

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "C" to H.P. 1209, L.D. 1629, "RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Municipal Service Districts To Reduce the Cost of Local Government, To Provide Property Tax Relief and To Increase Economic Competitiveness"

Amend the amendment by striking out the substitute title and replacing it with the following:

'RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Provide Property Tax Relief'

Further amend the amendment by striking out all of Parts A and B and inserting in their place the following:

PART A

Sec. A-1. 36 MRSA §6201, sub-§1, as amended by PL 1993, c. 670, §9, is repealed and the following enacted in its place:

1. Benefit base. "Benefit base" means property taxes accrued on the first \$200,000 of taxable just value of the homestead or rent constituting property taxes accrued. In the case of property taxes accrued, the benefit base is determined by multiplying \$200,000 by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return to the State Tax Assessor filed in accordance with section 383 times the municipal tax rate. If the benefit base as calculated in the previous sentence exceeds property taxes accrued, the property taxes accrued become the benefit base. In the case of a claimant paying both rent and property taxes for a homestead, "benefit base" means both property taxes accrued as limited by this subsection and rent constituting property taxes accrued.

HOUSE AMENDMENT

2 Sec. A-2. 36 MRSA §6207, first ¶, as amended by PL 1997, c.
557, Pt. A, §3 and affected by Pt. G, §1, is further amended to
4 read:

6 A claimant representing a nonelderly household qualifies for
the following benefits ~~subject to the following income~~
7 ~~limitations.~~

8 Sec. A-3. 36 MRSA §6207, sub-§1, ¶A-1, as amended by PL 1997,
10 c. 557, Pt. A, §3 and affected by Pt. G, §1, is further amended
to read:

12 A-1. ~~Fifty percent of that~~ The portion of the benefit base
14 that exceeds ~~4% but does not exceed 8%~~ 5% of income plus
~~100% of that portion of the benefit base that exceeds 8% of~~
16 ~~income to a maximum payment of \$1,000.~~

18 Sec. A-4. 36 MRSA §6207, sub-§2, as amended by PL 1997, c.
557, Pt. A, §3 and affected by Pt. G, §1, is repealed.

20 Sec. A-5. 36 MRSA §6209, as amended by PL 1989, c. 508, §25,
22 is further amended to read:

24 **§6209. Annual adjustment**

26 1. **Household limitation adjustment.** Beginning March 1,
28 1989, and annually thereafter, the State Tax Assessor shall
determine the household income eligibility adjustment factor.
30 That factor shall must be multiplied by the income limitations in
section 6206, applicable for the year prior to that for which
32 relief is requested. The result shall must be rounded to the
nearest \$100 and shall must apply to the year for which relief is
34 requested corresponding to the year on which the annualized cost
of living adjustments were based. ~~Beginning March 1, 1991, the~~
36 ~~same procedure shall be employed to adjust the income limitation~~
~~in section 6207, subsection 2.~~

38 Sec. A-6. **Appropriations and allocations.** The following
40 appropriations and allocations are made.

42 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
44 **DEPARTMENT OF**

46 **Maine Residents Property Tax Program 0648**

48 Initiative: Appropriates funds required due to the expansion of
the Maine Residents Property Tax Program.

50	General Fund	2003-04	2004-05
	All Other	\$0	\$34,350,000

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "C" to H.P. 1209,
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2	General Fund Total	\$0	\$34,350,000
4	Revenue Services - Bureau of 0002		
6	Initiative: Provides funds for one Tax Examiner position		
8	effective July 1, 2004 and other related costs associated with an		
	increase in the number of applications for the Maine Residents		
	Property Tax Program.		
10	General Fund	2003-04	2004-05
12	Positions - Legislative Count	(0.000)	(1.000)
	Personal Services	\$0	\$46,135
14	All Other	0	51,028
16	General Fund Total	\$0	\$97,163
18	ADMINISTRATIVE AND FINANCIAL SERVICES,		
	DEPARTMENT OF		
20	DEPARTMENT TOTALS	2003-04	2004-05
22	General Fund	\$0	\$34,447,163
24	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$34,447,163

26 Further amend the amendment on page 8 by striking out all of
28 the question (page 8, lines 21 to 24 in amendment) and inserting
in its place the following:

30 "Do you want property tax relief that limits taxes on the
32 first \$200,000 of property valuation to 5% of income for all
Maine residents?"

34 Further amend the amendment by relettering or renumbering
36 any nonconsecutive Part letter or section number to read
consecutively.

38 **SUMMARY**

40 This amendment provides property tax relief through an
42 expansion of the Maine Residents Property Tax Program, commonly
referred to as "the circuitbreaker program," rather than through

HOUSE AMENDMENT

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100
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2 increased state funding for education. It limits property taxes
on the first \$200,000 of property valuation to 5% of income for
4 all Maine residents.

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FISCAL NOTE REQUIRED
(See attached)

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SPONSORED BY: *Richard G. Woodbury*
(Representative WOODBURY)

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14

TOWN: Yarmouth

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**121st Maine Legislature
Office of Fiscal and Program Review**



LD 1629

**RESOLUTION, Proposing a Competing Measure under the Constitution
of Maine To Provide Property Tax Relief**

LR 2165(13)

Fiscal Note for House Amendment " " to Committee Amendment "C"

Sponsor: Rep. Woodbury

Fiscal Note Required: Yes

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$34,447,163	\$35,772,548	\$16,930,826
Appropriations/Allocations				
General Fund	\$0	\$34,447,163	\$35,772,548	\$16,930,826

Fiscal Detail and Notes

This amendment increases the General Fund cost of the bill by \$34,447,163 in fiscal year 2004-05.

General Fund Summary	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Department of Audit savings due to the elimination of the municipal cap	\$0	\$0	(\$40,000)	(\$80,000)
Department of Education savings due to the elimination of the EPS changes	\$0	\$0	\$0	(\$20,235,995)
Additional cost associated with the expansion of the Maine Residents Property Tax program	\$0	\$34,447,163	\$35,812,548	\$37,246,821
Net General Fund Cost (Savings)	\$0	\$34,447,163	\$35,772,548	\$16,930,826