

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1552

H.P. 1093

House of Representatives, April 6, 2005

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

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.
Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CROSBY of Topsham.

Cosponsored by Senator MAYO of Sagadahoc and Representatives: ADAMS of Portland, AUSTIN of Gray, BABBIDGE of Kennebunk, BARSTOW of Gorham, BEAUDETTE of Biddeford, BERUBE of Lisbon, BISHOP of Boothbay, BLANCHARD of Old Town, BLISS of South Portland, BOWEN of Rockport, BOWLES of Sanford, BRAUTIGAM of Falmouth, BROWNE of Vassalboro, BRYANT of Windham, BURNS of Berwick, CAIN of Orono, CEBRA of Naples, CLARK of Millinocket, CLOUGH of Scarborough, COLLINS of Wells, CRAVEN of Lewiston, CROSTHWAITE of Ellsworth, CUMMINGS of Portland, CURLEY of Scarborough, DAVIS of Falmouth, DRISCOLL of Westbrook, DUCHESNE of Hudson, DUDLEY of Portland, DUGAY of Cherryfield, DUNN of Bangor, DUPLESSIE of Westbrook, EBERLE of South Portland, EDER of Portland, FAIRCLOTH of Bangor, FARRINGTON of Gorham, FISCHER of Presque Isle, FLETCHER of Winslow, FLOOD of Winthrop, GOLDMAN of Cape Elizabeth, GROSE of Woolwich, HANLEY of Gardiner, HARLOW of Portland, HOGAN of Old Orchard Beach, HUTTON of Bowdoinham, JACOBSEN of Waterboro, JENNINGS of Leeds, LERMAN of Augusta, LINDELL of Frankfort, LUNDEEN of Mars Hill, MAKAS of Lewiston, MARLEY of Portland, MARRACHÉ of Waterville, MAZUREK of Rockland, McKENNEY of Cumberland, MILLER of Somerville, MILLS of Farmington, MOODY of Manchester, MUSE of Fryeburg, NORTON of Bangor, O'BRIEN of Lewiston, PATRICK of Rumford, PELLETIER-SIMPSON of Auburn, PERCY of Phippsburg, PERRY of Calais, PILON of Saco, PINGREE of North Haven, PINKHAM of Lexington Township, PLUMMER of Windham, RECTOR of Thomaston, Speaker RICHARDSON of Brunswick, ROBINSON of Raymond, SAMPSON of Auburn, SAVIELLO of Wilton, SCHATZ of Blue Hill, SMITH of Monmouth, TARDY of Newport, TUTTLE of Sanford, VALENTINO of Saco, WALCOTT of Lewiston, WEBSTER of Freeport, WHEELER of Kittery, WOODBURY of Yarmouth, Senators: BARTLETT of Cumberland, BRENNAN of Cumberland, BROMLEY of Cumberland, BRYANT of Oxford, COURTNEY of York, COWGER of Kennebec, DAMON of Hancock, DIAMOND of Cumberland, DOW of Lincoln, President EDMONDS of Cumberland, GAGNON of Kennebec, HASTINGS of Oxford, HOBBS of York, MARTIN of Aroostook, MILLS of Somerset, MITCHELL of Kennebec, ROSEN of Hancock, SCHNEIDER of Penobscot, STRIMLING of Cumberland, WESTON of Waldo.

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

4 **Sec. 1. 36 MRSA §681, sub-§§1-A and 1-B** are enacted to read:

6 **1-A. Cooperative housing corporation.** "Cooperative housing
8 corporation" means an entity organized for the purpose of owning
10 residential real estate in which residents own shares that
12 entitle the shareholder to inhabit a certain space within a
14 residential dwelling.

16 **1-B. Cooperative property.** "Cooperative property" means
18 the real property, including mobile and manufactured homes, owned
20 by a cooperative housing corporation for the primary purpose of
22 residential use.

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

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

44 **Sec. 3. 36 MRSA §681, sub-§5** is enacted to read:

46 **5. Qualifying shareholder.** "Qualifying shareholder" means
48 a person who is a:

A. Shareholder in a cooperative housing corporation that
owns a homestead in this State;

B. Shareholder for the preceding 12 months in the
cooperative housing corporation specified in paragraph A; and

C. Permanent resident of this State.

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

46 **5. Determination of exemption for cooperative housing**
48 corporation. A cooperative housing corporation may apply for an
44 exemption under this subchapter. The exemption is equal to the
46 amount specified in subsection 1 multiplied by the number of
48 units in the cooperative property occupied by qualifying
shareholders. A cooperative housing corporation that receives an
exemption pursuant to this section shall apportion the property

2 tax reduction resulting from the exemption among the qualifying
3 shareholders on per unit basis.

4 **Sec. 5. Application.** This Act applies to property tax years
5 beginning on or after April 1, 2005.
6

8 **SUMMARY**

10 This bill allows residents of a residential cooperative who
11 are shareholders in that cooperative to participate in the Maine
12 resident homestead property tax exemption program. The amount of
13 the exemption is limited to the number of units in the
14 cooperative occupied by persons who would otherwise qualify for
15 the homestead property tax exemption if they owned property
16 currently qualifying as a homestead.