MAINE STATE LEGISLATURE

The following document is provided by the

LAW AND LEGISLATIVE DIGITAL LIBRARY

at the Maine State Law and Legislative Reference Library

http://legislature.maine.gov/lawlib



Reproduced from scanned originals with text recognition applied (searchable text may contain some errors and/or omissions)

L.D. 2166 DATE: 3-27-02 (Filing No. H-/028)

TAXATION

Я

6

Reproduced and distributed under the direction of the Clerk of the House.

12

14

10

STATE OF MAINE HOUSE OF REPRESENTATIVES 120TH LEGISLATURE SECOND REGULAR SESSION

18

16

COMMITTEE AMENDMENT "H" to H.P. 1661, L.D. 2166, Bill, "An Act to Provide Flexibility in the Rate of Interest Charged on Delinquent Taxes"

22

24

20

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

26

28

30

32

34

36

38

40

42

44

46

48

- 'Sec. 1. 36 MRSA §505, sub-§4, as amended by PL 1983, c. 480, Pt. A, §40, is further amended to read:
- When interest collected. The date or dates from and after which interest shall must accrue, which shall must also be the date or dates on which taxes shall become delinquent. The rate of interest shall must be specified in the vote and shall must apply to delinquent taxes committed during the taxable year until those taxes are paid in full. The Except as provided in subsection 4-A, the rate of interest shall may not exceed the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of the calendar year the vote is taken. The highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of each calendar year shall must be determined in-his-best-judgment by the Treasurer of State, who shall send a written notice of such that rate of interest on or before January 20th of each year to the chief municipal officer of each municipality. The interest shall must be added to and become part of the taxes.
 - Sec. 2. 36 MRSA §505, sub-§4-A is enacted to read:

4-A. Alternate calculation of interest. For any tax year for which the maximum interest rate established by the Treasurer of State under subsection 4 is 2 percentage points or more lower than the maximum rate established by the Treasurer of State for the previous tax year, the municipality may adopt an interest rate that is up to 2 percentage points over the rate established by the Treasurer of State for the tax year under subsection 4.'

10

8

2

SUMMARY

12

14

16

18

This amendment provides an optional calculation for determining municipal interest rates for delinquent property taxes. The amendment permits municipalities to adopt an interest rate that is 2 percentage points higher than the rate established by the Treasurer of State if the rate established by the treasurer is 2 percentage points or more lower than the rate established for the previous year.

Page 2-LR3502(2)