

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST SPECIAL SESSION

(Filing No. H-1240)

HOUSE AMENDMENT "B" to H.P. 2336, L.D. 2210, RESOLUTION,
Proposing an Amendment to the Constitution to Establish
Property Tax Exemptions for Maine Homesteads.

Amend the Resolution by striking out all of the title and
inserting in its place the following: 'AN ACT to Limit
Increases in Municipal Property Tax Rates and Valuations During
1979 and 1980, and to Relieve Homeowners and Renters from the
Burden of the Property Tax.'

Further amend the Resolution by striking out everything
after the title and inserting in its place the following:

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

Sec. 1. 36 MRSA §507 is enacted to read:

§507. Limitation on increases in municipal property tax rate
and municipal property valuations during 1979 and 1980

1. Property tax assessment. No municipality shall,
for the tax year 1979, increase its property tax rate by an
amount greater than 5% of the property tax rate set for the
tax year 1978, and no municipality shall, for the tax year
1980, increase its property tax rate by an amount greater than
5% of the property tax rate set for the tax year 1979.

A municipality may, however, increase its property tax rate
by an amount greater than the limitation placed upon it by
this subsection if the rate set is first approved by a majority of

the electors of that municipality voting at an election called by the municipal officers in accordance with Title 21.

2. Property/^{tax}valuation. No municipality shall, ↔ for the tax ← → year 1979, increase the assessed valuation of any property located within it by an amount greater than 5% of that property's assessed valuation on April 1, 1978, and no municipality shall, for the tax ← → year 1980, increase the assessed valuation of any property located within it by an amount greater than 5% of that property's assessed valuation on April 1, 1979.

A municipality may, however, increase the assessed valuation of property located within it by an amount greater than the limitation placed upon it by this subsection if the amount of increased assessed valuation permitted is first approved by a majority of the electors of that municipality voting at an election called by the municipal officers in accordance with Title 21.

Sec. 2. 36 MRSA §6103, sub-§ 5-B, as enacted by PL 1973, c. 634, §2, is amended by adding at the end a new sentence to read:

If claimant has claimed a tenant's rebate pursuant to chapter 905 for the year he claims under this chapter, the rent constituting property taxes accrued as defined in this subsection shall be reduced by \$25.

Sec. 3. 36 MRSA c. 905 is enacted to read:

CHAPTER 905

PROPERTY TAX HOMESTEAD RELIEF ACT OF 1978

SUBCHAPTER 1

HOMESTEAD RELIEF

§6201. Title

This chapter shall be known as the "Property Tax Homestead Relief Act of 1978."

SUBCHAPTER II

HOMEOWNERS EXEMPTION

§6211. Definitions

As used in this subchapter, the following terms shall have the following meanings unless the context indicates otherwise.

1. Assessor. "Assessor" means the municipal assessor or, in the case of a primary assessing area, the chief assessor or, in the unorganized territory, the State Tax Assessor.

2. Claimant. "Claimant" means a homeowner who has filed a claim under this subchapter for a property tax homestead exemption.

3. Dwelling. "Dwelling" means a structure used as a residence, including a mobile home or house trailer and a part of a multiple dwelling or multiple purpose building.

4. Eligible. "Eligible" means that the claimant is a homeowner entitled to a homestead property tax exemption for the tax assessed based on the status of property on April 1st of the same year.

5. Homeowner. "Homeowner" means an individual who has been a resident of this State for at least 6 consecutive months prior to the filing of a claim for the homestead exemption and who continues to be a resident of this State and owns a homestead property on April 1st of the year in which the tax is assessed.

6. Homestead exemption. "Homestead exemption" is the property tax homestead exemption, as described in this subchapter.

7. Homestead property. "Homestead property" means a dwelling owned and used as the homeowner's principal place of abode and the parcel of land, up to 10 acres, upon which the dwelling is affixed or located, together with all privileges and appurtenances belonging to the premises when that parcel is owned by the homeowner.

8. Owned. "Owned" means title in fee, joint tenancy, tenancy in common, tenancy or a vendee in possession of homestead property under a contract.

§ 6212. Property tax homestead exemption

An eligible claimant's homestead shall be partially exempt from the property tax. This exemption shall be limited to the tax owed on the first $\frac{\$5,000}{}$ of the homestead's just value.

§ 6213. Filing

A claimant $\frac{\text{shall}}{\text{file}}$ a claim form for the exemption, signed by the claimant under the penalties of perjury on or before April 1st of the year in which the homestead property tax exemption is first to be allowed. The claim form $\frac{\text{shall}}{\text{be}}$ filed with the asses-

sor having jurisdiction. There is no further requirement for filing a claim form in subsequent years if the claimant continues to be eligible for homestead property tax exemption on the same homestead property.

A claimant who has obtained a homestead property tax exemption shall notify the assessor having jurisdiction when he is no longer eligible. Only one claim may be filed with respect to each homestead property.

§ 6214. Administration

1. State Tax Assessor. The State Tax Assessor shall prepare and make available to assessors claim forms with instructions for claimants.

