

# MAINE STATE LEGISLATURE

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R. of S.

L.D. 1166

(Filing No. S-342)

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STATE OF MAINE  
SENATE  
116TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 385, L.D. 1166, Bill, "An Act to Provide for Excise Tax Reimbursement to Businesses Engaged in Renting of Private Passenger Motor Vehicles"

Amend the bill by striking out the title and substituting the following:

'An Act to Improve the Assessment and Collection of Municipal Property Taxes'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 29 MRSA §354, sub-§5, as amended by PL 1977, c. 479, §8, is further amended to read:

5. Certificate for mobile homes. No A mobile home, as defined in Title 36, section 1481, shall may not be moved over the highways of this State unless the operator of the vehicle hauling such the mobile home has ~~in his possession~~ possesses a written certificate from the tax collector of the municipality in which the mobile home is situated on the day of the move, identifying the mobile home and stating that all property taxes applicable to the mobile home, including those for the current tax year, have been paid or that the mobile home is exempt from such taxes. The tax year shall be the period is from April 1st through March 31st. For purposes of this subsection, taxes for the current tax year must include taxes not yet committed. If the amount of these taxes can not then be determined, the amount must be presumed to be the same as the previous year's taxes until the current year's taxes are finally assessed. Notwithstanding Title 36, section 506, the tax collector may accept prepayment of these taxes, and shall repay any amount paid in excess of that finally assessed, with interest on that amount as provided in Title 36, section 506-A. If a mobile home was

COMMITTEE AMENDMENT

R. of S.

2 moved into the municipality after April 1st so that no tax was  
4 assessed in the previous year and is to be moved from the  
6 municipality before the commitment of the current year's taxes  
8 but after April 1st, the term "previous year's taxes" means a tax  
10 to be estimated using the prior year's tax rate.

12 **Sec. 2. 36 MRSA §506** is amended to read:

14 **§506. Prepayment of taxes**

16 Municipalities at any properly called meeting may authorize  
18 their tax collectors or treasurers to accept prepayment of taxes  
20 not yet due-~~or~~-assessed committed and to pay thereon interest on  
22 these prepayments, if any is authorized, at not-exceeding-the a  
24 rate of not exceeding 8% per year; municipalities are not  
26 obligated to authorize the payment of interest on taxes prepaid  
28 under this section. Any excess paid in over the amount finally  
30 assessed-~~shall~~ committed must be repaid, with the interest due on  
32 the whole transaction, at the date that the tax finally assessed  
34 committed is due and payable.

36 **Sec. 3. 36 MRSA §557-A**, as enacted by PL 1987, c. 617, is  
38 amended to read:

40 **§557-A. Assessment; unknown owner**

42 In the case of real property for which no owner is known to  
44 the assessors for at least the preceding 20 tax years and for  
46 which the assessor has, with reasonable diligence, attempted to  
48 determine ownership, the following assessment procedure, ~~in its~~  
entirety, ~~may~~ must be used.

Property of an unknown owner is ~~to-be~~ assessed as other  
property, except that the owner shall must be indicated as  
"unknown." Additionally, the assessing shall must be advertised  
once a week for 3 consecutive weeks in a newspaper of general  
circulation in the county in which the property is located. The  
notice shall must describe the real estate which that is ~~to-be~~  
being assessed so that a reasonable person may know, with  
probable certainty, what premises are ~~to-be~~ subject to the tax,  
together with a statement that the property is ~~to-be~~ assessed to  
an unknown owner as the result of the failure of a reasonable  
search to ascertain an owner of record. This newspaper  
publication shall ~~be~~ is sufficient legal notice of that  
assessment. At the time of this publication, a copy of the same  
notice shall must be sent by certified mail, return receipt  
requested, to each abutting property owner.

When ~~this notice procedure is used for assessment purposes~~  
and ~~if~~ If the owner of property is still unknown, after use of

2 this notice procedure for assessment purposes, the tax collector  
and treasurer shall use the same procedure for those notices  
4 required under sections 942 and 943.

6 **Sec. 4. 36 MRSA §652, sub-§1, ¶C** is amended to read:

8 C. Further conditions to the right of exemption under  
paragraphs A and B are that:

10 (1) Any corporation claiming exemption under paragraph  
A shall must be organized and conducted exclusively for  
12 benevolent and charitable purposes;

14 (2) No A director, trustee, officer or employee of any  
an organization claiming exemption shall is not  
16 entitled to receive directly or indirectly any  
18 pecuniary profit from the operation thereof of that  
organization, excepting reasonable compensation for  
20 services in effecting its purposes or as a proper  
beneficiary of its strictly benevolent or charitable  
22 purposes; and that

24 (3) All profits derived from the operation thereof of  
an organization claiming exemption and the proceeds  
26 from the sale of its property are devoted exclusively  
to the purposes for which it is organized; and that

28 (4) The institution, organization or corporation  
claiming exemption under this subsection shall file  
30 with the tax assessors upon their request a report for  
its preceding fiscal year in such detail as the tax  
32 assessors may reasonably require;

34 (5) No An exemption shall-be is not allowed under this  
subsection in favor of an agricultural fair association  
36 holding pari-mutuel racing meets unless it has  
qualified the next preceding year as a recipient of the  
38 "Stipend Fund" provided in Title 7, section 62, and

40 (6) Real or personal property owned, occupied or used  
to provide residential rental housing that is used on  
42 other than a transient basis and during or before tax  
year 1993 was not exempt under paragraph A or B, is not  
44 exempt in any tax year after 1993.

