

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

**Legislative Document**

**No. 197**

H. P. 165

House of Representatives, January 25, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. J. Wyman of Pittsfield.

Cosponsors: Mr. Diamond of Windham, Mr. Wood of Sanford and Mr. Brenerman of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Relieve Homeowners and Renters from the Burden of the Property Tax.**

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

**Sec. 1. 36 MRSA c. 905** is enacted to read:

**CHAPTER 905  
PROPERTY TAX HOMESTEAD RELIEF ACT OF 1979**

**SUBCHAPTER I  
HOMESTEAD RELIEF**

§ 6201. **Title**

This chapter shall be known as the "Property Tax Homestead Relief Act of 1979."

**SUBCHAPTER II  
HOMEOWNER'S EXEMPTION**

§ 6211. **Definitions**

As used in this subchapter, the following terms shall have the following meanings unless the context indicates otherwise.

1. Assessor. "Assessor" means the municipal assessor or, in the case of a primary assessing area, the chief assessor, or in the unorganized territory, the State Tax Assessor.

2. Claimant. "Claimant" means a homeowner who has filed a claim under this subchapter for a property tax homestead exemption.

3. Dwelling. "Dwelling" means a structure used as a residence, including a mobile home or house trailer and a part of a multiple dwelling or multiple purpose building.

4. Eligible. "Eligible" means that the claimant is a homeowner entitled to a homestead property tax exemption for the tax assessed based on the status of property on April 1st of the same year.

5. Homeowner. "Homeowner" means an individual who has been a resident of this State for at least 6 consecutive months prior to the filing of a claim for the homestead exemption and who continues to be a resident of this State and owns a homestead property on April 1st of the year in which the tax is assessed.

6. Homestead exemption. "Homestead exemption" is the property tax homestead exemption, as described in this subchapter.

7. Homestead property. "Homestead property" means a dwelling owned and used as the homeowner's principal place of abode and the parcel of land, up to 10 acres, upon which the dwelling is affixed or located, together with all privileges and appurtenances belonging to the premises when such parcel is owned by the homeowner.

8. Owned. "Owned" means title in fee, joint tenancy, tenancy in common, tenancy or a vendee in possession of homestead property under a contract.

#### § 6212. Property tax homestead exemption

An eligible claimant's homestead shall be partially exempt from the property tax. This exemption shall be limited to the tax owed on the first \$10,000 of the homestead's just value.

#### § 6213. Filing

A claimant shall file a claim form for the exemption, signed by the claimant under the penalties of perjury on or before April 1st of the year in which the homestead property tax exemption is first to be allowed. The claim form shall be filed with the assessor having jurisdiction. There is no further requirement for filing a claim form in subsequent years if the claimant continues to be eligible for homestead property tax exemption on the same homestead property.

A claimant who has obtained a homestead property tax exemption must notify the assessor having jurisdiction when he is no longer eligible. Only one claim may be filed with respect to each homestead property.

**§ 6214. Administration**

1. **State Tax Assessor.** The State Tax Assessor shall prepare and make available to assessors claim forms with instructions for claimants.

2. **Claim forms.** Claim forms shall be made readily available by assessors to all homestead property owners.

3. **Tax collector.** The tax collector is responsible for the computation of each individual homestead exemption and the appropriate adjustments of the property tax due. The amount exempted shall be noted on the tax bill.

4. **Approval of claims for homestead exemption.** The assessor shall be responsible for the approval of claims for the homestead exemption and shall furnish the tax collector with a list of eligible claimants.

5. **Tax bills.** Tax collectors shall annually prepare and mail a tax bill to each taxpayer who is named on the list provided by the assessors or municipal officers pursuant to sections 709 and 709-A. The tax bill shall include the assessed valuation of the taxpayer's property, the ratio or percentage of full 100% value used in determining the assessed valuation, the tax rate and the amount of tax due.

6. **Rules and regulations.** The State Tax Assessor may establish those rules and regulations necessary for the effective administration of this subchapter.

**§ 6215. Disallowance of claim**

If it is determined that a claim for a homestead exemption is in error, it shall be disallowed and, if the exemption has been allowed prior to such determination, the amount allowed may be recovered by suit after written demand is made.

**§ 6216. Initial exemptions allowable**

The initial assessment on which any municipality may certify homestead property tax exemptions is the assessment made relative to the status of property on April 1, 1980.

**§ 6217. Unorganized territory**

The State Tax Assessor shall administer this homestead exemption for all homesteads in the unorganized territory.

**§ 6218. State reimbursement**

Each municipality shall request, on a form prepared by the State Tax Assessor, by November 1st, of each year, reimbursement for the costs in the municipality of that year's tax exemption. Upon certification of the State Tax Assessor, municipal reimbursements shall be made from the General Fund by December 15th of each year.

**SUBCHAPTER III  
TENANTS' REBATE**

**§ 6231. Purpose**

The purpose of this subchapter is to provide tenants of homesteads in Maine a rebate in lieu of the property tax exemption provided in this chapter.

**§ 6232. Definitions**

As used in this subchapter unless the context otherwise indicates, the following words shall have the following meanings.

1. **Claimant.** "Claimant" means a person who has filed a claim for a rebate under this subchapter and was domiciled in this State and rented a homestead in this State during the entire calendar year preceding the year in which he files claim for relief under this subchapter. When 2 or more individuals of a household are able to meet the qualifications for a claimant, they may determine among themselves as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the State Tax Assessor and his decision shall be final.

2. **Homestead.** "Homestead" means a claimant's principal dwelling which he rents and which is situated within the State and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built.

3. **Household.** "Household" means the association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations and expenses. The term does not include bona fide lessors, tenants or roomers and boarders on contract.

**§ 6233. Claim is personal**

The right to file a claim for a rebate under this subchapter shall be personal to the claimant and shall not survive his death, but such right may be exercised on behalf of a claimant by his legal guardian or attorney-in-fact. If a claimant dies after having filed a timely claim, the amount thereof shall be disbursed to another member of the household as determined by the State Tax Assessor. If the claimant was the only member of his household, the claim may be paid to his executor or administrator, but if neither is appointed and qualified within 2 years of the filing of the claim, the amount of the claim shall escheat to the State.

**§ 6234. Claim for rebate**

Any eligible claimant may receive a tenant's rebate in the amount of \$50 annually.

**§ 6235. Filing claim**

Any eligible claimant shall file for his rebate by October 15th, with the State Tax Assessor.

**§ 6236. One claim per household**

Only one claimant per household per year shall be entitled to a tenant's credit under this subchapter.

**§ 6237. Administration**

**1. Claimant forms.** The State Tax Assessor shall make available suitable forms with instructions for claimants. The claim shall be in such form as the State Tax Assessor may prescribe and shall be signed by the claimant under the penalty of perjury.

**2. Rules.** The State Tax Assessor may establish those rules and regulations necessary for the effective administration of this subchapter.

**3. Unauthorized claims.** If it is determined that a claim for a renter's rebate is not authorized, it shall be disallowed and, if the rebate has been paid prior to such determination, the amount allowed may be recovered by suit after written demand is made.

**STATEMENT OF FACT**

This bill would establish a statewide property tax exemption on the first \$10,000 of just value on every principal residence in Maine. The specific impact would result in property tax reductions for most Maine people.

Included in this proposal is a tenant's rebate in lieu of 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.