

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1060

S.P. 394

In Senate, March 17, 2009

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict Property Revaluations

Reference to the Committee on Taxation suggested and ordered printed.

Handwritten signature of Joy J. O'Brien in cursive.

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BLISS of Cumberland.
Cosponsored by Representative EBERLE of South Portland and
Senator: PERRY of Penobscot, Representative: PIOTTI of Unity.

1 **Constitutional amendment. Resolved:** Two thirds of each branch of the
2 Legislature concurring, that the following amendment to the Constitution of Maine be
3 proposed:

4 **Constitution, Art. IX, §7** is repealed and the following enacted in its place:

5 **Section 7. Valuation.** The valuation of real property is controlled by this
6 section.

7 **1. Change in valuation of real property.** A municipality may change the
8 valuation of real property, including any buildings on that real property, only upon a
9 change in ownership, a change in the use of the land or an expansion of the use of the
10 land to increase income. An increase in valuation due to the expansion of land use to
11 increase income is limited to the investment amount of the improvements.

12 A change in valuation pursuant to this subsection is limited to the greater of:

13 A. The just value; and

14 B. The appraised just value of the taxable real property as may be required by
15 the local tax assessor.

16 **2. Equalized just value.** The equalized just value of a municipality must be set
17 at 100%.

18 **Constitution, Art. IX, §8, first ¶** is amended to read:

19 **Section 8. Taxation.** All taxes upon real and personal estate, assessed by
20 authority of this State, shall be apportioned and assessed equally according to the just
21 value thereof, except as provided in section 7.

22 **Constitution, Art. IX, §8, sub-§6** is enacted to read:

23 **6. Taxation of change in value; paid by seller; use.** The Legislature, by proper
24 enactment, shall provide that when a change in valuation occurs pursuant to section 7,
25 the change is subject to the real estate transfer tax, if any. The tax must be paid
26 solely by the seller, allocated to the municipality in which the property is located and
27 used by that municipality only for property tax relief.

28 ; and be it further

29 **Constitutional referendum procedure; form of question; effective**
30 **date. Resolved:** That the municipal officers of this State shall notify the inhabitants
31 of their respective cities, towns and plantations to meet, in the manner prescribed by
32 law for holding a statewide election, at a statewide election held in the month of
33 November following the passage of this resolution, to vote upon the ratification of the
34 amendment proposed in this resolution by voting upon the following question:

35 "Do you favor amending the Constitution of Maine to:

- 1 1. Allow for the change in valuation of real property and the buildings on that
- 2 real property only upon a change in ownership, a change in type of land use or
- 3 the expansion of the land use to increase income;
- 4 2. Limit the change in valuation to the greater of the just value and the appraised
- 5 just value of the taxable real property as may be required by the local tax
- 6 assessor;
- 7 3. Require the equalized just value of a municipality to equal 100%; and
- 8 4. Require that the change in value be subject to the real estate transfer tax,
- 9 which must be paid solely by the seller if there is a change in ownership, or by
- 10 the owner if there is a change or expansion in land use, and require that the tax be
- 11 paid to the municipality and used only for purpose of property tax relief?"

12 The legal voters of each city, town and plantation shall vote by ballot on this
13 question and designate their choice by a cross or check mark placed within the
14 corresponding square below the word "Yes" or "No." The ballots must be received,
15 sorted, counted and declared in open ward, town and plantation meetings and returns
16 made to the Secretary of State in the same manner as votes for members of the
17 Legislature. The Governor shall review the returns. If it appears that a majority of
18 the legal votes are cast in favor of the amendment, the Governor shall proclaim that
19 fact without delay and the amendment becomes part of the Constitution of Maine on
20 the date of the proclamation; and be it further

21 **Secretary of State shall prepare ballots. Resolved:** That the Secretary of
22 State shall prepare and furnish to each city, town and plantation all ballots, returns
23 and copies of this resolution necessary to carry out the purposes of this referendum.

24 **SUMMARY**

25 This resolution proposes to amend the Constitution of Maine to:

- 26 1. Allow for the change in valuation of real property and the buildings on that
- 27 real property only upon a change in ownership, a change in type of land use or the
- 28 expansion of the land use to increase income;
- 29 2. Limit the change in valuation to the greater of the just value and the appraised
- 30 just value of the taxable real property as may be required by the local tax assessor;
- 31 3. Require the equalized just value of a municipality to equal 100%; and
- 32 4. Require that the change in value be subject to the real estate transfer tax,
- 33 which must be paid solely by the seller if there is a change in ownership, or by the
- 34 owner if there is a change or expansion in land use, and require that the tax be paid to
- 35 the municipality and used only for purpose of property tax relief.

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