

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 557

S.P. 165

In Senate, February 18, 1993

An Act to Further Define the Just Value of Residential Property.

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 VOSE of Washington.

Cosponsored by Representatives: LOOK of Jonesboro, TOWNSEND of Eastport.

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

2
4 Sec. 1. 36 MRSA §701-A as amended by PL 1985, c. 764, §13,
is further amended to read:

6 **§701-A. Just value defined**

8 In the assessment of property, assessors in determining just
10 value are to define this term in a manner which that recognizes
12 only that value arising from presently possible land use
14 alternatives to which the particular parcel of land being valued
16 may be put. In determining just value, assessors must consider
18 all relevant factors, including without limitation, the effect
upon value of any enforceable restrictions to which the use of
the land may be subjected, current use, physical depreciation,
functional obsolescence, and economic obsolescence. Restrictions
shall must include but are not limited to zoning restrictions
limiting the use of land, subdivision restrictions and any
recorded contractual provisions limiting the use of lands.
20 Assessors may not consider the sales price of residential real
22 property to persons not resident in Maine as this is not deemed
land is deemed to arise from and is attributable to legally
permissible use or uses only.

26 Sec. 2. 36 MRSA §1181, 2nd ¶, as repealed and replace by PL
1977, c. 509, §30, is amended to read:

28 In fixing the valuation of unorganized townships, whenever
30 practicable the lands and other property therein of any owners
shall must be valued and assessed separately. When using sales
32 prices as an element of valuation of residential property in the
34 unorganized territory, the State Tax Assessor may not consider
sales to persons not resident in Maine, as this information is
36 deemed not relevant to valuation. When the soil of townships or
tracts taxed by the State as land in unorganized territory is not
owned by the person or persons who own the growth or part of the
38 growth thereon, the State Tax Assessor shall value the soil and
such growth separately for purposes of taxation.

40
42 **STATEMENT OF FACT**

44 This bill prohibits the consideration of sales prices of the
46 same or comparable property when making valuations for tax
assessment purposes, if the sale was to a non-Maine resident.
48 The use of such sales unfairly affects the valuation of certain
property because real estate values in other areas may be much
higher and therefore out-of-line with Maine market value.