

PROPERTY TAX BASIC PRINCIPLES

Property in Maine is assessed and taxed according to rules embedded in the State Constitution and Maine Revised Statutes. The Constitution is the framework of law and the Maine Revised Statutes augment constitutional law applying details for municipalities.



TAX

Tax is defined as a compulsory contribution imposed by law for the support of government without regard for individual benefit.



POWER OF TAXATION



The Legislature is given the power of taxation. The Legislature may never give the municipalities the authority to develop local tax laws.

-Maine Constitution Article IX Section 9

ASSESSMENT & JUST VALUE

A property assessment is an appraisal. Assessor's use a mass appraisal technique to value all taxable property in a way that each individual property bears its fair share of expenses.

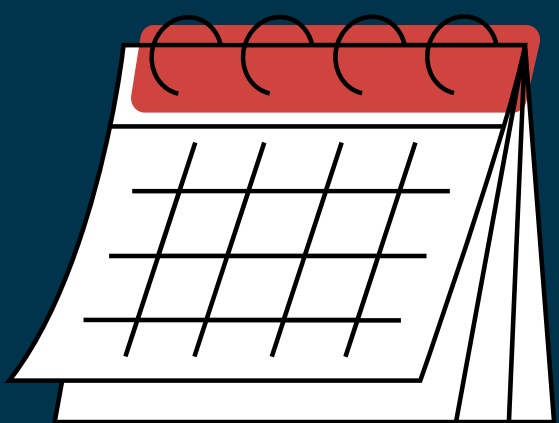
All taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.

-Maine Constitution Article IX Section 8

Just value has been interpreted by Maine courts as the equivalent of market value.

APRIL 1

All real and personal property within the State is subject to taxation, unless specifically exempted by law, on the first day of each April
-36 MRS Section 502.



MINIMUM STANDARDS

Municipalities shall achieve:

- An assessment ratio of no lower than 70% and no higher than 110%
- A maximum quality rating of 20.

-36 MRS section 327

MARKET VALUE DEFINED

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale

-The Appraisal Institute and the International Association of Assessing Officers.

