

MAINE STATE LEGISLATURE

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2015

L.D. 2

DATE: 4/12/06

(Filing No. H-1015)

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TAXATION
Minority

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "D" to H.P. 7, L.D. 2, "RESOLUTION, Proposing an Amendment to the Constitution of Maine To Limit the Rate of Change in Taxable Value of Homestead Land"

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

'RESOLUTION, Proposing an Amendment to the Constitution of Maine To Limit the Rate of Change in Taxable Value of Homestead Property'

Further amend the resolution by striking out all of subsection 6 (page 1, lines 7 to 26 in L.D.) and inserting in its place the following:

'6. Valuation of homestead property. Beginning with taxes based on the status of property on or after April 1, 2008, a municipality shall assess the taxable value of homestead land based on the base property value of the land. A municipality may assess the taxable value of other homestead real property based on the base property value of that property.

For the purposes of this subsection, "homestead land" and "homestead real property" mean, as applicable, land or real property that is exclusively and continuously owned by one or more residents of the State while the land or real property remains the principal home of each owner.

For the purposes of this subsection, "base property value" means the just value of the property on April 1, 2008 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 of ownership or a change of use of the

COMMITTEE AMENDMENT

property, the base property value on each April 1st may be adjusted only to reflect the just value of any improvements or degradations to the property since the last assessment and by the lower of the actual increase in just value and the same percentage as the percentage increase in the Consumer Price Index compiled by the United States Department of Labor, Bureau of Labor Statistics since the last valuation of the property. When there is a change in ownership or use of the property, the base property value must be adjusted to the just value of the property on the April 1st preceding the change of ownership.

Changes in ownership or use of the property must result in the imposition of a minimum penalty equal to the tax that would have been imposed over the 5 years preceding the change of ownership or use had the property not been subject to a limitation on taxable value under this subsection, less all taxes paid on the property over the preceding 5 years, and interest.

The Legislature may enact legislation to provide for administration of this subsection.'

Further amend the resolution in the 4th indented paragraph after the title in the 5th and 6th lines (page 1, lines 35 and 36 in L.D.) by striking out the following: "statewide election, at a statewide election, on the Tuesday following the first Monday" and inserting in its place the following: 'general election, at the next general election in the month'

Further amend the resolution by striking out all of the question (page 1, lines 40 to 44 in L.D.) and inserting in its place the following:

'"Do you favor amending the Constitution of Maine to permit limiting the increase in taxable value of homestead property?"'

SUMMARY

This amendment proposes to amend the Constitution of Maine to cap homestead land valuation at the current just value, maintained by Maine courts to be market value, of the property. It permits municipalities to further cap the just value of other homestead real property, such as the house on the homestead land. It permits increases in capped valuation only to capture improvements or degradations to the property of inflation, whichever change in valuation is lower. Upon change in ownership or to a nonhomestead use, the property must be reassessed at current just value and a penalty must be assessed equal to the

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2 property tax that would have been imposed over the preceding 5
years minus property taxes paid over the period, plus interest.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 2

LR 0329(08)

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Limit the Rate of Change in Taxable Value of Homestead Land

Fiscal Note for Bill as Amended by Committee Amendment "D"

Committee: Taxation

Fiscal Note Required: Yes

Majority Report

Fiscal Note

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-06	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.