

STATE OF MAINE

—  
IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY-SIX

—  
S.P. 883 - L.D. 2178

**An Act to Establish the Independent Office of Tax Appeals and Make Other  
Changes to the Laws Governing the Tax Appeals Process**

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

**PART A**

**Sec. A-1. 36 MRSA §151-C, sub-§2, ¶C**, as amended by PL 2025, c. 486, Pt. A, §1, is further amended to read:

C. Propose to the assessor and the bureau's division directors any recommended changes in the administrative practices of the bureau to mitigate problems identified or arising under paragraphs A and B; ~~and~~

**Sec. A-2. 36 MRSA §151-C, sub-§2, ¶D**, as amended by PL 2025, c. 486, Pt. A, §1, is further amended to read:

D. Identify legislative changes that may be appropriate to mitigate problems identified or arising under paragraphs A and B and report recommendations in the annual report required under subsection 3-; and

**Sec. A-3. 36 MRSA §151-C, sub-§2, ¶E** is enacted to read:

E. Identify administrative or legislative changes that would further improve the tax dispute resolution and administrative tax appeals processes under sections 151, 151-E, 271 and 844.

**PART B**

**Sec. B-1. 4 MRSA §807, sub-§3, ¶R**, as amended by PL 2019, c. 449, §1, is further amended to read:

R. A person who is not an attorney but who is a public accountant, an enrolled agent, an enrolled actuary or any other person permitted to represent the taxpayer under Title 36, section 151-A, subsection 2 and is representing a party in any hearing, action or proceeding before the ~~Maine Board~~ Independent Office of Tax Appeals in accordance with Title 36, section ~~151-D~~ 151-E;

**Sec. B-2. 5 MRSA §12004-B, sub-§10**, as enacted by PL 2011, c. 694, §1, is repealed.

**Sec. B-3. 36 MRSA §111, sub-§1-C**, as amended by PL 2013, c. 331, Pt. C, §1 and affected by §41, is repealed.

**Sec. B-4. 36 MRSA §111, sub-§1-H** is enacted to read:

**1-H. Office.** For purposes of this chapter, "office" means the Independent Office of Tax Appeals as established in section 151-E.

**Sec. B-5. 36 MRSA §112, sub-§7-A**, as amended by PL 2013, c. 331, Pt. C, §2 and affected by §41, is further amended to read:

**7-A. Taxpayer Bill of Rights.** The assessor shall prepare a statement describing in simple and nontechnical terms the rights of a taxpayer and the obligations of the bureau during an audit. The statement must also explain the procedures by which a taxpayer may appeal any adverse decision of the assessor, including reconsideration under section 151, appeals to the ~~Maine Board of Tax Appeals~~ office and judicial appeals. This statement must be distributed by the bureau to any taxpayer contacted with respect to the determination or collection of any tax, excluding the normal mailing of tax forms. This paragraph does not apply to criminal tax investigations conducted by the assessor or by the Attorney General.

**Sec. B-6. 36 MRSA §151**, as amended by PL 2023, c. 360, Pt. B, §1 and c. 412, Pt. M, §§1 and 2, is further amended to read:

#### **§151. Review of decisions of State Tax Assessor**

**1. Petition for reconsideration.** A person who is subject to an assessment by the State Tax Assessor or entitled by law to receive notice of a determination of the assessor and who is aggrieved ~~as a result~~ because of that action may request in writing, within 60 days after receipt of notice of the assessment or the determination, reconsideration by the assessor of the assessment or the determination. If a person receives notice of an assessment or a determination and does not file a petition for reconsideration within the specified ~~time~~ period, a review is not available in Superior Court or before the ~~board~~ office regardless of whether the taxpayer subsequently makes payment and requests a refund.

**2. Reconsideration by division.** If a petition for reconsideration is filed within the specified ~~time~~ period, the assessor shall reconsider the assessment or the determination as provided in this subsection.

A. Upon receipt by the assessor, all petitions for reconsideration must be forwarded for review and response to the division in the bureau from which the determination or assessment issued.

B. Within 90 days of receipt of the petition for reconsideration by the responding division, the division shall approve or deny, in whole or in part, the relief requested. Prior to rendering its decision and during the 90 days, the division may attempt to resolve issues with the petitioner through informal discussion and settlement negotiations with the objective of narrowing the issues for an appeals conference or court review, and may concede or settle individual issues based on the facts and the law, including the hazards of litigation. By mutual consent of the division and the

petitioner, the 90 days may be extended for good cause, such as to allow further factual investigation or litigation of an issue by that or another taxpayer pending in court.

