

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 587

S.P. 198

In Senate, January 21, 1999

An Act to Ameliorate Penalties for Late Filing of Municipal Tax Returns.

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 MILLS of Somerset.

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

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4 **Sec. 1. 36 MRSA §383**, as amended by PL 1989, c. 857, §75, is repealed and the following enacted in its place:

6 **§383. Assessors' annual return to State Tax Assessor**

8 **1. Annual return.** The municipal assessors and the assessors of primary assessing areas shall make and return lists, which must be seasonably furnished by the State Tax Assessor for that purpose, all such information as to the assessment of property and collection of taxes as may be needed in the work of the State Tax Assessor, including annually the land value, exclusive of buildings and all other improvements, and the valuation of each class of property assessed in their respective jurisdictions, with the total valuation and percentage of taxation, together with a statement to the best of their knowledge and belief of the ratio, or percentage of current just value, upon which the assessments are based and itemized lists of property upon which the towns have voted to affix values for taxation purposes.

22 **2. Assessment ratio.** The State Tax Assessor may establish procedures and adopt rules, in accordance with the Maine Administrative Procedure Act, designed to ensure that the ratio certified by the municipal assessors or the assessors of primary assessing areas is accurate within 20% of the state valuation ratio last determined, unless adequate evidence is presented to the State Tax Assessor by the municipalities to justify a different assessment ratio.

32 **3. When due.** The return and lists required by subsection 1 must be returned to the State Tax Assessor no later than November 1st, annually, or 30 days after commitment of taxes, whichever is later.

36 **4. Penalty for late filing.** If the complete return and lists required by this section are not filed on time, the State Tax Assessor shall impose a penalty to be deducted from any state funds otherwise payable to the municipality or primary assessing area. For municipalities or assessing areas with populations of fewer than 2,000 persons, the penalty is \$50 for the first late day plus \$10 for each late day thereafter. For those municipalities or assessing areas with populations greater than 2,000 persons, the penalty is \$100 for the first late day plus \$20 for each late day thereafter.

48 **Sec. 2. 36 MRSA §578, sub-§1**, as amended by PL 1997, c. 24, Pt. C, §4 and affected by §18, is further amended by amending the 50 2nd blocked paragraph to read:

2 ~~In tax years beginning on or after April 1, 1988, the~~ The State
4 Tax Assessor shall determine annually the amount of acreage in
6 each municipality that is classified and taxed in accordance with
8 this subchapter. A municipality actually levying and collecting
10 municipal property taxes and within whose the boundaries of which
12 ~~April 1, 1988, the per acre reimbursement amount increases from~~
14 ~~15¢ to 24¢.~~ For property tax years based on the status of
16 property on April 1, 1989 or thereafter, the per acre
18 reimbursement is 90% of the per acre tax revenue lost as a result
20 of this subchapter. For purposes of this section, the tax lost
22 is the tax that would have been assessed, but for this
24 subchapter, on the classified forest lands if they were assessed
26 according to the undeveloped acreage valuations used in the state
28 valuation then in effect, or according to the current local
30 valuation on undeveloped acreage, whichever is less, minus the
32 tax that was actually assessed on the same lands in accordance
34 with this subchapter. A municipality that fails to achieve the
minimum assessment ratio established in section 327 loses 10% of
the reimbursement provided by this section for each one
percentage point the minimum assessment ratio falls below the
ratio established in section 327. If a complete annual return,
including an application for reimbursement under this paragraph,
is not filed when due, the reimbursement must be reduced by the
unpaid portion of the penalty imposed under section 383. If a
complete return and application are not filed by May 1st of the
year following the year for which the return is due, no
reimbursement under this paragraph may be paid except as a credit
against the penalty imposed under section 383.

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SUMMARY

This bill provides that the State Tax Assessor shall impose
on a municipality a penalty to be deducted from any state funds
otherwise payable to the municipality if the municipality files
late the annual return and lists required by the Maine Revised
Statutes, Title 36, section 383. The penalty for municipalities
with a population of less than 2,000 is \$50 for the first late
day and \$10 for each day thereafter. The penalty for
municipalities with a population of more than 2,000 is \$100 for
the first day and \$20 for each late day thereafter.