

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 1552

DATE: 5/31/5

(Filing No. H-584)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1093, L.D. 1552, Bill, "An Act To Make Owners of Cooperative Housing Eligible for the Homestead Exemption"

Amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 36 MRSA §681, sub-§2, as enacted by PL 1997, c. 643, Pt. HHH, §3 and affected by §10, is amended to read:

2. **Homestead.** "Homestead" means any residential property, including cooperative property, in this State assessed as real property owned by an applicant or held in a revocable living trust for the benefit of the applicant and occupied by the applicant as the applicant's permanent residence or owned by a cooperative housing corporation and occupied as a permanent residence by a resident who is a qualifying shareholder. A "homestead" does not include any real property used solely for commercial purposes.'

Further amend the bill by striking out all of section 4 and inserting in its place the following:

'Sec. 4. 36 MRSA §683, sub-§5 is enacted to read:

5. Determination of exemption for cooperative housing corporation. A cooperative housing corporation may apply for an exemption under this subchapter to be applied against the

COMMITTEE AMENDMENT

Refs.

COMMITTEE AMENDMENT 'A' to H.P. 1093, L.D. 1552

2 valuation of property of the corporation that is occupied by
3 qualifying shareholders. The application must include a list of
4 all qualifying shareholders and must be updated annually to
5 reflect changes in the ownership and residency of qualifying
6 shareholders. The exemption is equal to the amount specified in
7 subsection 1 multiplied by the number of units in the cooperative
8 property occupied by qualifying shareholders. A cooperative
9 housing corporation that receives an exemption pursuant to this
10 section shall apportion the property tax reduction resulting from
11 the exemption among the qualifying shareholders on a per unit
12 basis. Any supplemental assessment resulting from
13 disqualification for exemption must be applied in the same manner
14 against the qualifying shareholders for whom the disqualification
15 applies.'

16 Further amend the bill in section 5 in the 2nd line (page 2,
17 line 5 in L.D.) by striking out the following: "2005" and
18 inserting in its place the following: '2006'

19 Further amend the bill by inserting after section 5 the
20 following:

21 'Sec. 6. Appropriations and allocations. The following
22 appropriations and allocations are made.

23 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
24 **DEPARTMENT OF**

25 **Homestead Property Tax Exemption Reimbursement 0886**

26 Initiative: Provides funds to reimburse municipalities for 50%
27 of the estimated property tax revenue loss associated with
28 providing a homestead exemption for cooperative housing.

29	GENERAL FUND	2005-06	2006-07
30	All Other	\$0	\$290,000
31		<hr/>	<hr/>
32	GENERAL FUND TOTAL	\$0	\$290,000'

33 **SUMMARY**

34 This amendment clarifies the method of applying the
35 exemption for cooperative housing and changes the application
36 date from 2005 to 2006.

37 **FISCAL NOTE REQUIRED**
38 **(See attached)**

COMMITTEE AMENDMENT



122nd MAINE LEGISLATURE

LD 1552

LR 2205(02)

An Act To Make Owners of Cooperative Housing Eligible for the Homestead Exemption

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Current Cost - State Mandate

State Mandate

New or Expanded Activity	Unit Affected		Costs	
Administrative costs associated with the calculation of the exemption amount for cooperative housing corporation property	Municipality		Significant	
	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	\$290,000	\$290,000	\$290,000
Appropriations/Allocations				
General Fund	\$0	\$290,000	\$290,000	\$290,000

Fiscal Detail and Notes

The additional cost to reimburse municipalities for 50% of the revenue loss associated with the increase in exempt property is estimated to be \$290,000 annually, beginning in fiscal year 2006-07 based on an April 1, 2006 application date. The 50% funding requirement is in addition to the state mandate described above.