

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 177

H.P. 128

House of Representatives, January 13, 2005

### An Act To Increase the Homestead Property Tax Exemption

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative EDGECOMB of Caribou.  
Cosponsored by Representative CRESSEY of Cornish, Senator SNOWE-MELLO of  
Androscoggin and Representatives: DAVIS of Falmouth, FLETCHER of Winslow,  
McCORMICK of West Gardiner.

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

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4       **Sec. 1. 36 MRSA §683, sub-§1,** as repealed and replaced by PL  
6       2003, c. 20, Pt. BB, §1 and affected by §3, is repealed and the  
8       following enacted in its place:

10       1. **Exemption amount.** The estate up to the just value of  
12       \$20,000 of the homestead of a permanent resident of this State  
14       who has owned a homestead in this State for the preceding 12  
16       months is exempt from taxation, except for assessments for  
18       special benefits.

20       **Sec. 2. 36 MRSA §683, sub-§1-A,** as enacted by PL 2003, c. 20,  
22       Pt. BB, §2 and affected by §3, is amended to read:

24       **1-A. Local assessed value of the exemption.** In determining  
26       the local assessed value of the exemption for purposes of  
28       subsection 1, the assessor shall multiply the amount of the  
30       exemption by the ratio of current just value upon which the  
32       assessment is based as furnished in the assessor's annual return  
34       pursuant to section 383. ~~In determining the amount of just value  
36       exemption applicable to each estate for purposes of subsection 1,  
38       the assessor shall divide the local assessed value of each estate  
40       by the ratio of current just value upon which the assessment is  
42       based.~~ If the title to a homestead is held by the applicant  
44       jointly or in common with others, the exemption may not exceed  
46       ~~\$7,000~~ \$20,000 of the just value of the homestead ~~with a just  
48       value of less than \$125,000, or \$5,000 of the just value of the  
50       homestead with a just value of at least \$125,000 but less than  
\$250,000, or \$2,500 of the just value of the homestead with a  
just value of \$250,000 or greater,~~ but may be apportioned among  
the owners who reside on the property to the extent of their  
respective interests. A municipality responsible for  
administering the homestead exemption has no obligation to create  
separate accounts for each partial interest in a homestead owned  
jointly or in common.

38       **Sec. 3. Application.** This Act applies to property tax  
40       valuations determined on or after April 1, 2005.

### 42       SUMMARY

44       Current law provides an exemption, ranging from \$2,500 to  
46       \$7,000, for the just value of a homestead; the exemption amount  
48       is based on the value of the homestead.

50       This bill eliminates the distinction in the exemption amount  
based on the value of the homestead and increases the exemption  
amount to \$20,000 per homestead, regardless of value.