

PROPERTY VALUATION FOR ROAD ASSOCIATION ASSESSMENTS
Cliff Goodall, Retired Attorney

For private statutory road associations the enabling statute at 23 MRSA Section 3102 has a limitation for the amount of the annual maintenance assessment. It states that it “may not exceed 1% of an individual owner’s municipal property valuation”.

The key to understanding this provision is the term “municipal property valuation”. Under Maine law this is the “just value” or as the statutes also sometimes call it and as the courts have applied it this is the “fair market value”.

Under Maine law all property in Maine must have the “just value” determined as of April 1 each year. (Remember Doomsday and the Doomsday Book?) As a result, all property (the emphasis is on “all”) has a value assigned by the assessors for the land value and the buildings value. Added together you have the “just value” and the “municipal property valuation”. They are all listed in each municipality’s or unorganized township’s property tax record books and are public records. (The Doomsday Books) Add them all up and you get the municipal valuation that is used for many things such as assessment against the municipality. Yes, it also pays a property tax for example to the county. It is also used to determine state revenue sharing and other state and federal benefits which is why the Property Tax Division of the Maine Revenue Service monitors the process closely to be sure it is correctly applied and fair.

THIS IS NOT THE TAXABLE VALUE NOR IS IT THE VALUE USED TO ASSESS PROPERTY TAXES.

The property tax amount assessed against each property that is subject to assessment is determined AFTER all of the exemptions are deducted such as homestead exemptions, veteran’s, blind persons, tree growth, open space, farm, etc. which are deducted from the “municipal property valuation” which is the “just value” or the “fair market value”.

Therefore, when a road association goes to the municipal office to check the property records to see if the 1% limit of Section 3102 is exceeded by the annual road maintenance assessment, it needs to use the total amount of the land and building valuation before it is reduced by the various exemptions.

It is interesting that the private road statute subjects all benefited property to the road maintenance fee assessment from statutory road associations without any exemptions and the “municipal property valuation” is set yearly as discussed above for all property. This suggests that the land of a charitable organization such as a land trust, church and even government owned property must pay the road maintenance assessment fee from a statutory road association even though it is exempt from pay property tax. One question just leads to another!