

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1601

H.P. 1123

House of Representatives, March 21, 2007

**RESOLUTION, Proposing an Amendment to the Constitution of
Maine To Create a Longtime Resident Tax Cap Program**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CHASE of Wells.
Cosponsored by Senator NASS of York and
Representatives: KNIGHT of Livermore Falls, PILON of Saco, RAND of Portland.

1 **Constitutional amendment. Resolved:** Two thirds of each branch of the
2 Legislature concurring, that the following amendment to the Constitution of Maine be
3 proposed:

4 **Constitution, Art. IX, §8, first ¶** is amended to read:

5 **Section 8. Taxation.** All taxes upon real and personal estate, assessed by authority
6 of this State, shall be apportioned and assessed equally according to the just value thereof,
7 except as provided in this section.

8 **Constitution, Art. IX, §8, sub-§6** is enacted to read:

9 **6. Assessment of homestead based on length of residence; penalty for change.**
10 The Legislature has the power to implement a program to provide for the assessment at a
11 fixed rate of real property owned and occupied as the primary residence for at least 10
12 years. The fixed rate of assessment is established as of the date the property is entered
13 into the program. If title to the property is transferred to someone other than a direct
14 relative of the owner, which means a parent, spouse, child or grandchild of the owner, or
15 otherwise removed from the program, the property assumes the just value determined as
16 of April 1st immediately following removal from the program, adjusted to be in
17 conformance with other property not in this program.

18 In implementing this subsection, the Legislature shall provide that any change of
19 ownership or other withdrawal from the program, except when the change is occasioned
20 by a transfer to someone other than a direct relative or resulting from the exercise or
21 threatened exercise of the power of eminent domain, must result in the imposition of a
22 minimum penalty as follows:

23 A. If the property is removed from the program within the first 5 years of being
24 enrolled, then the penalty is the difference between the taxes that were actually
25 imposed and the taxes that would have been imposed absent this program, interest on
26 that difference and an amount equal to 30% of the most recent tax assessment on that
27 property prior to the date of removal from the program;

28 B. If the property is removed from the program after being enrolled for at least 5
29 years, but fewer than 10 years, the penalty is the difference between the taxes that
30 were actually imposed and the taxes that would have been imposed absent this
31 program, interest on that difference and an amount based on the number of years the
32 property was enrolled in the program, as provided in this paragraph.

33 If the property was in the program for at least 5 years but less than:

34 (1) Six years, 25% of the most recent tax assessment on that property prior to the
35 date of removal from the program;

36 (2) Seven years, 20% of the most recent tax assessment on that property prior to
37 the date of removal from the program;

38 (3) Eight years, 15% of the most recent tax assessment on that property prior to
39 the date of removal from the program;

1 time the property was enrolled in the program. If the property was transferred to
2 someone other than the spouse, parent, child or grandchild of the owner or the owner
3 withdrew the property from the program, penalties would apply, including the difference
4 between the taxes actually paid and the taxes that would have been assessed if not for
5 being in the program, interest and a percentage of the most recent tax assessment on that
6 property prior to the date of removal from the program. Upon removal from the program,
7 the property would assume the just value as determined as of the April 1st immediately
8 following withdrawal.

9 The only reason the assessed value of property in the program could be changed
10 would be to reflect additions, subtractions or improvements to the property or the
11 destruction of the property.