

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 97

H.P. 84

House of Representatives, January 11, 1999

**An Act to Require Mortgage Holders Who Escrow Property Taxes to
Reduce the Escrow Due to the Homestead Exemption.**

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative GAGNON of Waterville.
Cosponsored by Senator CAREY of Kennebec and
Representatives: COLWELL of Gardiner, LEMOINE of Old Orchard Beach, O'NEIL of
Saco, TESSIER of Fairfield.

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

4 **Sec. 1. 9-B MRSA §429, sub-§1**, as repealed and replaced by PL
1983, c. 679, §2, is amended to read:

6 **1. Definition.** As used in this section and in section
8 429-A, unless the context indicates otherwise, the following
terms have the following meanings.

10 A. "Escrow account" means any account established by
12 agreement between a mortgagor and mortgagee under which the
mortgagor pays to the mortgagee sums to be used to pay taxes
or insurance premiums.

14 B. "Mortgagee" means any financial institution authorized
16 to do business in this State, as defined in section 131,
subsection 17-A, any credit union authorized to do business
18 in this State, as defined in section 131, subsection 12-A,
any supervised lender, as that term is defined in Title 9-A,
20 section 1-301, subsection 39, and their assignees.

22 **Sec. 2. 9-B MRSA §429-A** is enacted to read:

24 **§429-A. Property tax escrow calculation**

26 A mortgagee that holds funds of a mortgagor in an escrow
28 account for the purpose of paying property taxes on
owner-occupied residential real estate shall calculate the amount
30 collected for that purpose taking into consideration the
exemption for homesteads provided by Title 36, chapter 105,
32 subchapter IV-B.

34 **SUMMARY**

36 This bill requires a mortgagee holding an escrow account for
payment of real estate taxes on owner-occupied residential
38 property to calculate the amount collected for that purpose
taking into account the homestead property tax exemption.