

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

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Legislative Document

No. 1484

S.P. 564

In Senate, April 11, 1991

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

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

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STATE OF MAINE

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

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

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

8  
10 "Shall the Constitution of Maine be amended to define 'just  
value' as the most recent arms-length sale price of real  
12 property adjusted by the Consumer Price Index and by the  
value added by improvements exceeding \$500 in cost; and  
14 further amended to provide for uniform property tax mill  
rates including a lower rate for real estate not used for  
residential or business purposes?"

16  
18 The legal voters of each city, town and plantation shall  
vote by ballot on this question, and shall designate their choice  
20 by a cross or check mark placed within the corresponding square  
below the word "Yes" or "No." The ballots must be received,  
22 sorted, counted and declared in open ward, town and plantation  
meetings and returns made to the Secretary of State in the same  
24 manner as votes for members of the Legislature. The Governor  
shall review the returns and, if it appears that a majority of  
26 the legal votes are cast in favor of the amendment, the Governor  
shall proclaim that fact without delay and the amendment becomes  
28 part of the Constitution on the date of the proclamation; and be  
it further

30 **Secretary of State shall prepare ballots. Resolved:** That the  
Secretary of State shall prepare and furnish to each city, town  
32 and plantation all ballots, returns and copies of this resolution  
necessary to carry out the purposes of this referendum.  
34

#### 36 STATEMENT OF FACT

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

48  
50 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  
52 residential or business purposes. A municipality raising

2 additional funds by majority vote of its voters would apply to  
the Legislature for review and approval. Additional amounts  
4 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.