C. If the matter between the division and the petitioner is not resolved within the 90-day period, and any extension thereof, the petitioner may consider the petition for reconsideration denied. The petitioner may not consider the petition for reconsideration denied after either the reconsidered decision has been received by the petitioner or the expiration of 9 years following the filing of the petition for reconsideration, whichever occurs first. A petition for reconsideration considered denied pursuant to this paragraph constitutes final agency action. A petitioner elects to consider the petition for reconsideration denied pursuant to this paragraph by:

- (1) For a small claim request, filing a petition for review in Superior Court. For purposes of this subparagraph, "small claim request" has the same meaning as in paragraph E; or
- (2) For all other requests:
  - (a) Filing a statement of appeal with the ~~board~~ office when the amount of tax or refund request in controversy is \$500,000 or less; or
  - (b) Filing a petition for review in Superior Court.

D. A reconsideration by the division is not an adjudicatory proceeding within the meaning of that term in the Maine Administrative Procedure Act.

E. A reconsidered decision rendered on any request other than a small claim request constitutes the assessor's final determination, subject to review either by the ~~board~~ office or directly by the Superior Court, except that the ~~board~~ office may review a reconsidered decision rendered on any request other than a small claim request if the amount of tax or refund request in controversy is \$500,000 or less. A reconsidered decision rendered on a small claim request constitutes the assessor's final determination and final agency action and is subject to de novo review by the Superior Court. For purposes of this paragraph, "small claim request" means a petition for reconsideration when the amount of tax or refund request in controversy is less than ~~\$1,000~~ \$500.

F. A person who wishes to appeal a reconsidered decision under this section:

- (1) To the ~~board~~ office must file a written statement of appeal with the ~~board~~ office within 60 days after receipt of the reconsidered decision; or
- (2) Directly to the Superior Court must file a petition for review in the Superior Court within 60 days after receipt of the reconsidered decision.

If a person does not file a request for review with the ~~board~~ office or the Superior Court within the ~~time~~ period specified in this paragraph, the reconsidered decision becomes final and no further review is available.

G. Upon receipt of a statement of appeal or petition for review filed by a person pursuant to paragraph F, the ~~board~~ office or Superior Court shall conduct a de novo hearing and make a de novo determination of the merits of the case. The ~~board~~ office or Superior Court shall enter those orders and decrees as the case may require. The burden of proof is on the person, except as otherwise provided by law.

**Sec. B-7. 36 MRSA §151-A, sub-§2**, as amended by PL 2013, c. 331, Pt. C, §4 and affected by §41, is further amended to read:

**2. Representative of taxpayer.** The taxpayer may bring to any interview with the State Tax Assessor or to any proceeding pursuant to section ~~151-D~~ 151-E any attorney, certified public accountant, enrolled agent, enrolled actuary or any other person permitted to represent the taxpayer. If the taxpayer does not bring anyone to the interview or proceeding but clearly states at any time during the interview or proceeding that the taxpayer wishes to consult with an attorney, certified public accountant, enrolled agent, enrolled actuary or any other person permitted to represent the taxpayer, the State Tax Assessor shall suspend the interview or the ~~board~~ office shall suspend the proceeding. The suspension must occur even if the taxpayer has answered one or more questions before that point in the interview or proceeding. The interview must be rescheduled to be held within 10 working days.

**Sec. B-8. 36 MRSA §151-D**, as amended by PL 2013, c. 331, Pt. B, §§1 and 2, is repealed.

**Sec. B-9. 36 MRSA §151-E** is enacted to read:

**§151-E. Independent Office of Tax Appeals**

**1. Office established; purpose.** There is established within the Department of Administrative and Financial Services the Independent Office of Tax Appeals to hear and decide appeals from decisions of the State Tax Assessor as provided by this section. The office is independent of and is not subject to the supervision or control of the State Tax Assessor or any other employee of the bureau. The purpose of the office is to provide taxpayers with a fair, low-cost and easily accessible forum for resolving tax disputes with the bureau, to ensure due process and to provide an alternative to appealing a reconsidered decision of the assessor directly to the Superior Court pursuant to section 151, subsection 2, paragraph F, subparagraph (2).

