

MAINE STATE LEGISLATURE

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No. 1558

H.P. 1083

House of Representatives, March 20, 2007

An Act To Improve the Process for Adjustment for Sudden and Severe Disruption of Valuation

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WOODBURY of Yarmouth.

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

2 **Sec. 1. 5 MRSA §1532, sub-§7** is enacted to read:

3 7. State valuation adjustments. The State Controller shall transfer to general
4 purpose aid for local schools within the Department of Education amounts certified by
5 the Commissioner of Education to be necessary to make the payments required under
6 Title 36, section 208-A.

7 **Sec. 2. 36 MRSA §208-A**, as amended by PL 2005, c. 332, §11, is repealed and
8 the following enacted in its place:

9 **§208-A. Adjustment for sudden and severe disruption of valuation**

10 **1. Request for adjustment.** A municipality that has experienced a sudden and
11 severe disruption in its municipal valuation may request an adjustment to the equalized
12 valuation determined by the State Tax Assessor under section 208 for the purposes of
13 calculating distributions of education funding under Title 20-A, chapter 606-B and state-
14 municipal revenue sharing under Title 30-A, section 5681. A municipality requesting an
15 adjustment under this section must file a petition, with supporting documentation, with
16 the State Tax Assessor and indicate the time period for which adjustments to distributions
17 are requested under subsection 5.

18 **2. Sudden and severe disruption.** A municipality experiences a sudden and severe
19 disruption in its municipal valuation if:

20 A. The municipality experiences an equalized net reduction in valuation of at least
21 2% from the equalized valuation that would apply without adjustment under this
22 section;

23 B. The equalized net reduction is attributable to the closure, removal, replacement,
24 retrofit, obsolescence, disaster or abatement attributable to a single taxpayer; and

25 C. The municipality's equalized tax rate of residential property exceeds the state
26 average.

27 **3. Procedure.** On receipt of a request by a municipality for adjustment under this
28 section, the State Tax Assessor shall examine the documentation provided by the
29 municipality and determine if the municipality qualifies for an adjustment under this
30 section. If the State Tax Assessor determines that a municipality qualifies for an
31 adjustment under this section, the State Tax Assessor shall calculate the amount of the
32 adjustment for the municipality by determining the amount by which the state valuation
33 determined under section 208 would be reduced as a result of the net sudden and severe
34 disruption of equalized valuation and the time period to which adjustments under
35 subsection 5 should apply. The State Tax Assessor may limit the time period or amount
36 of adjustments to reflect the circumstances of the sudden and severe loss of valuation.

37 **4. Notifications.** The State Tax Assessor shall notify the Commissioner of
38 Education and the Treasurer of State of any adjustment to state valuation determined
39 under this section and the time period to which the adjustment applies.

