

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 736

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H.P. 531

House of Representatives, February 10, 2005

### An Act To Provide Property Tax Relief to County Taxpayers

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative LINDELL of Frankfort.  
Cosponsored by Senator WESTON of Waldo and  
Representatives: CROSTHWAITE of Ellsworth, FLETCHER of Winslow, JACOBSEN of  
Waterboro, JODREY of Bethel, PINKHAM of Lexington Township.

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

4 **Sec. 1. 30-A MRSA §709** is enacted to read:

6 **§709. County real estate transfer tax**

8 The county commissioners may establish the county rate of  
10 the real estate transfer tax imposed pursuant to Title 36,  
12 section 4641-A. In order to establish or change a county real  
14 estate transfer tax, the county commissioners must hold a public  
16 hearing in the county before December 31st and publish a notice  
18 of the hearing at least 10 days before the hearing in a newspaper  
of general circulation within the county. Written notice of the  
proposed real estate transfer tax must be sent by mail or  
delivered in person to the State Tax Assessor and the clerk of  
each municipality in the county at least 10 days before the  
hearing. The municipal clerk shall notify the municipal officers  
of the receipt of the written notice.

20 **Sec. 2. 30-A MRSA §4852, sub-§2, ¶A-1,** as enacted by PL 1989,  
22 c. 581, §11, is amended to read:

24 A-1. In addition to the uses provided in paragraph A, the  
26 following may be used to pay the administrative costs of the  
28 authority's programs:

30 (1) ~~No more than 3% of the money in the fund, other~~  
32 ~~than amounts derived from the dedication of the tax on~~  
34 ~~real estate transfers established in Title 36, chapter~~  
36 ~~711-A;~~

(2) Any earnings from the fund; and

(3) Any recoveries to the fund, including, but not  
limited to, repayments, recaptures of principal and  
recaptures of interest owed.

38 **Sec. 3. 36 MRSA §4641-A, sub-§1, ¶A,** as enacted by PL 2001, c.  
40 559, Pt. I, §3 and affected by §15, is amended to read:

42 A. The rate of the tax is \$2.20 for each \$500 or fractional  
44 part of \$500 of the value of the property transferred or the  
tax rate established by the county commissioners pursuant to  
Title 30-A, section 709.

46 **Sec. 4. 36 MRSA §4641-A, sub-§2, ¶A,** as enacted by PL 2001, c.  
48 559, Pt. I, §3 and affected by §15, is amended to read:

2 A. The rate of the tax is \$2.20 for each \$500 or fractional  
part of \$500 of the value of the real property owned by the  
4 entity and located in this State or the tax rate established  
by the county commissioners pursuant to Title 30-A, section  
6 709.

8 **Sec. 5. 36 MRSA §4641-B, sub-§3,** as enacted by PL 2001, c.  
559, Pt. I, §4 and affected by §15, is repealed and the  
10 following enacted in its place:

12 3. Disposition of funds. The county retains the tax  
collected pursuant to this chapter. Each register of deeds  
14 shall, on or before the 10th day of the month, credit that  
portion of the revenue directed by the county commissioners to a  
16 capital improvements fund for use by the county and shall credit  
the same amount of the revenue to an account to be available to  
18 the county to reduce the county tax levy.

20 **Sec. 6. 36 MRSA §4641-B, sub-§4,** as amended by PL 2003, c. 20,  
Pt. V, §1, is repealed.

22 **Sec. 7. 36 MRSA §4641-N,** as enacted by PL 1985, c. 381, §3,  
24 is repealed.

26 **SUMMARY**

28 This bill authorizes a county to establish a county real  
estate transfer tax and permits that county to retain 100% of the  
30 revenue generated by the real estate transfer tax. It requires  
the county to apply the revenue evenly between a capital reserve  
32 account for the county and an account used to reduce the county  
tax levy.

34 The bill also makes changes to the Housing Opportunities for  
36 Maine Fund to reflect the loss of real estate transfer tax  
revenue.