

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 961

H.P. 721

House of Representatives, March 1, 2007

An Act To Authorize an Alternative Calculation of the Property Growth Factor for Industrial Municipalities

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative THERIAULT of Madawaska.
Cosponsored by Senator MARTIN of Aroostook and
Representatives: BLANCHARD of Old Town, CARTER of Bethel, CLARK of Millinocket,
GIFFORD of Lincoln, PATRICK of Rumford, PEOPLES of Westbrook, PINEAU of Jay,
Senator: BRYANT of Oxford.

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

2 **Sec. 1. 30-A MRSA §5721-A, sub-§1, ¶C**, as enacted by PL 2005, c. 2, Pt. C,
3 §1 and affected by §§3 and 5 and c. 12, Pt. WW, §16, is amended to read:

4 C. "Property growth factor" means the percentage equivalent to a fraction
5 established by a municipality, whose denominator is the total valuation of the
6 municipality, and whose numerator is the amount of increase in the assessed
7 valuation of any real or personal property in the municipality that became subject to
8 taxation for the first time, or taxed as a separate parcel for the first time for the most
9 recent property tax year for which information is available, or that has had an
10 increase in its assessed valuation over the prior year's valuation as a result of
11 improvements to or expansion of the property. A municipality identified as having a
12 personal property growth factor that exceeds 5%, as determined pursuant to Title 36,
13 section 694, subsection 2, may calculate the property growth factor using the rolling
14 average of the 2 most recent property tax years for which information is available.

15 **SUMMARY**

16 This bill provides an alternative method for municipalities with significant amounts
17 of personal property in their tax base to calculate their property growth factor for the
18 purposes of determining their property tax levy limit under the system in Public Law
19 2005, chapter 2, also known as "LD 1." Specifically, this bill allows municipalities to
20 calculate the property growth factor either on the basis of the previous year's data or the
21 average of the 2 previous years' data in order to address the potential year-to-year
22 volatility in property growth.