

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 288

H.P. 232

House of Representatives, January 19, 2007

**An Act To Increase the State Share of the Homestead Exemption to
70%**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FLOOD of Winthrop.
Cosponsored by Representatives: CRESSEY of Cornish, MILLER of Somerville, Senator
COURTNEY of York, Senator GOOLEY of Franklin and Representatives: EDGECOMB of
Caribou, FLETCHER of Winslow, MAREAN of Hollis, ROBINSON of Raymond,
SAVIELLO of Wilton.

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

2 **Sec. 1. 36 MRSA §683, sub-§3**, as amended by PL 2005, c. 2, Pt. F, §3 and
3 affected by §5, is further amended to read:

4 **3. Effect on state valuation.** ~~Fifty~~ Seventy percent of the just value of homesteads
5 exempt under this subchapter must be included in the annual determination of state
6 valuation under sections 208 and 305.

7 **Sec. 2. 36 MRSA §683, sub-§4**, as amended by PL 2005, c. 2, Pt. F, §3 and
8 affected by §5, is further amended to read:

9 **4. Property tax rate.** ~~Fifty~~ Seventy percent of the value of homestead exemptions
10 under this subchapter must be included in the total municipal valuation used to determine
11 the municipal tax rate. The municipal tax rate as finally determined may be applied to
12 only the taxable portion of each homestead qualified for that tax year.

13 **Sec. 3. 36 MRSA §685, sub-§2**, as amended by PL 2005, c. 2, Pt. F, §4 and
14 affected by §5, is further amended to read:

15 **2. Entitlement to reimbursement by the State; calculation.** A municipality that
16 has approved homestead exemptions under this subchapter may recover from the State
17 ~~50%~~ 70% of the taxes lost by reason of the exemptions upon proof in a form satisfactory
18 to the bureau. The bureau shall reimburse the Unorganized Territory Education and
19 Services Fund for ~~50%~~ 70% of taxes lost by reason of the exemption.

20 **Sec. 4. Retroactive application.** This Act applies retroactively to property tax
21 valuations determined on or after April 1, 2007.

22 **SUMMARY**

23 This bill increases the state reimbursement to municipalities under the Maine resident
24 homestead property tax exemption program from 50% to 70%.