MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1484

S.P. 564

In Senate, April 11, 1991

Reference to the Committee on Taxation suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator SUMMERS of Cumberland (BY REQUEST). Cosponsored by Representative PENDLETON of Scarborough.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY-ONE

RESOLUTION, Proposing an Amendment to the Constitution of Maine Defining "Just Value".



52	date. Resolved: That the municipal officers of this
50	Constitutional referendum procedure; form of question; effective
48	; and be it further
46	G. The Legislature may enact legislation to carry out the purposes of this subsection.
44	territory must be treated as if it were one municipality.
42	F. For the purposes of this subsection, the unorganized
40	drawn on a special fund drawn from the collection of sales and income taxes.
38	E. Funds granted by the State under paragraph D must be
	based on greatest need or order of importance.
34 36	majority vote of its registered voters, subject to for review and approval by the Legislature. Such additional amounts must be granted by the Legislature upon approval,
32	D. A municipality may raise an additional amount by
30	statewide property tax mill rates must be applied to all taxable property that is assessed at just value.
28	C. Beginning with property taxes assessed in 1994, the
26	a lower mill rate for real estate not used for residential or business purposes.
24	B. By January 1, 1994, and annually thereafter, the State shall establish statewide property tax mill rates, including
22	A. By July 1, 1993, all property must be valued at 100% of just value.
20	
10	authority of this State.
18	5. Uniform property tax mill rates. The following provisions apply to taxes on real and personal estate assessed by
16	
14	Constitution, Art. IX, §8, sub-§5 is enacted to read:
12	cost made since that sale.
12	Consumer Price Index for each year since that sale and further adjusted by the value added by improvements exceeding \$500 in
10	"Just value" for real property is defined as the most recent arms-length sale price of the real property adjusted by the
8	paragraph to read:
6	further amended by adding after the first paragraph a new
4	Constitution, Art. IX, §8, as amended by CR 1983, c. 5, is
	amendment to the Constitution of Maine be proposed:
2	Constitutional amendment. RESOLVED: Two thirds of each branch of the Legislature concurring, that the following

State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, at a statewide election, on the Tuesday following the first Monday of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

"Shall the Constitution of Maine be amended to define 'just value' as the most recent arms-length sale price of real property adjusted by the Consumer Price Index and by the value added by improvements exceeding \$500 in cost; and further amended to provide for uniform property tax mill rates including a lower rate for real estate not used for residential or business purposes?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within the corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution on the date of the proclamation; and be it further

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purposes of this referendum.

STATEMENT OF FACT

The Maine Supreme Court has defined "just value" as equivalent to fair market value as determined by reasonable arms-length transactions. This means that when one property or group of properties is sold at what may be an inflated price, all properties in a town are increased in assessed valuation. This resolution proposes an amendment to the Constitution of Maine to define "just value" as the price last paid for a given property plus adjustment for inflation and for improvements. In this way, the assessed value of one home would not change because an inflated or unrealistic price was paid for another home.

This resolution also proposes an amendment to provide for uniform property tax mill rates, including a lower rate for real property such as woodlands or unused farm lands not used for residential or business purposes. A municipality raising

additional funds by majority vote of its voters would apply to
the Legislature for review and approval. Additional amounts
would be granted by the State based on the greatest need or order
of importance and would be drawn on a special fund from the
collection of sales and income taxes.