

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

Legislative Document

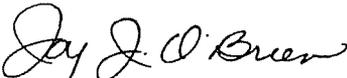
No. 2135

S.P. 827

In Senate, January 5, 1990

Submitted by the Department of Finance pursuant to Joint Rule 24.

Reference to the Committee on Taxation suggested and ordered printed.

  
JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator EMERSON of Penobscot.

Cosponsored by Representative HIGGINS of Scarborough, Representative JACKSON of Harrison and Representative DiPIETRO of South Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY

An Act to Implement Changes to the Homestead Property Tax Exemption Law.

(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

Whereas, delay in implementing changes to the homestead  
property tax exemption law may result in unnecessary burdens on  
taxpayers and local property tax administrators; and

Whereas, in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
safety; now, therefore,

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

Sec. 1. 36 MRSA §672, sub-§§8 and 9, as enacted by PL 1989, c.  
534, Pt. B, §1, are repealed and the following enacted in their  
place:

8. State of Maine income tax returns. The residence  
claimed on the State of Maine income tax return filed by the  
applicant;

9. Maine motor vehicle excise tax. The place of payment of  
the motor vehicle excise tax of the applicant; or

Sec. 2. 36 MRSA §672, sub-§10 is enacted to read:

10. Maine hunting or fishing licenses. The residence  
listed on the applicant's Maine hunting or fishing license.

Sec. 3. 36 MRSA §673, sub-§§2 and 2-A, as enacted by PL 1989,  
c. 534, Pt. B, §1, are amended to read:

2. Amount of exemption. Every person who has the legal  
title or beneficial title in equity to real property in this  
State and who resides on that real property, and in good faith  
makes the same that person's permanent residence or the permanent  
residence of another or others legally or naturally dependent  
upon on that person, is entitled to an exemption from all  
taxation, except for assessments for special benefits of 5% of  
just valuation up to the just valuation of \$45,000 on the  
residence and up-to-10-acres-of contiguous real property. The  
title may be held jointly or in common with others, and the  
exemption may be apportioned among the owners that who reside on  
the property, to the extent of their respective interests; but no  
exemption of more than 5% of the first \$45,000 of just value may  
be allowed to any one person or on any one dwelling house, except  
that an exemption up to 5% of the first \$45,000 of just value may  
be allowed on each apartment occupied by a tenant-stockholder or  
member of a cooperative apartment corporation and on each  
condominium parcel occupied by its the owner; ~~nor shall~~ and the

2 amount of the exemption allowed any person is not to exceed the  
proportionate just valuation based on the interest owned by that  
4 person. This subsection is repealed on April 1, 1991.

6 **2-A. Amount of exemption.** Every person who has the legal  
title or beneficial title in equity to real property in this  
8 State and who resides on that real property, and in good faith  
makes the same that person's permanent residence or the permanent  
10 residence of another or others legally or naturally dependent  
upon on that person, is entitled to an exemption from all  
12 taxation, except for assessments for special benefits of 5% of  
just valuation up to the just valuation of \$50,000 on the  
14 residence and ~~up to 10 acres of~~ contiguous real property. The  
title may be held jointly or in common with others, and the  
16 exemption may be apportioned among the owners ~~that~~ who reside on  
the property, to the extent of their respective interests; but no  
18 exemption of more than 5% of the first \$50,000 of just value may  
be allowed to any one person or on any one dwelling house, except  
20 that an exemption up to 5% of the first \$50,000 of just value may  
be allowed on each apartment occupied by a tenant-stockholder or  
22 member of a cooperative apartment corporation and on each  
condominium parcel occupied by ~~its~~ the owner; ~~nor shall~~ and the  
24 amount of the exemption allowed any person is not to exceed the  
proportionate just valuation based on the interest owned by that  
26 person. This subsection shall take effect on April 1, 1991.

28 **Sec. 4. 36 MRSA §675, sub-§1,** as enacted by PL 1989, c. 534,  
Pt. B, §1, is repealed.

30 **Sec. 5. 36 MRSA §676,** as enacted by PL 1989, c. 534, Pt. B,  
§1, is amended to read:

32 **§676. Duty of municipal assessor**

34  
36 The municipal assessor shall examine each claim for  
exemption filed with the municipal assessor and, if the claim is  
38 found to be in accordance with law, ~~shall mark the claim approved~~  
~~and make the proper deductions on the tax books~~ shall properly  
40 identify the exemption granted to each taxpayer in the municipal  
valuation.

42 Municipalities granting exemptions under this section shall  
44 have a valid claim against the State to recover 100% of the taxes  
lost by reason of these exemptions on proof of the fact in a form  
46 satisfactory to the State Tax Assessor. Claims for reimbursement  
by the State from the municipalities must be filed with the State  
48 Tax Assessor on or before November 1st of the tax year in which  
the exemptions were granted, or within 30 days of commitment of  
50 taxes, whichever occurs later. The Treasurer of State shall pay  
to the municipalities by December 15th of that tax year the  
amount certified by the State Tax Assessor. Municipal claims

2 filed after November 1st will be paid as expeditiously as  
possible after the December 15th payment date.

