

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 1272

H. P. 920

House of Representatives, March 2, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Collins of Caribou.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT Providing for Property Tax Relief for the Elderly.

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

Sec. 1. R. S., T. 36, §§ 671 - 673, additional. Title 36 of the Revised Statutes is amended by adding 3 new sections to read as follows:

§ 671. Purpose

Due to the tremendous rise in living costs during the past decade, including ever increasing property taxes, the failure of Federal Old Age and Survivors Insurance and similar types of pension systems to adequately reflect in their pension payments these costs, and because savings once deemed adequate for retirement living are now grossly inadequate, it is therefore deemed necessary that the Legislature grant people retired on fixed incomes some relief from real property taxes. This relief must be granted to insure that thousands of persons now retired on fixed incomes can remain in possession of their homes, thus not becoming a burden on state or local government.

§ 672. Application

The following persons shall have their property tax paid under this Act after application by reason of age up to $\frac{1}{2}$ of such property tax but not to exceed \$200 yearly.

1. **Applicant.** An applicant shall be 65 years of age or older prior to February 15th of the year in which real property is assessed and the taxes levied thereon.

2. **Ownership, residency.** The applicant shall have been a resident of the State of Maine for at least 10 years.

3. **Dwelling.** A claim for payment can only be made for a dwelling which is occupied as the domicile of the person claiming payment.

4. **Income.** The combined income of the applicant and his spouse, from all sources whatsoever, shall not be in excess of \$4,000, or the income of the applicant, if single, shall not be in excess of \$2,500, for the calendar year immediately preceding the year in which the real property is assessed and the taxes levied thereon.

5. **Assets.** The net value of cash, securities and real estate of the applicant and spouse shall not be in excess of \$25,000 for the calendar year immediately preceding the year in which the payment is applied for.

6. **Claims filed.** Any person who desires to secure payment under this section shall make a written application and file notarized written proof of entitlement on or before the first day of April, annually, with the municipal assessors. Failure to so apply and file shall constitute adequate reason for denial of such payment. Any person signing a false claim shall be subject to civil or criminal perjury. Such claims shall be forwarded to the Department of Health and Welfare. The amount of the claim after determination by the Commissioner of Health and Welfare shall be paid to the municipality from the General Fund.

7. **Annually.** Claims for payment under this Act shall be made annually and solely upon forms as prescribed by the Department of Health and Welfare.

8. **Fraudulent conveyance.** No payment shall be made on account of real estate conveyed to any person for the purpose of obtaining payment under this section, excepting property conveyed between husband and wife. The obtaining of such payment by means of fraudulent conveyance shall be punishable by a fine of not less than \$500 or not more than 10 times the amount of the taxes evaded by such fraudulent conveyance, whichever amount is greater.

§ 673. Claims against decedent's estate

Upon the death of a person who has received payments under section 672 during his lifetime, the State shall have a claim against his estate, or the estate of his surviving spouse, allowable in probate court, and enforceable in accordance with Title 18, for all money paid under section 672.

In the event that such person leaves a surviving spouse, no claim shall be filed until the death of said spouse.

Sec. 2. R. S., T. 36, §§ 657 - 659, repealed. Sections 657 to 659 of Title 36 of the Revised Statutes, as enacted by chapter 444 of the public laws of 1969, are repealed.

Sec. 3. Appropriation. There is appropriated from the General Fund to the Department of Health and Welfare the sum of \$2,000,000 for the fiscal

year ending June 30, 1972 to carry out the purposes of this Act. Any balance of this appropriation shall not lapse but shall be carried forward to the fiscal year ending June 30, 1973 to be expended for the same purpose.

STATEMENT OF FACT

The purpose of this bill is reflected in the first section.