

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1731

H. P. 1479

House of Representatives, April 25, 1977

On Motion of Mr. Carey of Waterville, referred to the Committee on Taxation. Sent up for concurrence and 1,800 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Post of Owls Head.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Provide Property Tax Relief to Maine's Elderly Citizens.

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

36 MRSA c. 902 is enacted to read:

CHAPTER 902

THE ELDERLY HOUSEHOLDERS PROPERTY TAX RELIEF ACT

§ 6151. Purpose

The purpose of this chapter is to provide property tax relief to certain elderly persons through grants from the State.

§ 6152. Definitions

As used in this chapter, unless the context specifically indicates otherwise, the following words shall have the following meanings.

1. Assessed value. "Assessed value" means the valuation of the claimant's homestead as determined and recorded by the municipality in which the homestead is located.

2. Claimant. "Claimant" means a person who has filed a claim under this chapter and was domiciled in this State and owned a homestead in the State during the entire calendar year preceding the year in which he files claim for relief under this chapter. When 2 individuals of a household are able to meet the qualifications for a claimant, they may determine between them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the State Tax Assessor and his decision shall be final.

If a homestead is occupied by 2 or more individuals and more than one individual is able to qualify as a claimant, the individuals may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the State Tax Assessor and his decision shall be final.

3. Homestead. "Homestead" means the dwelling, owned by the claimant, and occupied by the claimant and his dependents as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built. "Owned" includes a vendee in possession under a land contract and of one or more joint tenants or tenants in common. A mobile home may be a homestead.

4. Household. "Household" means a claimant and spouse and members of the household for whom the claimant under this chapter is entitled to claim an exemption as a dependent under Part 8 for the year for which relief is requested.

5. Household income. "Household income" means all income received by all persons of a household in a calendar year while members of the household.

6. Income. "Income" means the sum of Maine adjusted gross income determined in accordance with Part 8, the amount of capital gains excluded from adjusted gross income, alimony, support money, nontaxable strike benefits, the gross amount of any pension or annuity including railroad retirement benefits, all payments received under the Federal Social Security Act, state unemployment insurance laws, and veterans disability pensions, nontaxable interest received from the Federal Government or any of its instrumentalities, workmen's compensation and the gross amount of "loss of time" insurance, cash public assistance and relief, but not including relief granted under this Part. It does not include gifts from nongovernmental sources or surplus foods or other relief in kind supplied by a governmental agency.

7. Mill rate. "Mill rate" means the property tax rate levied by the municipality in which the claimant's homestead is located in the year for which relief is requested.

8. Property taxes accrued. "Property taxes accrued" means property taxes exclusive of special assessment, delinquent interest, and charges for service levied on a claimant's homestead in this State as of April 1, 1976 or any tax year thereafter. If a homestead is owned by 2 or more persons or entities as joint tenants or tenants in common, and one or more persons or entities are not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead which reflects the ownership percentage of the claimant and his household. If a claimant and spouse own their homestead part of the preceding tax year and rent it or a different homestead for part of the same tax year, "property taxes accrued" means only taxes levied on the homestead when both owned and occupied by the claimant on April 1st, multiplied by the percentage of 12 months that such property was owned and occupied by the household as its homestead

during the preceding tax year. When a household owns and occupies 2 or more different homesteads in this State in the same tax year, "property taxes accrued" shall relate only to that property occupied by the household as a homestead on April 1st. If a homestead is an integral part of a larger unit such as a farm, or a multipurpose or multidwelling building, "property taxes accrued" shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For purposes of this chapter, "unit" refers to the parcel of property separately assessed of which the homestead is a part.

9. Year for which relief is requested. "Year for which relief is requested" means the calendar year preceding that in which the claim is filed.

§ 6153. Income limitation

No claim otherwise allowable shall be granted to claimants of single member households with household income in excess of \$4,500 in the year for which relief is requested; and no claim otherwise allowable shall be granted to claimants of households of 2 or more members with income in excess of \$6,000 in the year for which relief is requested.

§ 6154. Age limitation

No claim shall be granted which is otherwise allowable under this chapter, unless at least one member of the household shall have attained the age of 62 during the year for which relief is requested.

§ 6155. Claim is personal

The right to file claim under this chapter shall be personal to the claimant and shall not survive his death, but such right may be exercised on behalf of a claimant by his legal guardian or attorney-in-fact. If a claimant dies after having filed a timely claim, the amount thereof shall be disbursed to another member of the household as determined by the State Tax Assessor.

If the claimant was the only member of his household, the claim may be paid to his executor or administrator, but if neither is appointed and qualified within 2 years of the filing of the claim, the amount of the claim shall escheat to the State.

§ 6156. One claim per household

Only one claimant per household or homestead per year shall be entitled to relief under this chapter.

§ 6157. Claim to be paid from General Fund

The amount of the claim after certification by the State Tax Assessor shall be paid to claimant from the General Fund. No interest shall be allowed on any payment made to a claimant pursuant to this chapter.

§ 6158. Filing date

No claim shall be paid unless the claim is filed with the Bureau of Taxation on or after August 1st and on or before the following October 15th.

§ 6159. Benefit limitation

No claim of more than \$400 shall be granted.