4 **Sec. 6. 36 MRSA §§677 and 678**, as enacted by PL 1989, c. 534,  
Pt. B, §1, are repealed and the following enacted in their place:

6 **§677. Homestead exemptions; approval; refusal; hearings**

8  
10 The municipal assessors of the several municipalities of the  
State, as soon as practicable after April 1st of each tax year,  
12 shall consider carefully all new applications for exemption under  
this subchapter that have been filed on or before April 1st of  
14 that year. If, after due consideration, the municipal assessor  
finds that the applicant is not entitled under the law to the  
16 exemption, the municipal assessor shall immediately make out a  
notice of disapproval that includes the reasons for disapproval.  
18 A copy of this notice must be served on the applicant by the  
municipal assessor either by personal delivery or by registered  
20 mail. Taxpayers may appeal the determination of the local  
assessors under the provisions of subchapter VIII.

22 **§678. Lien imposed on property of person claiming exemption**  
24 **although not permanent resident**

26 When it is determined that any person has improperly  
received a homestead exemption pursuant to section 673 for any  
28 year or years within 10 years immediately prior to the date of  
determination, the State Tax Assessor shall notify that person by  
30 certified mail that the property is subject to the payment of all  
taxes previously found exempt, plus interest as prescribed under  
32 section 505, subsection 4. After the expiration of 60 days from  
the date of notification, and within 30 days, the State Tax  
34 Assessor shall record in the registry of deeds of the county  
where the real estate is situated a tax lien certificate signed  
36 by the State Tax Assessor, or bearing the assessor's facsimile  
signature, setting forth the amount of improperly exempted tax, a  
38 description of the real estate on which the tax is assessed and  
an allegation that a lien is claimed on the real estate to secure  
40 payment of the tax, that a demand for payment of the tax has been  
made in accordance with this section, and that the tax remains  
42 unpaid. When the undivided real estate of a deceased person has  
been assessed to the deceased person's heirs or decedents without  
44 designating any of them by name, it will be sufficient to record  
in the registry a tax lien certificate in the name of the heirs  
or decedents without designating them by name.

46  
48 At the time of the recording of the tax lien certificate in  
the registry of deeds, the State Tax Assessor shall send by  
50 certified mail, return receipt requested, to each record holder  
of a mortgage on the real estate, to the mortgagor's last known  
address, a true copy of the tax lien certificate. The cost paid

2 by the taxpayer is \$13 in addition to the fees for recording and  
4 discharging the lien as established by Title 33, section 751,  
6 subsection 10. On redemption, the State Tax Assessor shall  
8 prepare and record a discharge of the tax lien mortgage. The  
10 lien described in section 552 is the basis of this tax lien  
12 mortgage procedure.

14 The filing of the tax lien certificate, provided for in this  
16 section, in the registry of deeds creates a mortgage on the real  
18 estate to the State and has priority over all other mortgages,  
20 with the exception of municipal tax lien mortgages, liens,  
22 attachments and encumbrances of any nature. The filing of the  
24 tax lien certificate gives to the State all the rights to a  
26 mortgage, except that the mortgagee does not have the right of  
28 possession of the real estate until the right of redemption has  
30 expired.

32 Payments accepted during the redemption period do not  
34 interrupt or extend the redemption period or in any way affect  
36 the foreclosure procedures.

38 If the mortgage, with interest and costs, is not paid within  
40 12 months of the date on which the certificate was filed in the  
42 registry of deeds, as provided in this section, the mortgage is  
44 considered foreclosed and the right of redemption expired.

46 The filing of a tax lien certificate in the registry of  
48 deeds is sufficient notice of the existence of the mortgage. The  
50 State Tax Assessor, when the State acquires title to any real  
52 estate, shall cause an inventory to be made of that real estate.  
54 The inventory must contain a description of the real estate, the  
56 amount of accrued taxes by years and any information necessary in  
58 the administration and supervision of the real estate. The State  
60 Tax Assessor shall report annually to the Legislature not later  
62 than 15 days after the Legislature convenes. The report must  
64 contain a copy of the inventory of real estate then owned by the  
66 State and any recommendations, regarding the disposition of this  
68 real estate, the State Tax Assessor may make.

70 The State Tax Assessor, after authorization by the  
72 Legislature, shall sell and convey any such real estate; but  
74 shall in all cases of sales, except sales to the former owners of  
76 the real estate, give public notice of the proposal to sell the  
78 real estate and shall ask for competitive bids and sell to the  
80 highest bidder, and has the right to reject all bids. No sales  
82 of the real estate may be made by the State Tax Assessor except  
84 by authorization of the Legislature.

86 The supervision, administration, utilization and vindication  
88 of the right of the State in any such real estate is vested in  
90 the State Tax Assessor until the title is conveyed or otherwise  
92 disposed of by the Legislature.