**2. Composition of office; appointment; office location.** The office is composed of the Chief Hearing Officer, appointed by and serving at the pleasure of the Commissioner of Administrative and Financial Services; hearing officers; and an administrative staff person hired by the commissioner or the Chief Hearing Officer. The hearing officers may be referred to as either "appeals officer" or "hearing officer." The Chief Hearing Officer is an unclassified employee at salary range 33. Other staff of the office are hired as classified employees subject to the Civil Service Law.

The office shall establish and maintain office space in the City of Augusta. The office may meet and conduct appeals conferences and hearings under subsection 8 at any place within the State and remotely pursuant to rules adopted pursuant to subsection 10.

**3. Qualifications.** The Chief Hearing Officer and hearing officers must be residents of this State and members of the bar of this State with substantial knowledge of tax law. The Chief Hearing Officer and hearing officers may not hold any elective office or any public office involving assessment of taxes or administration of any of the tax laws of this State. Notwithstanding this subsection, the Commissioner of Administrative and Financial Services may assign other duties to the hearing officers consistent with subsection 4, including assisting the State Board of Property Tax Review.

**4. Powers and duties.** The office has all powers as are necessary to carry out its duties, including the following:

- A. To hear and determine appeals in accordance with this section;
- B. To raise or lower assessments to conform to the law;
- C. To adopt rules in accordance with the Maine Administrative Procedure Act governing procedures before the office pursuant to subsection 10;
- D. To administer oaths, take testimony, hold hearings, summon witnesses and subpoena records, files and documents the office considers necessary for carrying out its responsibilities; and
- E. To charge a fee for filing a petition with the office for an appeal.

**5. Chief Hearing Officer; duties.** Under the supervision and direction of the Commissioner of Administrative and Financial Services, the Chief Hearing Officer shall manage the work of the office, including:

- A. Ensuring that the office provides taxpayers with a low-cost and easily accessible forum for resolving tax disputes with the bureau filed with the office under section 151, including the use of mediation when appropriate, and ensuring due process;
- B. Assigning a hearing officer to preside over an appeal forwarded to the office under section 151;
- C. Developing, adopting and implementing rules, policies and procedures to carry out the provisions of this section and section 151 and to comply with all applicable laws;
- D. Ensuring proper records of all matters, hearings and transactions of the office;
- E. Ensuring that the assignment of duties to hearing officers comports with conflicts of interest standards and other ethics standards; and
- F. Providing and assigning part-time duties to a hearing officer to provide legal services to the State Board of Property Tax Review in consultation with the Office of the Attorney General.

**6. Procedures for filing petitions for appeal.** An appeal to the office pursuant to section 151 must be commenced by filing a petition for appeal with the office and paying the appropriate filing fee if required. Upon receipt, a copy of the petition must be provided to the State Tax Assessor and to the Office of the Attorney General.

Filing a petition for appeal with the office may be accomplished by delivery of the petition to the office by mail addressed to the office. All papers to be filed that are transmitted by the United States Postal Service are deemed filed on the day the papers are deposited in the mail as provided in section 153. The office shall place a petition for appeal that is filed without payment of a required filing fee on the docket and shall notify the petitioner that the appeal will not be processed further without payment.

**7. Case scheduling conference.** A hearing officer shall set a date and time for a scheduling conference to identify the issues in dispute, set a date for filing of briefs and supporting materials, set a date for the appeals conference if one is requested and facilitate the parties' efforts to narrow or resolve all or part of the appeal through settlement or stipulation. An appeal with an amount of tax or refund request in controversy of \$50,000

or less must be heard and determined by the office on a priority basis over its other docketed cases.

**8. Hearing and determination of cases.** Cases must be heard and determined by the office as follows.

A. The assigned hearing officer shall preside over the case. The hearing officer has the authority to administer oaths, take testimony, summon witnesses and subpoena records, files and documents the hearing officer considers necessary for carrying out the responsibilities of the office.

B. If requested by a petitioner in the statement of appeal or at the scheduling conference, the office shall hold an appeals conference to receive additional information and to hear arguments regarding the assessment or determination. The hearing officer shall provide the petitioner with at least 10 business days' notice of the date, time and place of the appeals conference. The appeals conference may be held with fewer than 10 business days' notice if a mutually convenient date, time and place can be arranged. If the petitioner does not request an appeals hearing in the statement of appeal or at the scheduling conference, the appeals officer shall determine the matter based on written submissions by the petitioner and the State Tax Assessor.

