

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1159

H. P. 871

House of Representatives, February 27, 1973

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Farnham of Hampden.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Provide Meaningful Property Tax Relief to Elderly
Homeowners.

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

Sec. 1. R. S., T. 30, § 5055, sub-§ 5, amended. The first sentence of subsection 5 of section 5055 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 478 of the public laws of 1971 and as amended, is further amended to read as follows:

An amount equal to ~~4%~~ 8% of the receipts from the taxes imposed under Title 36, Parts 3 and 8, and credited to the General Fund shall be transferred by the Treasurer of State to the Local Government Fund on the first day of each month ~~beginning July 1, 1973.~~

Sec. 2. R. S., T. 36, Part 9, repealed and replaced. Part 9 of Title 36 of the Revised Statutes, as enacted by section 1 of chapter 503 of the public laws of 1971, is repealed and the following enacted in place thereof:

PART 9

CHAPTER 901

THE ELDERLY HOMEOWNERS' TAX RELIEF ACT

§ 6121. Purpose

The purpose of this Part is to provide meaningful property tax relief to all elderly citizens of the State, without regard to amount of income or extent of assets, through a system of gradual reduction, for local property tax valuation purposes, of the assessed value of the real property actually owned by such citizens and occupied by them as a dwelling.

§ 6122. Definitions

As used in this Part, unless the text otherwise indicates, the following words shall have the following meanings:

1. Dwelling. "Dwelling" shall be a building occupied as a home for a period of 12 months prior to an application for relief under this Part. The percentage of square footage occupied by the owner of a multiple unit dwelling shall be considered as a dwelling. A dwelling shall only include land not in excess of 20,000 square feet in size.

2. Proof of ownership. "Proof of ownership" shall mean a deed, abstract of a will or petition for administration, payment of taxes on the property for the previous 2 taxable years or such other documentation as may be required by the assessors or the State Tax Assessor.

3. Real Estate. "Real Estate" shall include a mobile home or house trailer used as a dwelling.

§ 6123. Eligibility

1. Persons. Any person who has attained the age of 65 years, or whose spouse has attained the age of 65 years, who is domiciled in this State and who is seized either individually or as a life tenant, joint tenant, tenant in common or a tenant by the entirety with another of real estate actually occupied by him as his or their dwelling may apply to the assessors of the municipality wherein he resides, or if he resides in an unorganized place, to the State Tax Assessor, for tax relief.

2. Veterans' exception. With respect to any person entitled to the exemption conferred by section 653, such person shall be entitled to apply for tax relief at age 62, provided he fulfills all other applicable eligibility standards. The exemption hereunder shall apply to that part of the dwelling taxed to him.

3. Real estate. No tax relief shall be granted with respect to any real estate not actually occupied by an applicant as his dwelling.

§ 6124. Application; how made

Any person fulfilling the eligibility standards as defined in section 6123 may apply to the assessors of the municipality wherein he resides, or if he resides in an unorganized place, to the State Tax Assessor, on or before April 1st. Such application shall be accompanied by a certified copy of the birth certificate of the applicant or his spouse, or if such is not reasonably available, by such proof of age as may be satisfactory to the assessors or to the State Tax Assessor; and by proof of ownership of the real estate with respect to which application for tax relief is made. Once tax relief has been granted no subsequent application is needed.

§ 6125. Duty of assessors

Upon receipt of a properly completed application, and being satisfied that the applicant meets the eligibility standards as defined in this Part, the mu-

municipal assessors, or the State Tax Assessor, as the case may be, shall thereafter reduce the assessed valuation of the real estate described in the application, according to the age of the applicant or his spouse at the time the taxes are assessed, as follows:

Age of Applicant	Percentage of Assessed Value to be Reduced
65 (62 in case of veterans)	
but less than 70	25%
70 but less than 75	27½%
Over 75	30%

A person shall receive tax relief upon that percentage of interest which he owns in the dwelling described in the application.

The real property taxes of such applicants shall be thereafter assessed in accordance with such reduced valuation, except that the maximum reduction in real property taxes of any one applicant required to be made during any one municipal tax year on account of this Part shall not exceed \$300.

The municipal assessors, or the State Tax Assessor, as the case may be, shall indicate on the tax bill of an applicant the total assessed value of the real estate for which relief is claimed, the taxable value exempt from taxation by virtue of this Part; and the taxable value of said real estate computed in accordance with this Part. Municipal assessors shall, not later than December 1st of each calendar year, furnish the State Tax Assessor and the municipal officers with a statement indicating the number of reductions of assessment and the total cost thereof under this Part.

§ 6126. Appeals

Any person aggrieved by the denial in whole or in part of a claim for tax relief by the municipal assessors or State Tax Assessor may appeal therefrom in the manner provided by sections 843 to 849. If a denial is sustained by the county commissioners or board of assessment review, such person may appeal to the Superior Court in the manner provided in Rule 80B of the Rules of Civil Procedure.

§ 6127. Fraudulent conveyances; penalty

No real estate conveyed to any person solely for the purpose of obtaining tax relief shall be eligible for consideration by the municipal assessors or the State Tax Assessor for such benefits. Any person who obtains any tax relief by such conveyance shall be punished by a fine of not less than \$100 or not more than double the amount of taxes evaded by such conveyance, whichever is greater.

Sec. 3. Effective date. Section 2 of this Act shall be effective January 1, 1974.

STATEMENT OF FACT

This bill provides meaningful across-the-board real property tax relief to all Maine's elderly citizens, regardless of income or extent of assets, by grad-

ually reducing the assessed value of their homesteads according to the homeowner's age. The bill also increases the current level of the municipal share of the sales tax and income tax from the present 4% to 8% to help offset the loss of property tax revenue to the municipalities.