

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1729

S.P. 675

In Senate, April 22, 2025

**An Act to Increase the Rate of Reimbursement to Municipalities for  
Revenue Lost as a Result of the Maine Resident Homestead  
Property Tax Exemption**

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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 BENNETT of Oxford.

Cosponsored by Senator: BICKFORD of Androscoggin, Representatives: CARUSO of Caratunk, FRIEDMANN of Bar Harbor, HEPLER of Woolwich.

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

**Sec. 1. 36 MRSA §685, sub-§2, ¶D,** as enacted by PL 2021, c. 398, Pt. PPPP, §3, is amended to read:

D. For property tax years beginning on April 1, 2022, 73% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; ~~and~~

**Sec. 2. 36 MRSA §685, sub-§2, ¶E**, as amended by PL 2023, c. 412, Pt. II, §1, is further amended to read:

E. For property tax years beginning on or after April 1, 2023, April 1, 2024 and April 1, 2025, 76% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B.; and

**Sec. 3. 36 MRSA §685, sub-§2, ¶F is enacted to read:**

F. For property tax years beginning on or after April 1, 2026, the percentage of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B that is 3 percentage points higher than the percentage reimbursed to the municipality in the year immediately prior. The annual increase in reimbursement must continue until the percentage of reimbursement to the municipality reaches 100% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B.

## SUMMARY

This bill increases the reimbursement rate by the State to municipalities for revenue lost as a result of the Maine resident homestead property tax exemption by 3 percentage points each year, beginning in 2026, until the reimbursement rate is 100%, which would be in 8 years under the bill. The current rate of reimbursement is 76%.