **1. Definitions.** As used in this section, unless the  
context otherwise indicates, the following terms have the  
9 following meanings.

11 **A. "Waterfront property"** means land involving water  
frontage and structures used or suitable for use as a place  
13 of residence either on a full-time or seasonal basis.

15 **B. "Nonwaterfront property"** means land not involving water  
frontage and structures used or suitable for use as places  
17 of residence either on a full-time or seasonal basis.

19 **2. Valuation; waterfront and nonwaterfront property.** The  
state valuation of waterfront and nonwaterfront property shall be  
21 based upon an annual sales ratio study or studies of the sales  
prices and assessed values of all transfers of developed property  
23 in these particular categories. This sales ratio study or  
studies must involve all transfers of real property which have  
25 occurred within that municipality beginning July 1st preceding the  
tax year being studied, and running through the following June  
27 30th. A minimum of 12 usable sales or transfers is required for  
the overall sales ratio studies, and, in instances where  
29 sufficient sales data is not available within the current year,  
the previous year's sales data must be utilized. In those cases  
31 where the 2nd year's sales data does not produce the required 12  
samples, actual on-site appraisals shall be conducted by the  
33 field personnel, using the assessment manual as published by the  
Bureau of Taxation.

35  
37 In those instances where a parcel count of developed land and  
buildings indicates a proper weighting of the waterfront and  
nonwaterfront properties, or samples, within the overall land and  
39 building average ratio study, the resulting average ratio shall  
be utilized for the state valuation. In those instances where  
41 the parcel count indicates an improper weighting of samples, the  
individual assessment ratios from the waterfront and  
43 nonwaterfront ratio studies shall be utilized for the state  
valuation. If the waterfront and nonwaterfront ratios are used  
45 for the state valuation, a minimum of 8 usable sales or  
appraisals is required for each sales ratio study.

47  
49 **3. Sales data; procedures.** The sales data to be used in  
the studies must be screened by the municipal assessors and the  
bureau field personnel to ensure that only samples which are  
51 representative of fair market value are included in the study.

1 The mathematical procedures for developing the sales ratio study  
are as follows.

3  
5 A. The assessed value of each parcel of property which has  
been transferred is divided by the sales price to produce an  
assessment ratio for that particular parcel.

7  
9 B. The individual assessment sales ratios are arranged in  
ascending order, from the lowest ratio to the highest ratio,  
and the top and bottom quarters are eliminated.

11  
13 C. The individual assessment ratios contained within the  
central portion, or middle 50% of the study, are totaled and  
divided by the number of transfers contained within this  
15 middle 50% to produce an average ratio.

17 4. Municipal valuation. The total municipal valuation or  
valuations for waterfront and nonwaterfront properties is  
19 projected to the state valuation by the average corresponding  
ratio for developed properties produced in the sales ratio  
21 studies. In those instances where the municipal assessors have  
adjusted the assessment of individual properties directly to the  
23 sales prices, as indicated on the declaration of value, without  
making similar adjustments in other properties in the  
25 municipality, the assessments contained in the municipal  
valuation for the year prior to the year being studied may be  
27 utilized for sales ratio purposes. Sales data for sales, which  
have occurred after the sales period being studied, may be used  
29 in these instances.

31  
33 **STATEMENT OF FACT**

35 This bill establishes valuation standards for waterfront and  
nonwaterfront property.