

MAINE STATE LEGISLATURE

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MAJORITY TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1662, L.D. 2331, Bill, "An Act to Expand Eligibility for the Veterans' Property Tax Exemption"

Amend the bill in section 2 in paragraph F in subparagraph (2) in the 9th line from the end (page 2, line 23 in L.D.) by inserting after the following: "Exemptions" the following: 'initially'

Further amend the bill in section 3 in the last line (page 2, line 36 in L.D.) by striking out the following: "at least" and inserting in its place the following: 'within'

Further amend the bill in section 3 in the last line (page 2, line 36 in L.D.) by striking out the following: "prior to" and inserting in its place the following: 'after'

Further amend the bill in section 4 in the last line (page 2, line 44 in L.D.) by inserting after the following: "exemptions" the following: 'initially'

Further amend the bill by inserting after section 4 the following:

'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

COMMITTEE AMENDMENT

Bureau of Revenue Services

2 All Other \$3,500
 4
 6 Provides funds for the
 8 additional costs associated
 10 with revising and
 12 distributing certain
 14 bulletins, applications and
 16 forms.

**12 State Mandate Reimbursement -
14 Veterans' Property Tax**

16 All Other \$14,000
 18 Provides funds to fund 90% of
 20 the additional administrative
 22 costs incurred by
 24 municipalities as a result of
 26 the expansion of the
 veterans' property tax
 exemption. The State Tax
 Assessor shall establish a
 mandate payment distribution
 schedule.

**28 DEPARTMENT OF ADMINISTRATIVE
30 AND FINANCIAL SERVICES
TOTAL**

\$17,500'

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

36 FISCAL NOTE

38 2000-01

40 APPROPRIATIONS/ALLOCATIONS

42 General Fund \$17,500
44

46 This bill expands the property tax exemption for veterans.
48 Pursuant to the Constitution of Maine, the State is required to
50 reimburse municipalities for 50% of the lost property tax revenue
due to new or expanded exemptions. This bill requires 100%
reimbursement to municipalities. Additional General Fund
appropriations of \$620,000, \$845,000 and \$1,082,000 will be

COMMITTEE AMENDMENT "A" to H.P. 1662, L.D. 2331

required in fiscal years 2001-02, 2002-03 and 2003-04,
respectively, 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' property tax exemption require reimbursement as a state mandate pursuant to the Constitution of Maine. An additional General Fund appropriation of \$14,000 in fiscal year 2000-01 is included to fund 90% of the additional administrative costs. Future General Fund appropriations estimated to be \$5,000 annually will be required beginning in fiscal year 2001-02 to fund the ongoing costs of this state mandate.

The Bureau of Revenue Services will incur additional costs estimated to be \$3,500 in fiscal year 2000-01 to revise and distribute certain bulletins, applications and forms. An additional General Fund appropriation is included to fund these additional costs.'

SUMMARY

This amendment clarifies that the 100% reimbursement for veterans' property tax exemptions applies to exemptions initially granted after April 1, 2001 and changes the timing of notice to municipalities by the State Tax Assessor.

The amendment also adds an appropriation section for state and local administrative costs and a fiscal note to the bill.