

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1999

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Legislative Document

No. 2331

H.P. 1662

House of Representatives, December 29, 1999

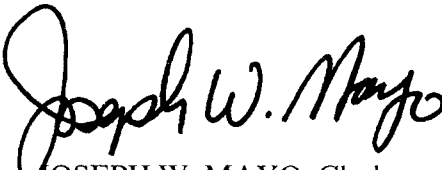
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### **An Act to Expand Eligibility for the Veterans' Property Tax Exemption.**

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Reported by Representative TUTTLE for the Committee to Study Standardized Periods of Military Service and Other Matters Related to the Award of State of Maine Veterans' Benefits pursuant to Resolve 1999, chapter 78, section 9.

Received by the Clerk of the House on December 27, 1999. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 218.

  
JOSEPH W. MAYO, Clerk

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

2  
3       **Sec. 1. 36 MRSA §653, sub-§1, ¶C**, as amended by PL 1999, c.  
4 462, §2, is further amended to read:

6       C. The estates up to the just value of \$5,000, having a  
7 taxable situs in the place of residence, of veterans who  
8 served were honorably discharged from active duty in the  
9 Armed Forces of the United States:

10           (1) ~~During any federally recognized war period,~~  
11 ~~including the Korean Campaign, the Vietnam War and the~~  
12 ~~Persian Gulf War, when~~ When they have reached the age  
13 of 62 years or when they are receiving any form of  
14 pension or compensation from the United States  
15 Government for total disability, service-connected or  
16 nonservice-connected, as a veteran, ~~A veteran of the~~  
17 ~~Vietnam War must have served on active duty for a~~  
18 ~~period of more than 180 days, any part of which~~  
19 ~~occurred after February 27, 1961 and before May 8, 1975~~  
20 ~~in the case of a veteran who served in the Republic of~~  
21 ~~Vietnam and after August 4, 1964 and before May 7, 1975~~  
22 ~~in all other cases, unless the veteran died in service~~  
23 ~~or was discharged for a service-connected disability~~  
24 ~~after that date. "Vietnam War" means the period~~  
25 ~~between August 5, 1964 and May 7, 1975 and the period~~  
26 ~~beginning on February 28, 1961 and ending on May 7,~~  
27 ~~1975 in the case of a veteran who served in the~~  
28 ~~Republic of Vietnam during that period. "Persian Gulf~~  
29 ~~War" means service on active duty on or after August 7,~~  
30 ~~1990 and before or on the date that the United States~~  
31 ~~Government recognizes as the end of that war period; or~~

32  
33           (2) Who are disabled by injury or disease incurred or  
34 aggravated during active military service in the line  
35 of duty and are receiving any form of pension or  
36 compensation from the United States Government for  
37 total, service-connected disability.

38  
39       The exemptions provided in this paragraph apply to the  
40 property of that veteran, including property held in joint  
41 tenancy with that veteran's spouse or held in a revocable  
42 living trust for the benefit of that veteran.

43       **Sec. 2. 36 MRSA §653, sub-§1, ¶F**, as corrected by RR 1991, c.  
44 2, §132, is amended to read:

45       F. To be eligible for exemption under this subsection:

46  
47           (1) No exemption may be granted to any person under

2 this subsection unless the person is a resident of this State; and

4 (2) Notwithstanding any other provisions of this  
6 paragraph, prior to April 1, 1982, any person claiming  
8 an exemption under paragraph C who is receiving any  
10 form of pension or compensation from the Federal  
12 Government for total disability, service-connected or  
14 nonservice-connected, as a veteran, and any person  
16 claiming an exemption under paragraph C-1, D, D-1, D-2  
18 or D-3 is not required to meet the standards specified  
20 in former subparagraphs (1) and (2). Any such person  
22 who received an exemption in 1980 is not required to  
24 reapply in 1981. Exemptions granted under this section  
26 that are reimbursable pursuant to section 661 are not  
28 considered eligible for reimbursement under paragraph  
30 H. Any person whose exemption is reimbursable under  
32 section 661 is, for 1981, entitled to an extension  
until May 1, 1981 for filing a written application and  
written proof of entitlement for exemption with the  
assessors of the place in which the person resides,  
notwithstanding the provisions of paragraph G.  
Exemptions granted under this subsection on or after  
April 1, 2001 require a 100% reimbursement to the  
municipality for the property tax revenues lost to that  
municipality. Exemptions granted on or after April 1,  
2001 under this section are not considered eligible for  
reimbursement under paragraph H. Municipal property  
tax revenues lost as a result of exemptions granted  
prior to April 1, 2001 are not 100% reimbursable but  
may be reimbursable under section 661.

34 **Sec. 3. Notification.** Maine Revenue Services within the  
36 Department of Administrative and Financial Services shall notify  
by regular mail each municipality of the provisions of this Act  
at least 60 days prior to the effective date of this Act.

38 **Sec. 4. Application.** This Act applies to all property tax  
40 exemptions granted pursuant to the Maine Revised Statutes, Title  
42 36, section 653, subsection 1, paragraph C on or after April 1,  
44 2001. The provisions of this Act governing 100% reimbursement to  
the municipality for property tax revenues lost to that  
municipality under this subsection do not apply to property tax  
exemptions granted prior to the effective date of this Act.

## 46 SUMMARY

48 This bill implements one of the recommendations of the  
50 Committee to Study Standardized Periods of Military Service and

2 Other Matters Related to the Award of State of Maine Veterans'  
Benefits. It expands eligibility for the veterans' property tax  
4 exemption and removes from statute eligibility requirements  
related to federally recognized periods of war. The bill makes  
6 all honorably discharged veterans who are 62 years of age or  
older eligible for the veterans' property tax exemption. It also  
8 requires the State to reimburse municipalities for 100% of the  
property tax revenues lost as a result of the veterans' property  
tax exemption authorized by this bill. The bill also requires  
10 Maine Revenue Services to notify municipalities of this new  
exemption at least 60 days prior to its effective date. The  
12 exemption authorized by this bill is effective April 1, 2001.