

MAINE STATE LEGISLATURE

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H.S.

L.D. 212

DATE: 4-1-99

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MINORITY TAXATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 119TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 150, L.D. 212, Bill, "An Act to Increase the Property Tax Exemptions for a Parsonage"

Amend the bill in section 1 in paragraph G in the 4th line (page 1, line 9 in L.D.) by striking out the following: "\$100,000" and inserting in its place the following: '\$40,000' and in the 5th line (page 1, line 10 in L.D.) by striking out the following: "\$50,000" and inserting in its place the following: '\$12,000'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2000-01

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Parsonage Tax Reimbursement

All Other \$155,000

Provides funds for the estimated amounts required by the Constitution of Maine to reimburse municipalities for 50% of the lost property tax revenue associated with the increase in the property tax exemption for a parsonage.'

COMMITTEE AMENDMENT

R. G. S.

COMMITTEE AMENDMENT "A" to H.P. 150, L.D. 212

2 Further amend the bill by inserting at the end before the
summary the following:

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FISCAL NOTE

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2000-01

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APPROPRIATIONS/ALLOCATIONS

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General Fund \$155,000

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This bill increases the property tax exemption for a parsonage. Pursuant to the Constitution of Maine, the State is required to reimburse municipalities for 50% of the lost property tax revenue due to new or expanded exemptions. Unlike the state mandate reimbursement requirement, the State may not exempt this tax exemption from the 50% reimbursement requirement. General Fund appropriations of \$155,000 will be required in fiscal year 2000-01 to reimburse municipalities for the revenue lost.

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In addition to the constitutional requirement to reimburse for the revenue lost, this bill represents a state mandate pursuant to the Constitution of Maine. The additional local administrative costs that municipal assessors will incur to implement this property tax exemption are also subject to a constitutional requirement to be reimbursed. Unless General Fund appropriations are provided to fund at least 90% of the additional administrative costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, the municipalities may not be required to implement this tax exemption. The amount of the additional local costs can not be determined at this time.

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The Bureau of Revenue Services will incur some minor additional costs to implement this change to the property tax exemption for a parsonage. These costs can be absorbed within the bureau's existing budgeted resources.'

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SUMMARY

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This amendment changes the amount of increase in the property tax exemption for parsonages to \$40,000 of the value of real property and \$12,000 of the value of personal property. The amendment also adds an appropriation section and a fiscal note to the bill.

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COMMITTEE AMENDMENT