

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 1066

S.P. 383

In Senate, March 1, 2005

**An Act To Repeal the Homestead Property Tax Exemption and  
Redirect Property Tax Relief Funds to the Maine Residents  
Property Tax Program**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator TURNER of Cumberland.

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

2  
4       **Sec. 1. 20-A MRSA §1310, sub-§6**, as repealed and replaced by  
PL 2003, c. 212, §1, is amended to read:

6           **6. Enforcement.** If a municipal treasurer fails to pay the  
8 installment due, or any part, on the dates required, to initiate  
collection procedures, the treasurer of the school administrative  
10 district may notify the municipal treasurer of the failure to  
pay. Interest accrues on each unpaid installment at the rate  
12 established under Title 36, section 186 beginning on the 60th day  
after the date the installment is due under subsection 4. If  
14 payment of an installment is not made within 60 days after the  
due date, the treasurer of the district may initiate an action in  
Superior Court to compel payment of the delinquent installment.  
16 The court shall determine the amount owed by the municipality to  
the district and shall order the municipal treasurer to pay all  
18 delinquent installments, accrued interest and any court costs and  
reasonable attorney's fees incurred by the district. To ensure  
20 prompt payment of the delinquent installments, the court may  
require that amounts due to the municipality from the State under  
22 Title 30-A, section 5681 and Title 36, ~~sections~~ section 578 and  
685 be paid to the district until the amount determined by the  
24 court is satisfied. The court shall promptly notify the  
disbursing state agency of the determination and direct the  
26 agency to make the required change in payee and the amounts to be  
paid. If additional funds are needed to satisfy the amount  
28 determined by the court to be paid to the district, the court may  
order the attachment or trustee process and sale of real or  
30 personal property owned by the municipality or the attachment of  
the municipality's bank accounts or require property tax payments  
32 to the municipality to be turned over to the court and may pay  
the amount owed the district from the proceeds and return any  
34 excess to the municipality.

36       **Sec. 2. 20-A MRSA §1703, sub-§6**, as repealed and replaced by  
PL 2003, c. 212, §2, is amended to read:

38           **6. Enforcement.** If a municipal treasurer fails to pay the  
40 installment due, or any part, on the dates required, to initiate  
collection procedures, the treasurer of the community school  
42 district may notify the municipal treasurer of the failure to  
pay. Interest accrues on each unpaid installment at the rate  
44 established under Title 36, section 186 beginning on the 60th day  
after the date the installment is due under subsection 4. If  
46 payment of an installment is not made within 60 days after the  
due date, the treasurer of the district may initiate an action in  
Superior Court to compel payment of the delinquent installment.  
48 The court shall determine the amount owed by the municipality to  
the district and shall order the municipal treasurer to pay all  
50

2 delinquent installments, accrued interest and any court costs and  
3 reasonable attorney's fees incurred by the district. To ensure  
4 prompt payment of the delinquent installments, the court may  
5 require that amounts due to the municipality from the State under  
6 Title 30-A, section 5681 and Title 36, ~~sections~~ section 578 and  
7 685 be paid to the district until the amount determined by the  
8 court is satisfied. The court shall promptly notify the  
9 disbursing state agency of the determination and direct the  
10 agency to make the required change in payee and the amounts to be  
11 paid. If additional funds are needed to satisfy the amount  
12 determined by the court to be paid to the district, the court may  
13 order the attachment or trustee process and sale of real or  
14 personal property owned by the municipality or the attachment of  
15 the municipality's bank accounts or require property tax payments  
16 to the municipality to be turned over to the court and may pay  
17 the amount owed the district from the proceeds and return any  
18 excess to the municipality.

19 **Sec. 3. 36 MRSA §383, sub-§4, ¶¶A and B**, as enacted by PL 2001,  
20 c. 32, §1, are amended to read:

21 A. Maine Tree Growth Tax Law, section 578; and

22 B. Veterans' property tax exemptions, section 653; ~~and.~~

23 **Sec. 4. 36 MRSA §383, sub-§4, ¶C**, as enacted by PL 2001, c.  
24 32, §1, is repealed.

25 **Sec. 5. 36 MRSA §507, first ¶**, as amended by PL 1997, c. 643,  
26 Pt. HHH, §2 and affected by §10, is further amended to read:

27  
28 When a municipality issues a property tax bill to each  
29 taxpayer, each bill must contain a statement or calculation that  
30 demonstrates the amount or percentage by which the taxpayer's tax  
31 has been reduced by the distribution of state-municipal revenue  
32 sharing, ~~state reimbursement for the Maine resident homestead~~  
33 ~~property tax exemption~~ and state aid for education. The property  
34 tax bill must contain a statement of the assessed value of a  
35 homestead, ~~before and after the calculation of a Maine resident~~  
36 ~~homestead property tax exemption, and the amount of the exemption~~  
37 ~~applied to the homestead.~~ The State Tax Assessor shall annually  
38 provide each municipality with the amount of state-municipal  
39 revenue sharing and state aid for education subject to  
40 identification under this section.  
41  
42  
43  
44

45 **Sec. 6. 36 MRSA c. 105, sub-c. 4-B**, as amended, is repealed.

46  
47 **Sec. 7. 36 MRSA §6207, sub-§1, ¶A-1**, as amended by PL 2005, c.  
48 2, Pt. E, §4 and affected by Pt. E, §§7 and 8, is further amended  
49 to read:  
50

2 A-1. Fifty percent of that portion of the benefit base that  
exceeds ~~4%~~ 3% but does not exceed ~~8%~~ 6% of income plus 100%  
4 of that portion of the benefit base that exceeds ~~8%~~ 6% of  
income to a maximum payment of ~~\$2,000~~ \$3,000.

6  
8 **Sec. 8. Application.** This Act applies to property tax years  
beginning on or after April 1, 2005.

10  
12 **SUMMARY**

14 This bill does the following:

16 1. It repeals the Maine resident homestead property tax  
exemption and instead expands the Maine Residents Property Tax  
Program, commonly known as the "circuit breaker" program; and

18 2. It expands the circuit breaker program by reducing the  
20 income tax thresholds from 4% and 8% to 3% and 6%, respectively,  
and by increasing the maximum benefit payment from \$2,000 to  
22 \$3,000.