

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1665

H.P. 1174

House of Representatives, March 22, 2007

**RESOLUTION, Proposing an Amendment to the Constitution of
Maine To Limit the Rate of Change in the Property Tax Liability of
Elderly Maine Residents**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Speaker CUMMINGS of Portland.
Cosponsored by Representatives: ADAMS of Portland, BRAUTIGAM of Falmouth, EBERLE
of South Portland, GERZOFKY of Brunswick, KOFFMAN of Bar Harbor, MILLETT of
Waterford, SIMPSON of Auburn.

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. Property owned by person 59 1/2 years of age or older.** The Legislature has the
10 power to require that municipalities limit increases of tax imposed on the assessed value
11 on real property of no more than 2 acres owned by a person at least 59 1/2 years of age as
12 that person's primary residence. The rate is fixed at the tax rate in effect on the date the
13 person enrolls the qualified property. After that, the rate of increase must be limited to no
14 more than the rate of inflation as measured by an index of consumer prices as published
15 by a federal agency. When title to the property is transferred to someone other than the
16 owner's spouse or a change in use occurs, the difference in the property taxes actually
17 paid and the property taxes that would have been imposed on the property but for this
18 subsection for the 5 years immediately prior to the transfer of title or change in use must
19 be paid to the taxing municipality. Upon transfer of title or change in use, the property
20 assumes the just value in effect at the time of the transfer or change in use. The
21 Legislature may enact legislation to implement the administration of this subsection.

22 ; and be it further

23 **Constitutional referendum procedure; form of question; effective date.**

24 **Resolved:** That the municipal officers of this State shall notify the inhabitants of their
25 respective cities, towns and plantations to meet, in the manner prescribed by law for
26 holding a statewide election, at a statewide election held in the month of November
27 following the passage of this resolution, to vote upon the ratification of the amendment
28 proposed in this resolution by voting upon the following question:

29 "Do you favor amending the Constitution of Maine to authorize the Legislature to
30 limit to the rate of inflation the rate of property tax increases on real property of no
31 more than 2 acres owned and occupied as a primary residence by a person at least 59
32 1/2 years of age and requiring, upon transfer to a person other than the owner's
33 spouse or a change in use, the payment of the taxes not collected for the 5 years prior
34 to a transfer of the property or change in use?"

35 The legal voters of each city, town and plantation shall vote by ballot on this question
36 and designate their choice by a cross or check mark placed within the corresponding
37 square below the word "Yes" or "No." The ballots must be received, sorted, counted and
38 declared in open ward, town and plantation meetings and returns made to the Secretary of
39 State in the same manner as votes for members of the Legislature. The Governor shall
40 review the returns. If it appears that a majority of the legal votes are cast in favor of the
41 amendment, the Governor shall proclaim that fact without delay and the amendment

1 becomes part of the Constitution of Maine on the date of the proclamation; and be it
2 further

3 **Secretary of State shall prepare ballots. Resolved:** That the Secretary of State
4 shall prepare and furnish to each city, town and plantation all ballots, returns and copies
5 of this resolution necessary to carry out the purposes of this referendum.

6 **SUMMARY**

7 This resolution proposes to amend the Constitution of Maine to authorize the
8 Legislature to require municipalities to limit tax increases on property up to 2 acres in
9 size owned and occupied as a person's primary residence if that person is at least 59 1/2
10 years of age. The amount of the tax increase would be limited to the rate of inflation.
11 Upon transfer of the property to someone other than the spouse of the owner or a change
12 in use, the property taxes not paid for the 5 years prior to the transfer or change in use due
13 to this tax increase limitation would be required to be paid to the municipality and the
14 property would assume the just value in effect at the time of transfer or change in use.