

SEN. MARTIN'S AMENDMENT TO LD 382 (CONCEPT DRAFT BILL)

Replace bill title with following:

“An Act to Provide Fair and Predictable Property Taxation for Landowners in the Unorganized Territory”

Replace bill with following:

Emergency preamble. **Whereas**, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, many residents of the unorganized territory in the State are facing substantial increases in property taxes as a result of recent property revaluations and are struggling to satisfy such an increased tax burden; and

Whereas, the changes in this legislation will provide for a fair and predictable revaluation of such property in the unorganized territory and address the economic burden placed on residents of the unorganized territory who are facing substantial property tax increases; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. **36 MRSA §509** is enacted to read:

§509. Valuation, revaluation and assessment of real and personal property in unorganized territory

Notwithstanding any provision of this chapter or other provision of law to the contrary, beginning April 1, 2026:

1. Freeze in valuation; 2024 tax year. The valuation of all real and personal property in the unorganized territory shall remain at or revert to the valuation for that property as of April 1, 2024 and may not be adjusted other than as provided in subsection 2;

2. Revaluation cycle. The State Tax Assessor shall conduct a revaluation of all real and personal property in the unorganized territory once every 10 years beginning with the 2030 tax year; and

3. Assessment procedures. The assessment procedures for all real and personal property in the unorganized territory must be consistent with the provisions of this section.

The provisions of this section must be applied uniformly to all parcels and property in the unorganized territory. Beginning April 1, 2026, any municipal ordinance or regulation, or

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portion of such ordinance or regulation, that conflicts with this section is void and has no force or effect.

Sec. 2. 36 MRSA §1602, sub-§2 is amended to read:

2. Computation and determination of tax. The tax shall be computed and apportioned on the basis of the State Tax Assessor's determination of the value of that property, provided that, notwithstanding any provision of this chapter or other provision of law to the contrary, beginning April 1, 2026, the valuation of all real and personal property in the unorganized territory shall remain at or revert to the valuation for that property as of April 1, 2024 pursuant to section 509, subsection 1 until such time as a revaluation for that property is conducted in accordance with section 509, subsection 2.

Sec. 3. 36 MRSA §1602, sub-§4 is amended to read:

4. Establishment of mill rate.

A. The State Tax Assessor shall establish a separate mill rate for each county, which is calculated to raise the amount certified by the Legislature as the cost of county-provided services in the unorganized territory.

B. The State Tax Assessor shall establish a district-wide mill rate calculated to raise the cost of all other portions of the municipal cost component certified by the Legislature.

C. The rates calculated under paragraphs A and B shall be added and rounded to the next highest 1/4 of a mill to determine the mill rate for the municipal cost component which will be assessed against the taxable property in each county.

D. Notwithstanding any provision of this section or other provision of law to the contrary, beginning April 1, 2026, the State Tax Assessor may not establish a mill rate pursuant to this subsection that represents an increase, when compared to the same mill rate established for the prior tax year, of more than the percentage increase in the federal Social Security "cost-of-living adjustment" for the current tax year.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This amendment changes the title of and replaces the bill, which is a concept draft. It amends the tax laws to adopt certain changes to the valuation, revaluation and taxation of real and personal property in the unorganized territory beginning April 1, 2026, including the following.

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1. The amendment provides that, beginning April 1, 2026, the valuation of all real and personal property in the unorganized territory shall remain at or revert to the valuation for that property as of April 1, 2024 until the State Tax Assessor conducts a revaluation of all such property once every 10 years beginning with the 2030 tax year. Beginning April 1, 2026, the State Tax Assessor is directed to account for this freeze in valuation and 10-year revaluation cycle in determining the amount of the annual Unorganized Territory Educational and Services Tax levied on all nonexempt real and personal property in the unorganized territory.
2. The amendment provides that, beginning April 1, 2026, for the purposes of the annual Unorganized Territory Educational and Services Tax levy, the State Tax Assessor may not establish a mill rate that represents an increase, when compared to the same mill rate established for the prior tax year, of more than the percentage increase in the federal Social Security “cost-of-living adjustment” for the current tax year.