C. The hearing officer need not observe the rules of evidence observed by courts but shall observe the rules of privilege recognized by law.

D. Both a petitioner and the State Tax Assessor may submit to the hearing officer, whether or not an appeals conference has been requested pursuant to paragraph B, written testimony in the form of an affidavit, documentary evidence and written legal argument and written factual argument.

E. The hearing officer may encourage the petitioner and the State Tax Assessor to resolve disputed issues.

F. Except when otherwise provided by law, a petitioner has the burden of proving, by a preponderance of the evidence, that the State Tax Assessor has erred in applying or interpreting the relevant law.

The appeals officer shall exercise independent judgment. The hearing officers and other office staff may not have any ex parte communications with the parties, or with any other employee of the Department of Administrative and Financial Services except those employees in the office; however, the hearing officers and other administrative staff persons may have ex parte communication limited to questions that involve ministerial or other administrative matters that do not address the substance of the issues or position taken by the petitioner or the State Tax Assessor.

G. The hearing officer shall prepare a decision on the appeal based upon the evidence and argument presented. The decision must be in written form and must state findings of fact and conclusions of law. The office shall issue and deliver copies of the decision to the parties. Unless the decision is revised by the office under rules adopted by the office pursuant to subsection 10, the decision is final and is subject to appeal under subsection 9. A revised decision is final, is not subject to further revision by the office and is subject to appeal under subsection 9.

**9. Appeal to Superior Court.** A determination by the office is not an adjudicatory proceeding within the meaning of that term in the Maine Administrative Procedure Act. A

decision of the office constitutes the final administrative decision on the appeal and is subject to de novo review by the Superior Court. The burden of proof is on the taxpayer. A person who wishes to appeal a final decision of the office to the Superior Court must file a petition for review within 60 days after receipt of the decision. If a person does not file a request for review with the Superior Court within the period specified in this subsection, no further review is available.

**10. Rules.** Subject to any applicable requirements of the Maine Administrative Procedure Act, the office shall adopt rules to accomplish the purposes of this section. Those rules may define terms, prescribe forms and make suitable orders of procedure to ensure the speedy, efficient, just and inexpensive disposition of all proceedings under this section. Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

**11. Annual report.** By January 15, 2027 and annually thereafter, the office shall prepare and submit a report on the activities of the office to the Commissioner of Administrative and Financial Services and the joint standing committee of the Legislature having jurisdiction over taxation matters.

**Sec. B-10. 36 MRSA §191, sub-§2, ¶C**, as amended by PL 2023, c. 360, Pt. A, §1, is further amended to read:

C. The inspection by the Attorney General of information filed by any taxpayer who has requested review of any tax under this Title or against whom an action or proceeding for collection of tax has been instituted; or the production in court or to the ~~board~~ office or the State Board of Property Tax Review as established by Title 5, section 12004-B, subsection 6 on behalf of the State Tax Assessor, or any other party to an action or proceeding under this Title, of so much and no more of the information as is pertinent to the action or proceeding;

**Sec. B-11. 36 MRSA §191, sub-§2, ¶XX**, as amended by PL 2023, c. 360, Pt. A, §2, is further amended to read:

XX. The disclosure of information by the assessor to the ~~board~~ office or the State Board of Property Tax Review as established by Title 5, section 12004-B, subsection 6, except that such disclosure is limited to information that is pertinent to an appeal or other action or proceeding before the ~~board~~ office or the State Board of Property Tax Review;

**Sec. B-12. 36 MRSA §191, sub-§2, ¶YY**, as amended by PL 2023, c. 360, Pt. A, §3, is further amended to read:

YY. The inspection and disclosure of information by the ~~board~~ office, or by the State Board of Property Tax Review as established by Title 5, section 12004-B, subsection 6, to the extent necessary to conduct appeals procedures pursuant to this Title and issue a decision on an appeal to the parties. The ~~board~~ office and the State Board of Property Tax Review may make available to the public redacted decisions that do not disclose the identity of a taxpayer or any information made confidential by state or federal statute;

**Sec. B-13. Cost administration.** The Commissioner of Administrative and Financial Services, the State Tax Assessor and the Chief Hearing Officer of the

Independent Office of Tax Appeals shall manage the implementation of this Part to ensure that this Part is implemented within existing resources.

