

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1756

S.P. 624

March 27, 2007

### **An Act To Make Real Estate Taxation Stable, Equitable and Predictable**

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SNOWE-MELLO of Androscoggin.

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

2                                   **CONCEPT DRAFT**  
3                                   **SUMMARY**

4           This bill is a concept draft pursuant to Joint Rule 208.

5           This bill proposes to amend the property tax laws in the following ways:

6           1. Cap yearly increases in municipal spending to a percentage based upon the  
7           Consumer Price Index published by the United States Department of Labor, Bureau of  
8           Labor Statistics;

9           2. Limit tax-exempt property to 10% of the area of a municipality;

10          3. Assess equally the square footage of all land in a municipality in the same land  
11          use zone, with exceptions for land with a higher social value, such as waterfront,  
12          farmland, forest land, open space, interstate access roads and railroad land, which would  
13          receive no or a reduced tax rate or the owners of that land would receive a tax credit;

14          4. Assess equally the square footage of all buildings in the same land use zone in a  
15          municipality and with access to the same utilities, for example, public water and sewer;

16          5. If there is a budget shortfall for a fiscal year, allow a municipality to assess a  
17          budget gap adjustment that would cover the shortfall as a percentage of the combined  
18          property values in sections 3 and 4 to be applied equally among all property owners in the  
19          municipality;

20          6. Implement a homestead exemption program for certain property owners in  
21          disadvantaged circumstances, such as property owners who are low-income or 65 years  
22          of age or older or who have a physical disability; and

23          7. Enhance municipal revenues based upon the fair market value of the property by a  
24          special assessment of a percentage of the following:

25           A. The capital gains incurred when a property changes ownership or is otherwise  
26           transferred;

27           B. An increase in value when a change in property status occurs, such as the  
28           property's zoning, use, impact or connection to a utility; or

29           C. An increase in value resulting from tax increment financing or infrastructure  
30           improvements.