§ 6160. Computation of amount

The amount of the claim shall be determined as follows:

1. Adjusted assessed value. Subtract \$3,000 from the assessed value of the homestead in 1971 or in any subsequent year in which the claimant first pays property taxes on the homestead on which the claim is based.

2. Adjusted property taxes. Multiply the amount determined in subsection 1 by the mill rate in the same year in which the adjusted assessed value is determined.

3. Amount of claim. Subtract the amount determined in subsection 2 from the total property taxes accrued in the year for which relief is requested.

The sum determined in subsection 3 shall be the amount of the claim.

§ 6161. Exceptions to computation of amount of claim

If either the mill rate or the assessed value of the homestead is reduced in any subsequent year, the claim shall be based on the reduced mill rate and the assessed value for the same year or the reduced value and the mill rate for the same year, whichever results in a larger claim.

§ 6162. Administration

The State Tax Assessor shall make available suitable forms with instructions for claimants. The claim shall be in such form as the State Tax Assessor may prescribe and shall be signed by the claimant under the pains and penalties of perjury.

§ 6163. Audit of claim

If on the audit of any claim filed under this chapter the State Tax Assessor determines the amount to have been incorrectly determined, he shall redetermine the claim and notify the claimant of the redetermination and his reasons for it. The redetermination shall be final unless appealed to the State Tax Assessor within 30 days of notice.

§ 6164. Denial of claim

If it is determined that a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full. If the claim has been paid, the amount paid may be recovered by assessment, and the assessment shall bear interest from the date of payment or credit of the claim until refunded or paid, at the rate of 1% per month. The claimant in such case, and any person who assisted in the preparation or filing of such excessive claim or supplied information upon which such excessive claim was prepared, with fraudulent intent, is guilty of a misdemeanor. If it is determined that a claim is excessive and was negligently prepared, 10% of the corrected claim shall be disallowed, and if the claim has been paid, the proper portion of any

amount paid shall be similarly recovered by assessment, and the assessment shall bear interest at 1% per month from the date of payment until refunded.

§ 6165. Appeals

Any person aggrieved by the denial in whole or in part of relief claimed under this chapter, except when denial is based upon late filing of claim for relief, may appeal the denial to the Administrative Court Judge by filing a petition within 30 days after such denial.

§ 6166. Disallowance of certain claims

A claim shall be disallowed, if the State Tax Assessor finds that the claimant received title to his homestead primarily for the purpose of receiving benefits under this chapter.

§ 6167. Extension of time for filing claims

In case of sickness, absence or other disability, or if in his judgment good cause exists, the State Tax Assessor may extend, for a period not to exceed 6 months, the time for filing a claim.

§ 6168. Protection from loss of benefits

It is the intent of the Legislature that any claim paid under this chapter shall supplement any benefits paid under aid to the aged, blind and disabled or any program which succeeds or supplants that aid. The Department of Human Services shall take any such action as may be necessary to assure that recipients of aid to the aged, blind and disabled shall continue to receive as high a percentage of their current assistance as may be possible. To carry out this legislative directive, the department shall utilize all the state funds expected to be saved by a reduction in benefits of recipients of aid to the aged, blind and disabled resulting from this chapter to raise the standards of aid to the aged, blind and disabled at a total cost in state funds equivalent to the savings in state funds which would be expected as a result of this chapter.

§ 6169. State Tax Assessor's records confidential

The records and files of the State Tax Assessor respecting the administration of this chapter shall be confidential and privileged, and neither the State Tax Assessor nor any employee engaged in the administration of this chapter or charged with the custody of any such records or files shall divulge or disclose any information obtained from such records or files or from any examination or inspection of the premises or property of any person. Neither the State Tax Assessor nor any employee engaged in the administration of this chapter or charged with the custody of any such records or files shall be required to produce any of them for the inspection of any person or for use in any action or proceedings except in behalf of the State Tax Assessor, in an action or proceeding under this chapter to which the State Tax Assessor is a party, or in behalf of any party to any action or proceeding under this chapter, when the records or files or the facts shown thereby are directly involved in any such action or proceedings.

Nothing herein contained shall be construed to prevent:

1. **Reports.** The delivery to a taxpayer or his duly authorized representative of a copy of any report or any other paper filed by him pursuant to this chapter;

2. **Statistics.** The publication of statistics so classified as to prevent the identification of a particular report and the terms thereof;

3. **Information to governmental officers.** The disclosure of information to duly authorized officers of the United States and of other states, districts and territories of the United States and of the provinces and Dominion of Canada. Such information may be given only on the written request of the duly authorized officer, when the officer's government permits the exchange of like information with the taxing officials of this State and when the officer agrees that such information shall be used only for tax collection purposes; and

4. **Information to legislative committees.** The disclosure of information from records or files of the State Tax Assessor or the production of records or files of the State Tax Assessor to a special interim legislative investigating committee, or its agent, upon written demand from the chairman of the committee or any member of the committee designated by him. Such information, records or files may be used only for the lawful purposes of the committee and in any actions arising out of investigations conducted by it.

STATEMENT OF FACT

The purpose of this bill is to enact a property tax-freeze program for Maine's low-income elderly homeowners. Under the program, any homeowners who meet the eligibility requirements would have their property tax burden frozen at the level of a base year as computed in this bill. The difference between property taxes at this level and actual property taxes in succeeding years would be paid by the State as a rebate.