

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1185

H.P. 853

House of Representatives, April 13, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative NADEAU of Saco.

Cosponsored by Representative HOGLUND of Portland, Representative PEDERSON of Bangor and Senator GAUVREAU of Androscoggin.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE

An Act to Stabilize Property Taxes of People 65 Years of Age or Older.



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

3 Sec. 1. 36 MRSA §851 is enacted to read:

5 §851. Secondary lien procedure

7 Any municipality granting a tax abatement pursuant to
9 section 841, subsection 2, may file a secondary lien with the
11 county registry of deeds for the amount abated, plus interest and
13 filing fees. This secondary lien shall become due and payable
only upon transfer of the property. At the time of the transfer,
the seller shall pay the municipality the taxes owed, plus
interest and filing fees.

15 Sec. 2. 36 MRSA c. 105, sub-c. VIII-A is enacted to read:

17 SUBCHAPTER VIII-A

19 PROPERTY TAX STABILIZATION

21 §871. Property tax stabilization

23 Persons who are 65 years of age or older and who own real
25 property located in the State may register with the municipal tax
27 assessor for stabilization of the amount taxed on the property
29 owned. To be eligible for stabilization, the property owner must
31 register with the municipal tax assessor and show proof of date
of birth. The property will be taxed in the amount due on April
1st of the year preceding registration with the municipal tax
assessor. If the property is jointly owned, each owner must be
65 years of age or older to be eligible for stabilization.

33 1. Secondary lien procedure. The municipal tax assessor
35 shall revalue and reassess the property in the same manner all
37 other properties are revalued and reassessed, but shall collect
39 only the amount paid the year before registration. The
41 difference shall accrue under a secondary lien, filed in the
county registry of deeds, which shall be due and payable only
upon transfer of the property. At the time of the transfer, the
seller shall pay the municipality the taxes owed, plus interest
and filing fees.

43 2. Penalty; fraud. No property conveyed to any person for
45 the sole purpose of obtaining stabilization of taxation under
47 this section may be stabilized except property conveyed between
49 husband and wife. Any person who obtains tax stabilization by
51 means of fraudulent conveyance shall be subject to a civil
penalty, payable to the municipality in which the property is
located, of not less than \$100 and not more than 2 times the
amount of the taxes evaded by that fraudulent conveyance,
whichever amount is greater.

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STATEMENT OF FACT

5 Section 1 of this bill provides that any municipality that
7 grants a property tax abatement to an individual on the basis of
9 infirmity or poverty may file a secondary lien for the amount
abated and may collect that amount upon the transfer of the
property.

11 Section 2 of the bill establishes a property tax
13 stabilization program for individuals who are 65 years or older.