

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1453

H.P. 1031

House of Representatives, February 23, 1999

**An Act to Expand the Homestead Exemption Program Based Upon the
Level of Funds in a Homestead Tax Relief Fund.**

Reference to the Committee on Taxation 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 RUHLIN of Penobscot and
Representatives: CHIZMAR of Lisbon, COLWELL of Gardiner, GREEN of Monmouth,
MAILHOT of Lewiston, MAYO of Bath, McKEE of Wayne, Senators: DAGGETT of
Kennebec, PINGREE of Knox.

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

4 **Sec. 1. 5 MRSA §1519** is enacted to read:

6 **§1519. Homestead Tax Relief Fund**

8 1. Homestead Tax Relief Fund. There is created the
10 Homestead Tax Relief Fund, referred to in this section as the
"fund." The fund is a nonlapsing fund. The Treasurer of State
shall credit all interest on fund balances to the fund.

12 2. Transfers to fund. At the close of each fiscal year,
14 before other transfers, the State Controller shall transfer the
following amounts to the fund:

16 A. The amount by which the funds appropriated for the
18 homestead exemption exceed actual expenditures and any
encumbrances for that program for the fiscal year;

20 B. The amounts by which the funds appropriated for the
22 elderly householders' tax refund and the Maine Residents
Property Tax Program exceed actual expenditures and any
24 encumbrances for those programs for the fiscal year; and

26 C. Any amount that would have been transferred to the Maine
Rainy Day Fund under section 1513, including interest, if
28 the Maine Rainy Day Fund had not reached its limit.

30 3. Use of fund. On January 15th, annually, the State Tax
32 Assessor shall divide the amount in the fund by the number of
homestead exemptions granted under Title 36, chapter 105,
34 subchapter IV-B during the previous year. The resulting amount
must be added to the amount of the homestead exemption allowed
36 under Title 36, section 683 for the property tax year based on
the status of property on April 1st of the current year.
38 Adjustments to the homestead exemption under this section may not
increase the homestead exemption to more than \$10,000.

40 **SUMMARY**

42 This bill creates the Homestead Tax Relief Fund consisting
44 of surplus appropriations for homestead tax exemption
46 reimbursement, the elderly householders' tax relief fund and the
48 Maine Residents Property Tax Program and surplus revenues that
would have been deposited in the Maine Rainy Day Fund if that
fund had not reached its limit. The amount in the fund is used
annually to increase the amount of the homestead exemption up to
a maximum of \$10,000.