

MAINE STATE LEGISLATURE

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M. G. S.

L.D. 1587

DATE: 2-8-00

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TAXATION

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

COMMITTEE AMENDMENT "B" 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.

2000-01

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Bureau of Revenue Services

All Other \$2,405

Provides funds for the costs of revising and distributing a property tax bulletin and veterans' exemption application forms.'

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

FISCAL NOTE

2000-01

APPROPRIATIONS/ALLOCATIONS

General Fund \$2,405

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 due to new or expanded exemptions. This bill establishes reimbursement at 100% for this expansion. Additional General Fund appropriations of approximately \$90,000 annually will be required beginning in fiscal year 2001-02 for these reimbursements.

In addition to the reimbursement for the revenue lost, the additional administrative costs that will be incurred by municipalities to implement these changes to the veterans'

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2 property tax exemption require reimbursement as a state mandate
3 pursuant to the Constitution of Maine. A General Fund
4 appropriation of \$2,000 will be required in fiscal year 2001-02
5 to fund at least 90% of the additional administrative costs,
6 based on an estimated cost of \$2 per application. On-going local
7 administrative costs are expected to be insignificant.

8 The Bureau of Revenue Services will incur some additional
9 costs of approximately \$2,405 in fiscal year 2000-01 to revise
10 and distribute a property tax bulletin and application forms. A
11 General Fund appropriation is included to fund these additional
12 costs.'

14
15 **SUMMARY**

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