

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2006

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Legislative Document

No. 1796

S.P. 713

In Senate, December 30, 2005

### **An Act To Ensure the Continued Viability of Affordable Housing**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 28, 2005. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 218.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator PERRY of Penobscot.

Cosponsored by Representative CLOUGH of Scarborough and

Senator: STRIMLING of Cumberland, Representatives: HUTTON of Bowdoinham, LERMAN of Augusta, MILLER of Somerville, WATSON of Bath.

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

4 **Sec. 1. 36 MRSA §701-A**, as amended by PL 1999, c. 478, §2, is  
repealed and the following enacted in its place:

6 **§701-A. Just value defined**

8 **1. Determination of just value.** In the assessment of  
property, assessors in determining just value are to define this  
10 term in a manner that recognizes only that value arising from  
presently possible land use alternatives to which the particular  
12 parcel of land being valued may be put. In determining just  
value, assessors must consider all relevant factors. The just  
14 value of land is determined to arise from and is attributable to  
legally permissible use or uses only.

16 For purposes of this section, "relevant factors" includes,  
18 without limitation, the effect upon value of any enforceable  
restrictions to which the use of the land may be subjected,  
20 current use, physical depreciation, sales in the secondary  
market, functional obsolescence and economic obsolescence. For  
22 purposes of this section, "enforceable restrictions" includes,  
without limitation, zoning restrictions limiting the use of the  
24 land, subdivision restrictions and any recorded contractual  
provisions limiting the use of the land.

26 **2. Valuation of certain unimproved acreage.** For the  
28 purpose of establishing the valuation of unimproved acreage in  
excess of an improved house lot, contiguous parcels and parcels  
30 divided by a road, power line or right-of-way may be valued as  
one parcel when each parcel is 5 or more acres, the owner gives  
32 written consent to the assessor to value the parcels as one  
parcel and the owner certifies that the parcels are not held for  
34 sale and are not subdivision lots.

36 **3. Low-income housing.** For the purpose of establishing the  
valuation of land and improvements on that land constituting  
38 housing acquired, rehabilitated or constructed using the federal  
low-income housing tax credit authorized by the Code, Section 42,  
40 including all relevant factors and enforceable restrictions, the  
presence of intangible assets or rights, including, but not  
42 limited to, contracts and agreements, government subsidies, tax  
credits and permits and licenses, may not be included in  
44 determining the value of such housing.

46 **SUMMARY**

48 This bill excludes from valuation for property tax  
50 assessment purposes intangible assets or rights, such as

2 contracts and agreements, government subsidies, tax credits and  
permits and licenses, found in housing that is acquired,  
4 rehabilitated or constructed using the federal low-income housing  
credit.