

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

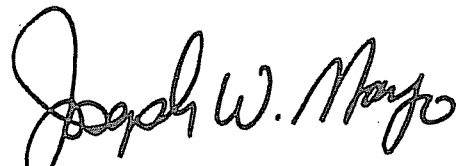
No. 741

H.P. 545

House of Representatives, March 2, 1993

**An Act to Allow Municipalities to Borrow against Property Tax
Deferrals.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative ZIRNKILTON of Mount Desert.

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

2
4 Sec. 1. 30-A MRSA §5774 is enacted to read:

6 §5774. Borrowing against deferred property taxes

8 Consistent with the limitations imposed by section 5702 and
10 by vote of its municipal officers, a municipality may borrow in
12 anticipation of repayment of property taxes deferred pursuant to
14 Title 36, section 6267.

16 Sec. 2. 36 MRSA §6267 is enacted to read:

18 §6267. Property tax deferrals for nonelderly property owners
20 authorized

22 In addition to the deferral of property tax on a homestead
24 required in this chapter, a municipality may establish a program
26 to defer property taxes due on the homestead of any taxpayer
28 under 65 years of age. The program must be adopted by ordinance
30 and include:

32 1. Eligibility criteria. Income and other eligibility
34 criteria for property owners to qualify for participation in the
36 program;

38 2. Filing process. The process by which property owners
40 may request a tax deferral under this section; and

42 3. Recovery of deferred taxes. Provisions for protection
44 of the municipality's interest by lien and recovery by the
46 municipality of the deferred taxes plus interest at the rate of
48 6% per year when the property owner is no longer eligible for the
deferral, sells the property on which the deferral was granted or
dies.

STATEMENT OF FACT

Current law provides for deferral of property taxes on the homestead of certain elderly taxpayers who apply for it. This bill authorizes municipalities to defer property taxes due from another landowner meeting locally established income guidelines until the landowner is no longer eligible for the deferral, sells the property or dies. Municipalities may borrow money against deferred property taxes.