

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)



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1878

H.P. 1298

House of Representatives, May 17, 1991

Reference to the Committee on Taxation suggested and ordered printed.

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

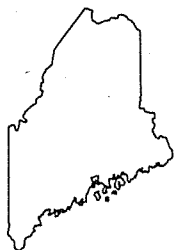
EDWIN H. PERT, Clerk

Presented by Representative McHENRY of Madawaska.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Establish the Homestead Property Tax Relief Program.



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

36 MRSA c. 907-A is enacted to read:

CHAPTER 907-A

HOMESTEAD PROPERTY TAX RELIEF PROGRAM

§6231. Short title

This chapter is known and may be cited as the "Homestead Property Tax Relief Program."

§6232. Definitions

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

1. Homestead. "Homestead" means a dwelling owned and occupied by a person and that person's dependents as a home and may consist of a part of a multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which it is built. "Owned" includes possession under a land contract by a vendee and one or more joint tenants or tenants-in-common.

2. Property taxes accrued. "Property taxes accrued" has the same meaning as in section 6201, subsection 10.

3. Property tax year. "Property tax year" means the taxable year commencing April 1st. Property taxes assessed in any property tax year are, for the purposes of this chapter, applicable to that property tax year.

§6233. Base percentage; calculation

The base percentage is calculated by dividing the total aggregate amount of claims paid pursuant to section 6203 in the calendar year preceding the property tax year by the total aggregate amount of property taxes assessed in the calendar year preceding the property tax year. The State Tax Assessor shall calculate the base percentage for each property tax year by the first Monday of February of that year.

§6234. Application to property taxes

The State Tax Assessor shall, by the first Monday of April of each year, notify the tax assessor of each municipality of the base percentage for that property tax year. Each tax assessor shall multiply the first \$35,000 of just valuation of each

2 homestead located within the municipality by the base percentage
3 and shall reduce the property tax for each homestead in that
4 property tax year by the resulting amount.

6 **§6235. Claim against General Fund**

8 By the first Monday of June, each tax assessor shall compute
9 the aggregate amount of the property tax reductions made in the
10 assessor's municipality pursuant to section 6234 and may file a
11 claim with the State Tax Assessor for repayment of the property
12 tax reductions. The State Tax Assessor shall certify the claim
13 to the Treasurer of State as the amount of compensation to be
14 paid to the municipality.

16 **§6236. Payment**

18 The Treasurer of State shall include the total amount of
19 compensation certified annually by the State Tax Assessor in the
20 annual state budget and the amount due each municipality must be
21 paid from the General Fund by the first Monday of August.

22 **§6237. Rules**

24 The State Tax Assessor shall adopt rules to implement this
25 chapter.

26 **§6238. Application**

28 This chapter applies to all property tax years beginning on
29 or after April 1, 1992.

32 **STATEMENT OF FACT**

34
35
36 This bill establishes the Homestead Property Tax Relief
37 Program. Under this program a base percentage is calculated by
38 dividing the amount of property tax relief paid in the previous
39 year by the amount of property taxes assessed in the previous
40 year. The property tax bills for the first \$35,000 of valuation
41 of homesteads are then reduced by the base percentage and
42 municipalities are reimbursed from the General Fund for the lost
property tax revenues.