

MAINE STATE LEGISLATURE

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Rds.

L.D. 1587

DATE: 5-3-99

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TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1128, L.D. 1587, Bill, "An Act to Allow the Surviving Veteran Spouse of a Veteran to Continue to Receive the Property Tax Exemption"

Amend the bill in section 1 in paragraph D in the last blocked paragraph in the first line (page 1, line 28 in L.D.) by striking out the following: "The" and inserting in its place the following: 'Notwithstanding paragraph J, the'

Further amend the bill in section 2 in paragraph D-2 in the last blocked paragraph in the first line (page 2, line 4 in L.D.) by striking out the following: "The" and inserting in its place the following: 'Notwithstanding paragraph J, the'

Further amend the bill by inserting after section 2 the following:

'Sec. 3. 36 MRSA §661, first ¶, as enacted by PL 1981, c. 133, §5, is amended to read:

As required by the Constitution of Maine, Article IV, Part 3, Section 23, the Treasurer of State shall reimburse each municipality 50% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of statutory property tax exemptions or credits enacted after April 1, 1978. Except as provided in subsection 6, the amount of reimbursement under this section is 50% of the property tax revenue loss. The property tax revenue loss shall must be determined pursuant to the following procedure.

Sec. 4. 36 MRSA §661, sub-§6 is enacted to read:

COMMITTEE AMENDMENT

6. Exception. Reimbursement must be made for 100% of the property tax loss suffered by a municipality for exemptions for veterans' surviving spouses who are widowers and for exemptions for veterans' surviving spouses who are also entitled to exemptions as veterans.

Sec. 5. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1999-00	2000-01
ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF		
Veterans Tax Reimbursement		
All Other		\$85,000
Provides funds for 100% reimbursement to municipalities for the property tax loss suffered due to the expansion to the property tax exemption in this Act.		
Mandate Reimbursement - Veterans Tax Reimbursement		
All Other		\$2,000
Provides funds to reimburse municipalities for 90% of the estimated cost to implement this expansion to the veterans property tax exemption in this Act.		
Bureau of Revenue Services		
All Other	\$2,400	
Provides funds for the costs of revising and distributing a property tax bulletin and veterans exemption application forms.		
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES		
TOTAL	\$2,400	\$87,000'

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

4
6 **FISCAL NOTE**

8 **1999-00 2000-01**

10 **APPROPRIATIONS/ALLOCATIONS**

12 General Fund \$2,400 \$87,000

14
16 This bill expands the property tax exemption for veterans.
Pursuant to the Constitution of Maine, the State is required to
reimburse municipalities for 50% of the lost property tax revenue
18 due to new or expanded exemptions. This bill establishes
reimbursement at 100% for this expansion. Additional General
20 Fund appropriations of \$85,000 annually will be required
beginning in fiscal year 2000-01 for these reimbursements.

22
24 In addition to the reimbursement for the revenue lost, the
additional administrative costs that will be incurred by
26 municipalities to implement these changes to the veterans
property tax exemption require reimbursement as a state mandate
pursuant to the Constitution of Maine. General Fund
28 appropriations of \$2,000 are included in fiscal year 2000-01 to
fund at least 90% of the additional administrative costs, based
30 on an estimated cost of \$2 per application.

32 The Bureau of Revenue Services will incur some additional
costs of approximately \$2,400 in fiscal year 1999-00 to revise
34 and distribute a property tax bulletin and application forms. A
General Fund appropriation is included to fund these additional
36 costs.'

38
40 **SUMMARY**

42 This amendment resolves internal statutory conflicts created
by the original bill and provides that reimbursement to
44 municipalities for the property tax exemptions created by the
bill must equal 100% of the property tax loss. This amendment
also adds an appropriation section and a fiscal note to the bill.