

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **RESOLUTION, Proposing an Amendment to the Constitution of Maine To Reform Property Taxes by Limiting Increases**

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

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

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

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

**6. Base property value.** Beginning with taxes based on the status of property on or after April 1, 2008, taxes on real property subject to taxation in the State must be assessed based on the base property value of the property. For purposes of this subsection, “base property value” means the just value of the property on April 1, 2008 or on the April 1st preceding the date on which the owner acquired the property, whichever is later, as adjusted under this subsection. Unless there is a change of ownership of the property, the base property value on each April 1st must be adjusted only to reflect the just value of any improvements or degradations to the property since the last assessment and by the lower of the actual increase in just value and the same percentage as the rate of inflation as determined using a common index of consumer prices published by the Federal Government since the last valuation of the property. When there is a change of ownership of the property, the base property value must be adjusted to the just value of the property on the April 1st preceding the change of ownership or the purchase price, whichever is higher. The Legislature may enact legislation to provide for the administration of this subsection.

; and be it further

**Constitutional referendum procedure; form of question; effective date.**

**Resolved:** That the municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, at a statewide election held in the month of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

“Do you favor amending the Constitution of Maine to base the taxation of real property on the just value of property as of April 1, 2008 and to limit increases in the assessed value of property to the lower of the rate of inflation and the actual increase in value of property, unless there is a change of ownership?”

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within the corresponding square below the word “Yes”

or “No.” The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution of Maine on the date of the proclamation; and be it further

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

### SUMMARY

This resolution proposes to amend the Constitution of Maine to establish the base property value for real property as the just value of the property as of April 1, 2008. Increases in the value of real property are limited to the just value of any improvements or degradations to the property and the lower of the rate of inflation and the actual increase in value of the real property, unless there is a change of ownership. If there is a change of ownership, the value of the property may be changed to the higher of the actual purchase price and the just value of the property on the April 1st preceding the change in ownership.