

MAINE STATE LEGISLATURE

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L.D. 1595

DATE: 6-16-05

(Filing No. H-707)

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

HOUSE AMENDMENT "A" to H.P. 1131, L.D. 1595, Bill, "An Act To Rebalance Maine's Tax Code"

Amend the bill by inserting after Part M the following:

PART N

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

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

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

Sec. N-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

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HOUSE AMENDMENT "A" to H.P. 1131, L.D. 1595

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.

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

5. Qualifying shareholder. "Qualifying shareholder" means 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.

Sec. N-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 valuation of property of the corporation that is occupied by qualifying shareholders. The application must include a list of all qualifying shareholders and must be updated annually to reflect changes in the ownership and residency of qualifying shareholders. The exemption is equal to the amount specified in subsection 1 multiplied by the number of 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 tax reduction resulting from the exemption among the qualifying shareholders on a per unit basis. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

Sec. N-5. Application. This Act applies to property tax years beginning on or after April 1, 2006.

Sec. N-6. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF

Homestead Property Tax Exemption Reimbursement 0886

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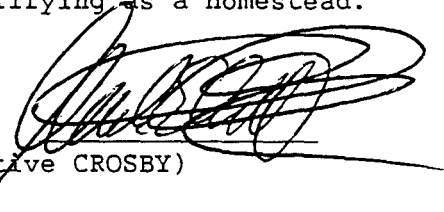
Initiative: Provides funds to reimburse municipalities for 50% of the estimated property tax revenue loss associated with providing a homestead exemption for cooperative housing.

GENERAL FUND	2005-06	2006-07
All Other	\$0	\$290,000
GENERAL FUND TOTAL	\$0	\$290,000'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

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

SPONSORED BY: 
(Representative CROSBY)

TOWN: Topsham

FISCAL NOTE REQUIRED
(See attached)



Approved: 06/15/05 *mac*

122nd MAINE LEGISLATURE

LD 1595

LR 2080(05)

An Act To Rebalance Maine's Tax Code

Fiscal Note for House Amendment "A"

Sponsor: Rep. Crosby

Fiscal Note Required: Yes

Fiscal Note

Current Cost - State Mandate

State Mandate

New or Expanded Activity

Administrative costs associated with the calculation of the exemption amount for cooperative housing corporation property

Unit Affected
Municipality

Costs
Insignificant

	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

This amendment will increase the General Fund cost of the bill by \$290,000 in fiscal year 2006-07.