

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 87

S.P. 36

January 13, 2009

**An Act To Allow the Same Homestead and Veterans' Exemptions to
a Person Who Has a Life Lease as Are Allowed to Those Who Have
a Life Estate**

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator JACKSON of Aroostook.
Cosponsored by Representative MARTIN of Eagle Lake and
Senator: PERRY of Penobscot.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** some residents of the State occupy their homestead under a life estate or a
4 life lease; and

5 **Whereas,** residents who hold their homestead pursuant to a life estate are entitled to
6 homestead and veterans' property tax exemptions and residents occupying their
7 homesteads under a life lease are not; and

8 **Whereas,** residents with a life lease should be treated the same as residents with a
9 life estate; and

10 **Whereas,** residents who hold their property in this manner are likely to be elderly
11 and in need of immediate property tax relief; and

12 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
13 the meaning of the Constitution of Maine and require the following legislation as
14 immediately necessary for the preservation of the public peace, health and safety; now,
15 therefore,

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

17 **Sec. 1. 36 MRSA §653, sub-§1,** ¶L is enacted to read:

18 L. A person whose interest in property is a life lease is entitled to the same
19 exemptions under this subsection as a person whose interest in property is a life
20 estate.

21 **Sec. 2. 36 MRSA §681, sub-§2,** as amended by PL 2005, c. 647, §2 and affected
22 by §5, is further amended to read:

23 **2. Homestead.** "Homestead" means any residential property, including cooperative
24 property, in this State assessed as real property owned by an applicant, occupied under a
25 life lease by the applicant or held in a revocable living trust for the benefit of the
26 applicant and occupied by the applicant as the applicant's permanent residence or owned
27 by a cooperative housing corporation and occupied as a permanent residence by a
28 resident who is a qualifying shareholder. A "homestead" does not include any real
29 property used solely for commercial purposes.

30 **Sec. 3. Application.** This Act applies to property taxes based on the status of
31 property on April 1, 2009.

32 **Emergency clause.** In view of the emergency cited in the preamble, this
33 legislation takes effect when approved.

SUMMARY

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This bill extends homestead and veterans' property tax exemptions to persons who occupy their property under a life lease.