

§706-A. Limitation on county assessments

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Average personal income growth" has the same meaning as under Title 5, section 1531, subsection 2. [PL 2015, c. 267, Pt. L, §11 (AMD).]
- B. "County assessment" means total annual county appropriations reduced by all resources available to fund those appropriations other than the county tax. [PL 2015, c. 335, §12 (AMD).]
- C. [PL 2015, c. 267, Pt. L, §11 (RP).]
- D. "Property growth factor" means the percentage equivalent to a fraction, established by a county, whose denominator is the total valuation of all municipalities, plantations and unorganized territory in the county, and whose numerator is the amount of increase in the assessed valuation of any real or personal property in those jurisdictions that became subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. [PL 2015, c. 335, §12 (AMD).]
- E. [PL 2015, c. 267, Pt. L, §11 (RP).]

[PL 2015, c. 267, Pt. L, §11 (AMD); PL 2015, c. 335, §12 (AMD).]

2. County assessment limit. Except as otherwise provided in this section, a county may not in any year adopt a county assessment that exceeds the county assessment limit established in this subsection.

A. The county assessment limit for the first fiscal year for which this section is effective is the county assessment for the county for the immediately preceding fiscal year multiplied by one plus the growth limitation factor pursuant to subsection 3. [PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

B. The county assessment limit for subsequent fiscal years is the county assessment limit for the preceding year multiplied by one plus the growth limitation factor pursuant to subsection 3. [PL 2005, c. 621, §8 (AMD).]

C. If a previous year's county assessment reflects the effect of extraordinary, nonrecurring events, the county may submit a written notice to the State Tax Assessor requesting an adjustment in its county assessment limit. [PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

[PL 2005, c. 621, §8 (AMD).]

3. Growth limitation factor. The growth limitation factor is the average personal income growth plus the property growth factor.

- A. [PL 2015, c. 267, Pt. L, §12 (RP).]
- B. [PL 2015, c. 267, Pt. L, §12 (RP).]

[PL 2015, c. 267, Pt. L, §12 (AMD).]

4. Adjustment for new state funding. If the State provides net new funding to a county for existing services funded in whole or in part by the county assessment, other than required state mandate funds pursuant to section 5685 that do not displace current county assessment expenditures, the county shall lower its county assessment limit in that year in an amount equal to the net new funds. For purposes of this subsection, "net new funds" means the amount of funds received by the county from the State in that fiscal year, with respect to services funded in whole or in part by the county assessment, less the product of the following: the amount of such funds received in the prior fiscal year multiplied by one plus the growth limitation factor described in subsection 3. If a county receives net new funds

in any fiscal year for which its county assessment limit has not been adjusted as provided in this subsection, the county shall adjust its county assessment limit in the following year in an amount equal to the net new funds.

[PL 2005, c. 683, Pt. I, §1 (AMD).]

5. Exceeding county assessment limit; extraordinary circumstances. The county assessment limit established in subsection 2 may be exceeded for extraordinary circumstances only under the following circumstances.

A. The extraordinary circumstances must be circumstances outside the control of the county budget authority, including:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded state or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of state or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation. [PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

B. The county assessment limit may be exceeded only as provided in subsection 7. [PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

C. Exceeding the county assessment limit established in subsection 2 permits the county assessment to exceed the county assessment limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the county assessment limit for future years. [PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

D. For fiscal years 2005-06 and 2006-07 in Sagadahoc County, and fiscal years 2006 and 2007 in Lincoln County, that portion of the county assessment that is attributable to the costs of construction, debt service, operation and maintenance of a new jail facility authorized under chapter 17 is not subject to paragraphs A, B and C or to subsections 2, 6 and 7. Notwithstanding subsection 2, paragraph A, the county assessment limit for fiscal year 2007-08 for Sagadahoc County and fiscal year 2008 in Lincoln County is the county assessment for each county for the previous fiscal year, multiplied by one plus the growth limitation factor pursuant to subsection 3. Notwithstanding subsection 2, paragraph C, the county assessments for Sagadahoc County in fiscal year 2008-09 and subsequent fiscal years and for Lincoln County in fiscal year 2009 and subsequent fiscal years are subject to subsection 2, paragraph B. [PL 2005, c. 348, §1 (NEW).]

[PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF); PL 2005, c. 348, §1 (AMD).]

6. Increase in county assessment limit. The county assessment limit established in subsection 2 may be increased for other purposes only as provided in subsection 7.

[PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

7. Process for exceeding county assessment limit. A county may exceed or increase the county assessment limit only if approved by a vote of a majority of all the members of both the county budget committee or county budget advisory committee and the county commissioners.

Unless a county charter otherwise provides or prohibits a petition and referendum process, if a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the county, requesting a vote on the question of exceeding the county assessment limit is submitted to the county commissioners within 30 days of the commissioners' vote pursuant to this subsection, the article voted on by the commissioners must be submitted to the legal voters in the next regular election or a special election called for that purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters, the filing requirement contained in section 2528 does not apply and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the county commissioners and entered upon the county records.

[PL 2005, c. 12, Pt. WW, §10 (AMD).]

8. Treatment of surplus; reserves. Any county tax revenues collected by a county in any fiscal year in excess of its county assessment limit, as determined by a final audited accounting, must be transferred to a county tax relief fund, which each county must establish, and used to reduce county assessments in subsequent fiscal years. Nothing in this subsection limits the ability of a county to maintain adequate reserves.

[PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

9. Enforcement. If a county adopts a county assessment in violation of this section, the State Tax Assessor may require the county to adjust its county assessment downward in an amount equal to the illegal county assessment and impose such other penalties as the Legislature may provide.

[PL 2005, c. 2, Pt. B, §1 (NEW); PL 2005, c. 2, Pt. B, §§2, 4 (AFF); PL 2005, c. 12, Pt. WW, §14 (AFF).]

SECTION HISTORY

PL 2005, c. 2, §B1 (NEW). PL 2005, c. 2, §§B2,4 (AFF). PL 2005, c. 12, §WW10 (AMD). PL 2005, c. 12, §WW14 (AFF). PL 2005, c. 348, §1 (AMD). PL 2005, c. 621, §§5-8 (AMD). PL 2005, c. 683, §I1 (AMD). PL 2007, c. 653, Pt. A, §10 (AMD). PL 2015, c. 267, Pt. L, §§11, 12 (AMD). PL 2015, c. 335, §12 (AMD).

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