

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST SPECIAL SESSION

(Filing No. H-1255)

HOUSE AMENDMENT "E" to H.P. 2336, L.D. 2210, RESOLUTION,
Proposing an Amendment to the Constitution to Establish Property
Tax Exemptions for Maine Homesteads.

Amend the Resolution by striking out all of the Title and
inserting in its place the following:

'AN ACT to Establish Property Tax Exemptions for Maine Homesteads.'

Further amend the Resolution by striking out everything
after the Title and inserting in its place the following:

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

36 MRSA §6201 is enacted to read:

§6201. Property tax exemptions for Maine homesteads

The Legislature shall establish an exemption from real
estate taxes for all owner occupied principal residences and
shall also establish a rebate in lieu of a tax exemption for all
tenants who lease principal residences. The exemption shall
not be less than \$5,000 of just value and the rebate shall not
be less than \$50. The Legislature shall review the general law
relating to this exemption and rebate at least once within 3 years
following each federal decennial census. The Legislature
shall provide reimbursement to municipalities for revenue
that would be collected from taxes on real estate but for this
provision.

Statutory referendum procedure; submission at general election.

form of question; effective date. This Act shall be submitted to the legal voters of the State of Maine at the next general election in the month of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Shall 'AN ACT to Establish Property Tax Exemptions for Maine Homesteads' as passed by the first special session of the 108th Legislature, be accepted?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the words "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns, and, if it appears that a majority of the legal votes are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purpose of this referendum.'

Statement of Fact

This amendment would establish a statewide property tax exemption on the first \$5,000 of just value on every principal residence in Maine. The general effect of this amendment would be to shift our total state-local tax burden away from an over reliance on the regressive property tax to a more equitable reliance on the progressive, corporate and personal income taxes. Included in this proposal is a tenant's rebate in lieu of the property tax exemption of \$50. Under this proposal the State would be obligated to reimburse municipalities for their loss of revenue from the homestead exemption.

Filed by Mr. Carter of Winslow.

Reproduced and distributed under the direction of the Clerk of the House
9/12/78

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