2. Claim forms. Claim forms shall be made readily available by assessors to all homestead property owners.

3. Tax collector. The tax collector is responsible for the computation of each individual homestead exemption and the appropriate adjustments of the property tax due. The amount exempted shall be noted on the tax bill.

4. Approval of claims for homestead exemption. The assessor shall be responsible for the approval of claims for the homestead exemption and ^{shall} furnish the tax collector with a list of eligible claimants.

5. Tax bills. Tax collectors shall annually prepare and mail a tax bill to each taxpayer who is named on the list provided by the assessors or municipal officers pursuant to sections 709

and 709-A. The tax bill shall include the assessed valuation of the taxpayer's property, the ratio or percentage of full 100% value used in determining the assessed valuation, the tax rate and the amount of tax due.

Rules and regulations.

6. / The State Tax Assessor may establish those rules and regulations necessary for the effective administration of this subchapter.

§ 6215. Disallowance of claim

If it is determined that a claim for a homestead exemption in error, it shall be disallowed and, if the exemption has been allowed prior to such determination, the amount allowed may be recovered by suit after written demand is made.

§ 6216. Initial exemptions allowable

The initial assessment on which any municipality may certify homestead property tax exemptions is the assessment made relative to the status of property on April 1, 1979.

§ 6217. Unorganized territory

The State Tax Assessor shall administer this homestead exemption for all homesteads, in the unorganized territory.

§ 6218. State reimbursement

Each municipality shall request, on a form prepared by the State Tax Assessor, by November 1st of each year, reimbursement for the costs in the municipality of that year's tax exemption. Upon certification of the State Tax Assessor, municipal reimbursements shall be made from the General Fund by December 15th of each year.

~~Subchapter III~~~~Tenants' Rebate~~§ 6231. Purpose

The purpose of this subchapter is to provide tenants of homesteads in Maine a rebate in lieu of the property tax exemption provided in this chapter.

§ 6232. Definitions

As used in ^{this} subchapter unless the context otherwise indicates, the following words shall have the following meanings.

1. Claimant. "Claimant" means a person who has filed a claim for a rebate under this subchapter and was domiciled in this State and rented a homestead in this State during the entire calendar year preceding the year in which he files claim for

relief under this subchapter. When 2 or more individuals of a household are able to meet the qualifications for a claimant, they may determine among themselves 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.

2. Homestead. "Homestead" means a claimant's principal dwelling which he rents and which is situated within the State and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built.

3. Household. "Household" means the association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations and expenses. The term does not include bona fide lessees, tenants or roomers and boarders on contract.

§ 6233. Claim is personal

The right to file a claim for a rebate under this subchapter shall be personal to the claimant and shall not survive his death, but this 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.

§ 6234. Claim for rebate

Any eligible claimant may receive a tenant's rebate in the amount of \$25 annually.

§ 6235. Filing claim

Any eligible claimant shall file for his rebate by October 15th, with the State Tax Assessor.

§ 6236. One claim per household

Only one claimant per household per year shall be entitled to a tenant's credit under this subchapter.

§ 6237. Administration

1. Claimant forms. 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 penalty of perjury.

2. Rules. The State Tax Assessor may establish those rules and regulations necessary for the effective administration of this subchapter.

3. Unauthorized claims. If/^{it} is determined that a claim for a renter's rebate is not authorized, it shall be disallowed and, if the rebate has been paid prior to such determination, the amount allowed may be recovered by suit after written demand is made.

Statutory referendum procedure; submission at general election; form of question; effective date. This Act shall be submitted to the legal voters of the State of Maine at the next general election in the month of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Shall 'AN ACT

to Limit Increases in Municipal Property Tax Rates and Valuations During 1979 and 1980, and to Relieve Homeowners and Renters from the Burden of the Property Tax,' passed by the First Special Session of the 108th Legislature, be accepted?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the words "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns, and, if it appears that a majority of the legal votes are in favor of the Act, the Governor shall proclaim that fact without delay, and the

Act shall become effective 30 days after the date of the proclamation, and shall be retroactive to January 1, 1979.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purpose of this referendum.'

Statement of Fact

This amendment provides for a limitation on municipal property tax and valuation increases during the 1979 and 1980 tax years and for relief to homeowners and renters from the burden of the property tax.

The bill ---> limits increases in municipal property tax assessments and in municipal property valuations to no more than 5% annually during 1979 and 1980, unless a greater increase is approved by a majority of municipal voters.

This bill would establish a statewide property tax exemption on the first \$5,000 of just value on every principal residence in Maine. The specific impact would result in property tax reductions for most Maine people.

Included in this proposal is a tenant's rebate in lieu of property tax exemption of \$25.

Under this proposal, the State would be obligated to reimburse municipalities for their loss of revenue from the homestead exemption. The estimated cost of this legislation

will provide the following:

Estimated total loss of revenue from exemption	= \$22 . million
Cost of renter's rebate of \$25	= <u>\$ 3.1 million</u>
TOTAL:	\$25.1 million

Finally, this Act will be submitted to the Maine electors at the general election in November for their approval.

(Wyman)
NAME: *Joseph S. Wyman*
TOWN: Pittsfield