

MAINE STATE LEGISLATURE

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Date: 6/16/25 Minority L.D. 264
(Filing No. H-731)

TAXATION

Reproduced and distributed under the direction of the Clerk of the House:

STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" to H.P. 167, L.D. 264, "An Act to Remove the 12-month Waiting Period for the Maine Resident Homestead Property Tax Exemption"

Amend the bill by striking out the title and substituting the following:

'An Act to Waive the 12-month Waiting Period for the Maine Resident Homestead Property Tax Exemption for Certain Heirs of Property for Which an Exemption Was Established'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §683, sub-§1, as amended by PL 2017, c. 478, §1, is further amended to read:

1. Exemption amount. Except for assessments for special benefits, the just value of \$10,000 of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months is exempt from taxation. ~~Notwithstanding this subsection, a permanent resident of this State who loses ownership of a homestead in this State due to a tax lien foreclosure and subsequently regains ownership of the homestead from the municipality that foreclosed on the tax lien is deemed to have continuously owned the homestead and may not be determined ineligible for the exemption provided in this section due to the ownership of the homestead by the municipality.~~ In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to the homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$10,000 of the just value of the homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

Sec. 2. 36 MRSA §683, sub-§1-C is enacted to read:

COMMITTEE AMENDMENT

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1 1-C. Exceptions to residency requirement. The following are exceptions to the
2 requirement in subsection 1 that a person own a homestead in this State for the preceding
3 12 months in order to be eligible for the exemption provided in this section.

4 A. Notwithstanding subsection 1, a permanent resident of this State who loses
5 ownership of a homestead in this State due to a tax lien foreclosure and subsequently
6 regains ownership of the homestead from the municipality that foreclosed on the tax
7 lien is deemed to have continuously owned the homestead and may not be determined
8 ineligible for the exemption provided in this section due to the ownership of the
9 homestead by the municipality.

10 B. Notwithstanding subsection 1, a successor in interest who is a surviving heir of a
11 permanent resident of this State who had ownership of a homestead at the time of death
12 is deemed to have continuously owned the homestead and may not be determined
13 ineligible for the exemption provided in this section due to the change in ownership at
14 the death of the prior owner, as long as that heir can establish that the heir has been a
15 permanent resident of the municipality in which the homestead is located for 12 months
16 prior to the death of the prior owner.

17 **Sec. 3. Appropriations and allocations.** The following appropriations and
18 allocations are made.

19 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

20 **Revenue Services, Bureau of 0002**

21 Initiative: Provides funding for increased homestead property tax exemption
22 reimbursement to municipalities.

23 GENERAL FUND	2025-26	2026-27
24 All Other	\$0	\$113,000
25		
26 GENERAL FUND TOTAL	\$0	\$113,000

27
28 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
29 number to read consecutively.

30 **SUMMARY**

31 This amendment replaces the bill and changes the title. The amendment provides an
32 exception to the 12-month waiting period for the Maine resident homestead property tax
33 exemption to a successor in interest of a deceased resident who had ownership of a
34 homestead at the time of death as long as that successor has been a permanent resident of
35 the municipality in which the deceased's homestead is located for the 12 months prior to
36 the death of the prior owner. The amendment also makes a technical change to the statute
37 establishing the exemption and adds an appropriations and allocations section.

38 **FISCAL NOTE REQUIRED**
39 (See attached)

**132nd MAINE LEGISLATURE****LD 264****LR 612(03)****An Act to Remove the 12-month Waiting Period for the Maine Resident Homestead Property Tax Exemption****Fiscal Note for Bill as Amended by Committee Amendment****Committee: Taxation****Fiscal Note Required: Yes****B (H-731)**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$113,000	\$153,000	\$156,000
Appropriations/Allocations				
General Fund	\$0	\$113,000	\$153,000	\$156,000

Fiscal Detail and Notes

This bill includes a General Fund appropriation of \$113,000 in fiscal year 2026-27 to the Bureau of Revenue Services within the Department of Administrative and Financial Services for increased homestead property tax exemption reimbursements to municipalities by removing the 12-month waiting period for the Maine resident homestead property tax exemption to a successor in interest of a deceased resident who had ownership of a homestead at the time of death as long as that successor has been a permanent resident of the municipality in which the deceased's homestead is located for the 12 months prior to the death of the prior owner.