46 For purposes of this subparagraph, "residential rental  
housing" does not include property used as a nonprofit  
48 nursing home, boarding home or boarding care facility  
licensed by the Department of Human Services pursuant  
50 to Title 22, chapter 1665 or community living

R. of S.

COMMITTEE AMENDMENT "A" to S.P. 385, L.D. 1166

2 facilities as defined in Title 30-A, section 4357,  
3 subsection 2, paragraph B or any property of a  
4 nonprofit organization licensed as a mental health  
5 facility by the Department of Mental Health and Mental  
6 Retardation pursuant to Title 34-B, section 1203-A.

7 This subparagraph does not apply to property conveyed  
8 on or before September 1, 1993.

9 This subparagraph is repealed March 31, 1994.

10  
11 **Sec. 5. 36 MRSA §652**, as amended by PL 1991, c. 420, is  
12 further amended by adding at the end a new paragraph to read:

13  
14 An organization or institution that desires to secure  
15 exemption under this section shall make written application and  
16 file written proof of entitlement for each parcel to be  
17 considered on or before the first day of April in the year in  
18 which the exemption is first requested with the assessors of the  
19 municipality in which the property would otherwise be taxable.  
20 If granted, the exemption continues in effect until the assessors  
21 determine that the organization or institution is no longer  
22 qualified. Proof of entitlement must indicate the specific basis  
23 upon which exemption is claimed.

24  
25 **Sec. 6. 36 MRSA §942, 4th ¶**, as amended by PL 1977, c. 630,  
26 §8, is further amended to read:

27  
28 At the time of the recording of the tax lien certificate in  
29 the registry of deeds, in all cases the tax collector shall file  
30 with the municipal treasurer a true copy of the tax lien  
31 certificate and shall hand deliver or send by certified mail,  
32 return receipt requested, to each record holder of a mortgage on  
33 said that real estate, to his the holder's last known address, a  
34 true copy of the tax lien certificate. If the real estate has not  
35 been assessed to its record owner, the tax collector shall send  
36 by certified mail, return receipt requested, a true copy of the  
37 tax lien certificate to the record owner.

38  
39 **Sec. 7. 36 MRSA §943, 5th ¶**, as amended by PL 1983, c. 407,  
40 §4, is further amended to read:

41  
42 The municipal treasurer shall notify the party named on the  
43 tax lien mortgage and each record holder of a mortgage on the  
44 real estate not more than 45 days nor less than 30 days before  
45 the foreclosing date of the tax lien mortgage, in a writing  
46 signed by the treasurer or bearing the treasurer's facsimile  
47 signature and left at his the holder's last and usual place of  
48 abode or sent by certified mail, return receipt requested, to his  
49 the holder's last known address of the impending automatic

R. of S.

COMMITTEE AMENDMENT "A" to S.P. 385, L.D. 1166

2 foreclosure and indicating the exact date of foreclosure. For  
3 sending this notice, the municipality shall--be is entitled to  
4 receive \$3 plus all certified mail, return receipt requested,  
5 fees. These costs shall must be added to and become a part of  
6 the tax. If notice is not given in the time period specified in  
7 this section to the party named on the tax lien mortgage or to  
8 any record holder of a mortgage, the person not receiving timely  
9 notice shall--have--the--right--to may redeem the tax lien mortgage  
10 until 30 days after the treasurer does provide notice in the  
11 manner specified in this section.

12 FISCAL NOTE

14 The Bureau of Taxation will incur some minor additional  
15 costs to print and mail notification of the changes to the  
16 assessment and collection of municipal property taxes. These  
17 costs can be absorbed within the bureau's existing budgeted  
18 resources.'

20 STATEMENT OF FACT

22 This amendment replaces the bill and clarifies that certain  
23 organizations that are currently eligible for a tax exemption  
24 remain eligible. These institutions include nursing homes,  
25 boarding homes, group homes, foster homes, intermediate care  
26 facilities, homeless shelters, YWCA's, YMCA's and other  
27 facilities providing short-term transient housing.

30 This amendment also imposes a moratorium on property tax  
31 exemptions for certain nonprofit groups that provide specific  
32 types of rental housing.

34 The amendment also clarifies various sections of law that  
35 will improve the assessment and collection of municipal property  
36 taxes.

Reported by Senator Carey for the Committee on Taxation.  
Reproduced and Distributed Pursuant to Senate Rule 12.  
(6/28/93) (Filing No. S-342)

**COMMITTEE AMENDMENT**