

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

Legislative Document

No. 1762

H.P. 1206

House of Representatives, May 1, 1991

Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative LIPMAN of Augusta.

Cosponsored by Representative PENDEXTER of Scarborough, Representative DiPIETRO of South Portland and Representative DAGGETT of Augusta.

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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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**An Act to Require the State to Compensate Municipalities for the Loss  
of Tax Revenue as a Result of the State Taking Real Property.**

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

4 36 MRSA §662 is enacted to read:

6 §662. Compensation for takings

8 The Treasurer of State shall compensate each municipality  
10 and, where applicable, the Unorganized Territory Education and  
12 Services Fund established in chapter 115 for the property tax  
14 revenue loss suffered by that municipality or the fund during the  
16 previous calendar year as a result of the taking of real property  
18 by the State. "Taking," as used in this section, means the  
20 acquisition of real property on behalf of the State through the  
22 exercise or threatened exercise of the power of eminent domain by  
any department, board, commission or other agency of State  
Government resulting in tax-exempt status under section 651,  
subsection 1, paragraph B but does not include negotiated  
purchases in which the power of eminent domain is not a factor,  
gifts to the State or condemnation by municipalities or other  
local political or quasi-municipal entities. The property tax  
revenue loss must be determined pursuant to the following  
procedure.

24 1. Filing claim. If a municipality suffers property tax  
26 revenue loss as a result of the taking of real property by the  
28 State after April 1, 1992, it may file a claim for reimbursement  
by November 1st of the following year with the State Tax Assessor  
on the form prescribed by the State Tax Assessor in section 383.  
The form must contain the following information:

30 A. The total amount of property taxes levied by the  
32 municipality in the previous calendar year;

34 B. The valuation of the property taxed by the municipality  
36 which resulted in paragraph A; and

38 C. The valuation of the property that is exempt as a result  
40 of the taking of real property by the State after April 1,  
42 1992. This valuation, for the year in which the taking  
44 occurs, must be based on the amount determined by the taking  
agency or modified on appeal as the compensation for the  
taking to which the owner of the real property is entitled  
and for any subsequent year must be based on the current use  
of the real property.

46 2. Valuation. The State Tax Assessor shall add the  
48 valuation as determined in subsection 1, paragraph B to the  
50 valuation as determined in subsection 1, paragraph C and divide  
the sum into the figure determined in subsection 1, paragraph A  
and for the unorganized territory of the State shall make a like  
computation.

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3. Amount of tax revenue loss. The State Tax Assessor shall apply the rate in subsection 2 to the valuation of the exempt property to determine the amount of tax revenue loss and shall certify that amount to the Treasurer of State as the amount of compensation to be paid to the municipality or the fund.

4. Payment. The Treasurer of State shall include the total amount of compensation certified annually by the State Tax Assessor in the annual state budget and the amount due each municipality or the fund must be paid from the General Fund by December 15th of the year following the year in which property tax revenue was lost by the municipality or the fund.

**STATEMENT OF FACT**

The purpose of this bill is to require the State to compensate municipalities or the unorganized territory for the loss of tax revenue as a result of the State taking real property by eminent domain.