MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1836

H.P. 1276

House of Representatives, January 3, 2006

An Act To Amend the Laws Governing the Assessment of Property Taxes in the Event of a Change of Ownership of the Property

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 28, 2005. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millient M. Macfarland MILLICENT M. MacFARLAND Clerk

Presented by Representative CRAVEN of Lewiston. Cosponsored by Representative PERRY of Calais, Senator ROTUNDO of Androscoggin and Representative: MOODY of Manchester.

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

Sec. 1. 36 MRSA §502, as amended by PL 1997, c. 216, §1, is further amended to read:

§502. Property taxable; tax year

All real estate within the State, all personal property of residents of the State and all personal property within the State of persons not residents of the State is are subject to taxation on the first day of each April as provided; and the status of all taxpayers and of such taxable property must be fixed as of that date. Upon receipt of a declaration of value under section 4641-D reflecting a change of ownership in real property, the assessor may shall change the records of the municipality to reflect the identity of the new owner, if and send notice of tax liabilities is—sent—beth to the new owner and—to—the—owner—ef record—as—of—the—April—let—when—the—liability—accrued. The taxable year is from April 1st to April 1st. Notwithstanding this section, proration of taxes must be over the period specified in section 558.

Following a change in ownership, the previous owner is exempt from any tax liability incurred after the change of ownership as long as the previous owner provides the assessor with notice that the property has been transferred, the name of the new owner, the location of the property and a copy of the executed deed.

SUMMARY

Currently, if real property is transferred after April 1st of each year, the owner of record as of April 1st is liable for taxes assessed against the property until written notice has been sent to the appropriate tax assessor notifying the assessor of the change. The assessor then has the option of changing the tax records to reflect the name of the new owner.

This bill requires the assessor to change the records once notice of the change in ownership is received. Additionally, this bill exempts the previous owner from liability for any taxes incurred after the change in ownership as long as the previous owner provides certain information, such as a copy of the executed deed, to the assessor.