

# MAINE STATE LEGISLATURE

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L.D. 1916

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1333, L.D. 1916, Bill, "An Act Concerning the Regulation and Treatment of Time-shares"

Amend the bill in section 1 by striking out all of the amending clause (page 1, line 3 in L.D.) and inserting in its place the following:

'Sec. 1. 33 MRSA §592, sub-§7 is enacted to read:'

Further amend the bill in section 1 by striking out all of subsection 8 (page 3, lines 1 to 17 in L.D.)

Further amend the bill by striking out all of sections 2 and 3 and inserting in their place the following:

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

In the assessment of property, assessors in determining just value are to define this term in a manner which that recognizes only that value arising from presently possible land use alternatives to which the particular parcel of land being valued may be put. In determining just value, assessors must consider 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, sales in the secondary market, functional obsolescence, and economic obsolescence. Restrictions shall include but are not limited to zoning restrictions limiting the use of land, subdivision restrictions and any recorded contractual provisions

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limiting the use of lands. The just value of land is deemed determined to arise from and is attributable to legally permissible use or uses only.

**Sec. 3. 36 MRSA §4641, sub-§3**, as amended by PL 1993, c. 398, §1, is further amended to read:

**3. Value.** "Value" means the amount of the actual consideration therefor, except that in the case of a gift, or a contract or deed with nominal consideration or without stated consideration, "value" is to be based on the estimated price a property will bring in the open market and under prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels.

"Value" does not include the amount of consideration attributable to vacation exchange rights, vacation services or club memberships or the costs associated with those rights, services or memberships. Upon request of a municipal assessor or the State Tax Assessor, a developer of a time-share estate, as defined in Title 33, section 591, subsection 7, or an association of time-share estate owners shall provide an itemized schedule of fees included in the sales price of a time-share estate.'

Further amend the bill by inserting at the end before the summary the following:

#### **'FISCAL NOTE**

This bill may result in a reduction of General Fund revenue and dedicated revenue to the Housing Opportunities for Maine Fund from the real estate transfer tax as a result of past overpayments related to sales of time-shares. To the extent that these past overpayments have inflated the base revenue upon which current revenue projections are built, budgeted revenues may be overstated. This clarification of value with respect to the real estate transfer tax and sales of time-shares may reduce future tax collections. The amounts can not be determined at this time.'

#### **SUMMARY**

This amendment removes provisions from the bill relating to authority to convey time-share estates prior to completion of the project and replaces provisions relating to property taxes. The amendment adds a provision directing assessors to consider sales in the secondary market in determining the just value of property and provides that the value of property for purposes of the real

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2 estate transfer tax does not include the amount of consideration  
attributable to vacation exchange rights, vacation services or  
4 club memberships and associated costs. The amendment requires a  
time-share developer or association of time-share owners to  
6 provide, on request, an itemized schedule of fees included in the  
sales price. The amendment also adds a fiscal note.