

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1054

H. P. 854

House of Representatives, March 5, 1979

On Motion of Mrs. Post of Owl's Head, referred to the Committee on Taxation.
Sent up for concurrence and 2,500 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Michael of Auburn.

Cosponsors: Mr. Davies of Orono and Mrs. Chonko of Topsham.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Create the Property Tax Homestead Relief Act of 1979.

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

36 MRSA c. 909 is enacted to read:

CHAPTER 909

PROPERTY TAX HOMESTEAD RELIEF ACT OF 1979

SUBCHAPTER I

HOMESTEAD RELIEF

§ 6201. Title

This chapter shall be known as the "Property Tax Homestead Relief Act of 1979."

SUBCHAPTER II

HOMEOWNER'S 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 the 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. For a homestead owned on April 1, 1980 this exemption shall be limited to the tax owed on the first \$5,000 of the homestead's just value. For a homestead owned April 1, 1981, and April 1, 1982 the exemptions shall be \$10,000 and \$15,000, respectively, of just value.

§ 6213. Filing

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.

A claimant shall 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 shall be filed with the assessor 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.

§ 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.

6. **Rules and regulations.** The State Tax Assessor may establish the 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 is in error, it shall be disallowed and, if the exemption has been allowed prior to that 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, 1980.

§ 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 50% of 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.

STATEMENT OF FACT

This bill would establish a statewide property tax exemption on the first \$20,000 of just value on every principal residence in Maine. The specific impact would result in property tax reductions for most Maine people.

Under this bill, the State would be obligated to reimburse municipalities for their loss of revenue from the homestead exemption. The estimated cost of this legislation is \$22,000,000.