

MAINE STATE LEGISLATURE

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R.S.

L.D. 938

DATE: 3-5-04

(Filing No. H-740)

MINORITY TAXATION

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10 Reproduced and distributed under the direction of the Clerk of
12 the House.

14 STATE OF MAINE
16 HOUSE OF REPRESENTATIVES
18 121ST LEGISLATURE
20 SECOND SPECIAL SESSION

22 COMMITTEE AMENDMENT "A" to H.P. 695, L.D. 938, "RESOLUTION,
24 Proposing an Amendment to the Constitution of Maine To Change the
26 Assessment of Lands Used for Long-term Ownership"

28 Amend the resolution by striking out the title and
30 substituting the following:

32 'RESOLUTION, Amending the Constitution of Maine To Change the
34 Method of Calculating the Way Property Is Valued To Preserve Home
36 Ownership in Maine'

38 Further amend the resolution on page 1 by striking out all
40 of lines 5 to 40 and inserting in their place the following:

42 'Constitution, Art. IX, §8, sub-§6 is enacted to read:

44 6. Assessment and taxation of real property beginning April
46 1, 2005. Beginning with taxes based on the status of property on
48 or after April 1, 2005, all taxes on real property subject to
50 taxation in the State must be assessed based on the base property
value of the property. For purposes of this subsection, "base
property value" means the just value of the property on April 1,
2004 or on the April 1st preceding the date on which the owner
acquired the property, whichever is later, as adjusted under this
subsection. Unless there is a change in ownership of the
property, the base property value on each April 1st may be
adjusted only:

A. By the actual increase in just value or the same
percentage as the percentage increase in the Consumer Price
Index since the last valuation of the property, whichever is
lower; and

COMMITTEE AMENDMENT

2 B. To reflect the just value of any improvements or
 4 degradations to the property since the previous assessment.
 6 If there is a change in ownership of the property, the base
 8 property value must be adjusted to the just value of the
 10 property on the April 1st preceding the change of ownership
 or the purchase price, whichever is higher, and is subject
 to subsequent adjustment as provided in this subsection.
 The Legislature may enact legislation to provide for the
 administration of this subsection.'

12 Further amend the resolution on page 2 by striking out all
 14 of lines 4 to 9 and inserting in their place the following:

16 'Do you favor amending the Constitution of Maine to
 18 require that property taxes on real property be based on the
 20 just value of the property on April 1, 2004 as adjusted for
 22 inflation, unless the property is transferred, in which case
 the property taxes would be based on the purchase price or
 the just value on the preceding April 1st, whichever is
 higher?" '

SUMMARY

26 This amendment is the minority report of the committee. It
 28 provides for amending the Constitution of Maine to establish a
 30 different method of valuing real property for purposes of the
 32 property tax beginning April 1, 2005. Property taxes would be
 34 based on the just value of the property on April 1, 2004, as
 adjusted for inflation. If the real property is transferred, the
 value would be adjusted to reflect the purchase price or the just
 value of the real property on the preceding April 1st, whichever
 is higher.

36
 38 **FISCAL NOTE REQUIRED**
 (See attached)

121st Maine Legislature
Office of Fiscal and Program Review



LD 938

RESOLUTION, Proposing an Amendment to the Constitution of Maine
to Change the Assessment of Lands Used for Long-term Ownership

LR 1832(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Minority Report

Fiscal Note

Current biennium cost increase - General Fund

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-04	General	Referendum	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions increases the ballot length, an additional appropriation of \$8,000 or more may be required.

Fiscal Detail and Notes

If this constitutional resolution is approved by the voters and becomes effective, its implementation would produce a property tax burden shift among property owners within municipalities.