**Sec. B-14. Creation of Independent Office of Tax Appeals; elimination of Maine Board of Tax Appeals; transition provisions.** The following provisions govern the elimination of the Department of Administrative and Financial Services, Maine Board of Tax Appeals established in the Maine Revised Statutes, Title 5, section 12004-B, subsection 10 and the creation of the Department of Administrative and Financial Services, Independent Office of Tax Appeals established under Title 36, section 151-E.

1. On January 1, 2027, the Maine Board of Tax Appeals is eliminated and the Independent Office of Tax Appeals is established.

2. The Commissioner of Administrative and Financial Services shall appoint the Chief Hearing Officer under Title 36, section 151-E no later than January 1, 2027.

3. Three authorized positions and any incumbent personnel in the appeals office of the Maine Board of Tax Appeals are transferred to the Independent Office of Tax Appeals. These employees retain all the employee rights, privileges and benefits, including sick leave, vacation leave and seniority, provided under the Civil Service Law, collective bargaining agreements and current state personnel policies.

4. All funds, property and equipment previously belonging to or allocated for the use of the Maine Board of Tax Appeals become the property of the Independent Office of Tax Appeals.

5. All cases pending with the Maine Board of Tax Appeals as of January 1, 2027 are transferred to the Independent Office of Tax Appeals for review of jurisdiction. Cases that were within the jurisdiction of the Maine Board of Tax Appeals when filed are deemed within the jurisdiction of the Independent Office of Tax Appeals and ready for scheduling and determination.

**Sec. B-15. Effective date.** This Part takes effect January 1, 2027.

## PART C

**Sec. C-1. 5 MRSA §282, sub-§6,** as amended by PL 2001, c. 333, §1, is further amended to read:

**6. Supervise.** To supervise and direct the administration of the State Claims Commission, State Board of Property Tax Review and Independent Office of Tax Appeals;

**Sec. C-2. 36 MRSA §271, sub-§2, ¶A,** as amended by PL 2025, c. 469, §6 and affected by §44, is further amended by amending subparagraph (7) to read:

(7) The current use valuation of certain working waterfront land law, chapter 105, subchapter 10-A; ~~and~~

**Sec. C-3. 36 MRSA §271, sub-§2, ¶A,** as amended by PL 2025, c. 469, §6 and affected by §44, is further amended by amending subparagraph (8) to read:

(8) Section 209; and

**Sec. C-4. 36 MRSA §271, sub-§2, ¶A,** as amended by PL 2025, c. 469, §6 and affected by §44, is further amended by enacting a new subparagraph (9) to read:

(9) As provided in section 6251, subsection 6;

**PART D**

**Sec. D-1. 3 MRSA §959, sub-§1, ¶N**, as amended by PL 2021, c. 617, §1, is further amended to read:

N. The joint standing committee of the Legislature having jurisdiction over taxation matters shall use the following list as a guideline for scheduling reviews:

- (1) State Board of Property Tax Review in ~~2027~~ 2028; ~~and~~
- (2) Department of Administrative and Financial Services, Bureau of Revenue Services in ~~2027~~; ~~and~~
- (3) Department of Administrative and Financial Services, Independent Office of Tax Appeals in 2028.

**PART E**

**Sec. E-1. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF  
Independent Office of Tax Appeals N585**

Initiative: Effective January 1, 2027, transfers all 3 existing Legislative Count and funding in the Maine Board of Tax Appeals to the newly created Independent Office of Tax Appeals.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
POSITIONS - LEGISLATIVE COUNT	0.000	3.000
Personal Services	\$0	\$206,458
All Other	\$0	\$26,564
<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$233,022</u>

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2025-26</b>	<b>2026-27</b>
All Other	\$0	\$22,500
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$0</u>	<u>\$22,500</u>

**Maine Board of Tax Appeals Z146**

Initiative: Effective January 1, 2027, transfers all 3 existing Legislative Count and funding in the Maine Board of Tax Appeals to the newly created Independent Office of Tax Appeals.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
POSITIONS - LEGISLATIVE COUNT	0.000	(3.000)
Personal Services	\$0	(\$206,458)
All Other	\$0	(\$26,564)
<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>(\$233,022)</u>

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2025-26</b>	<b>2026-27</b>
All Other	\$0	(\$22,500)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<hr/> \$0	<hr/> (\$22,500)

<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$0</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<hr/> \$0	<hr/> \$0