

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1541

S.P. 625

In Senate, April 10, 2025

### An Act to Provide Property Tax Relief for Senior Residents

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator MARTIN of Oxford.  
Cosponsored by Representative FAULKINGHAM of Winter Harbor and  
Senator: STEWART of Aroostook.

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

**Sec. 1. 36 MRSA c. 908-B, headnote** is amended to read:

## CHAPTER 908-B

## **PROPERTY TAX ~~STABILIZATION~~ EXEMPTION FOR SENIOR CITIZENS**

**Sec. 2. 36 MRSA §6281**, as amended by PL 2023, c. 412, Pt. S, §10 and c. 441, Pt. D, §§1 to 3, is further amended by amending the section headnote to read:

**~~§6281. Stabilization of Exemption from~~ property taxes on homesteads of individuals 65 years of age or older**

**Sec. 3. 36 MRSA §6281, first ¶,** as enacted by PL 2023, c. 412, Pt. S, §10, is amended to read:

This chapter applies ~~only~~ to the property tax year beginning April 1, 2023 and to property tax years beginning on or after April 1, 2027.

**Sec. 4. 36 MRSA §6281, sub-§1, ¶A**, as amended by PL 2023, c. 441, Pt. D, §1, is further amended to read:

A. "Eligible homestead" means a homestead occupied by an eligible individual who is eligible for a homestead exemption under chapter 105, subchapter 4-B for the property tax year for which the individual is requesting ~~stabilization~~ exemption and includes up to one acre of land surrounding the homestead.

**Sec. 5. 36 MRSA §6281, sub-§1, ¶B,** as amended by PL 2023, c. 441, Pt. D, §1, is further amended to read:

B. "Eligible individual" means an individual who, on April 1 1st of the property tax year for which the individual is requesting ~~stabilization~~ exemption:

(1) Is 65 years of age or older or will attain 65 years of age during the property tax  
year for which exemption is requested; and

(2) Is a permanent resident of the State as defined in section 681, subsection 4 and has owned a homestead in the State for at least 10 consecutive years prior to applying for an exemption under subsection 2.

**Sec. 6. 36 MRSA §6281, sub-§1, ¶D**, as amended by PL 2023, c. 441, Pt. D, §1, is repealed.

**Sec. 7. 36 MRSA §6281, sub-§2**, as enacted by PL 2021, c. 751, §1, is amended to read:

**2. Application for stabilization exemption; continuation of exemption; joint ownership.** An individual may apply by December 1st to the municipality in which the individual's homestead is located requesting that the municipality stabilize exempt that individual's homestead from the property tax assessed on that individual's homestead for the property tax year beginning on April 1st following the submission of the application. ~~A new application is required for each year for which stabilization is requested.~~ An individual who qualifies for exemption under this chapter shall file annually with the

1 municipality an affidavit, on a form provided by the municipality, declaring that the  
2 individual is still eligible for the exemption.

3 In the case of joint ownership of a homestead, at least one of the residents must be an  
4 eligible individual for the property to qualify for the exemption.

5 **Sec. 8. 36 MRSA §6281, sub-§3**, as enacted by PL 2021, c. 751, §1, is amended to  
6 read:

7 **3. Stabilization Exemption for eligible individual.** If a municipality determines that  
8 an applicant for stabilization exemption under subsection 2 is an eligible individual and  
9 that the individual's homestead is an eligible homestead, the municipality shall stabilize  
10 exempt the individual's homestead from the property tax assessed on the individual's  
11 homestead billed for the property tax year for which stabilization exemption was requested  
12 and continuing until the homestead no longer qualifies for exemption under this chapter.

13 **Sec. 9. 36 MRSA §6281, sub-§4**, as enacted by PL 2021, c. 751, §1, is repealed  
14 and the following enacted in its place:

15 **4. Transfer of eligibility.** An exemption granted under this chapter is not transferable  
16 unless the homestead is jointly owned by the transferee and the transferee is an eligible  
17 individual.

18 **Sec. 10. 36 MRSA §6281, sub-§5**, as amended by PL 2023, c. 441, Pt. D, §2, is  
19 further amended to read:

20 **5. State compensation.** A municipality that has stabilized exempted from property  
21 tax for the homestead of an eligible individual under this chapter may recover from the  
22 State 100% of the amount by which the property tax assessed on the homestead of an  
23 eligible individual in the usual manner exceeds the stabilized amount of property tax billed  
24 under difference between what the assessment on the homestead would have been, absent  
25 the exemption granted pursuant to subsection 3, and the amount of the assessment actually  
26 paid by the eligible individual after the exemption granted pursuant to subsection 3. A  
27 municipality claiming compensation under this subsection shall submit a claim to the  
28 bureau on the annual return required by section 383. The bureau shall review claims and  
29 determine the total amount to be paid to each municipality. The bureau shall certify and  
30 the Treasurer of State shall pay the amount due to each municipality by January 15th of the  
31 year following the year for which the claim for compensation was submitted or within 60  
32 days of the date the claim was filed, whichever is later.

33 **Sec. 11. Evaluation; specific public policy objective; fiscal sustainability.**  
34 The exemption provided under the Maine Revised Statutes, Title 36, chapter 908-B,  
35 referred to in this section as "the exemption," is subject to legislative review in 2030 in  
36 accordance with Title 3, chapter 37. The Office of Program Evaluation and Government  
37 Accountability shall submit an evaluation of the exemption by January 15, 2031 to the joint  
38 legislative committee established to oversee program evaluation and government  
39 accountability matters and the joint standing committee of the Legislature having  
40 jurisdiction over taxation matters. The joint standing committee of the Legislature having  
41 jurisdiction over taxation matters may report out a bill related to the report to the 135th  
42 Legislature in 2031.

1 A. In developing evaluation parameters to perform the review, the office shall consider  
2 that the specific public policy objective of the exemption is to decrease the tax burden  
3 on senior residents of this State and allow them to continue to reside in their homes.

4 B. The office shall also consider performance measures, including, but not limited to:

5 (1) The number, amount and geographic distribution of the exemptions;

6 (2) The cost to the State of the exemptions and whether that cost is fiscally  
7 sustainable; and

8 (3) The potential to expand or otherwise modify the exemption.

## 9 SUMMARY

10 This bill amends the property tax stabilization for senior citizens program, which was  
11 limited to one property tax year, by:

12 1. Changing the benefit under the program to a complete exemption from property  
13 taxes, for property tax years beginning on or after April 1, 2027;

14 2. Specifying that an eligible individual is someone who is at least 65 years of age, or  
15 who will attain 65 years of age during the property tax year for which the exemption is  
16 requested, and has maintained a permanent residence in this State for at least 10 consecutive  
17 years prior to applying for the exemption;

18 3. Removing the requirement that an applicant apply every year for the exemption,  
19 instead requiring that the eligible individual file an affidavit declaring that the individual is  
20 still eligible for the exemption;

21 4. Allowing the transfer of the exemption only if the transferee jointly owns the  
22 homestead and is eligible under the program; and

23 5. Requiring the Office of Program Evaluation and Government Accountability, in  
24 2030, to conduct a review of the program, considering:

25 A. Whether the exemption fulfills its goal of decreasing the tax burden on senior  
26 residents of this State and allowing them to continue to reside in their homes; and

27 B. Performance measures such as whether the program is fiscally sustainable and may  
28 be expanded or modified.

29 The office is required to submit, by January 15, 2031, a report with its findings to the  
30 Government Oversight Committee and to the joint standing committee of the Legislature  
31 having jurisdiction over taxation matters, which may report out a bill related to the report  
32 to the 135th Legislature in 2031.