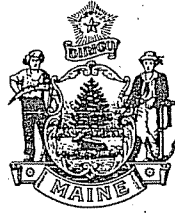


MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 765

H.P. 524

House of Representatives, February 26, 2009

An Act To Allow Towns To Establish Their Own Homestead Exemption Programs

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CEBRA of Naples.
Cosponsored by Representatives: PLUMMER of Windham, ROBINSON of Raymond,
SARTY of Denmark, SHAW of Standish, SYKES of Harrison.

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

2 **Sec. 1. 36 MRSA §681, first ¶**, as enacted by PL 1997, c. 643, Pt. HHH, §3 and
3 affected by §10, is amended to read:

4 As used in this subchapter and chapter 907-B, unless the context otherwise indicates,
5 the following terms have the following meanings.

6 **Sec. 2. 36 MRSA §683, sub-§2**, as enacted by PL 1997, c. 643, Pt. HHH, §3 and
7 affected by §10, is amended to read:

8 **2. Exemption in addition to other exemptions.** The exemption provided in this
9 subchapter is in addition to the exemptions provided in sections 653 and 654 and chapter
10 907-B.

11 **Sec. 3. 36 MRSA c. 907-B** is enacted to read:

12 **CHAPTER 907-B**

13 **LOCAL OPTION HOMESTEAD PROPERTY TAX EXEMPTION**

14 **§6241. Short title**

15 This chapter may be known and cited as "the Local Option Homestead Property Tax
16 Exemption Act."

17 **§6242. Definitions**

18 Unless the context otherwise indicates, terms used in this chapter have the same
19 meaning as in chapter 105, subchapter 4-B.

20 **§6243. Municipal authority**

21 The legislative body of a municipality may adopt by ordinance a program to provide
22 a local option homestead property tax exemption to persons with a homestead in that
23 municipality.

24 **1. Conditions of program.** A program adopted under this section must:

25 A. Have the same eligibility requirements as the homestead property tax exemption
26 established in chapter 105, subchapter 4-B; and

27 B. Provide a maximum exemption of 20% of the just value of the homestead.

28 **2. Relationship to state program.** Benefits received under a program adopted by a
29 municipality under this chapter are in addition to benefits provided under the exemption
30 in chapter 105, subchapter 4-B.

31 **3. Effect on state valuation.** The municipal assessor shall subtract the value of the
32 local option homestead property tax exemption under this section from the just value of

1 each homestead receiving the exemption under this section for purposes of the annual
2 determination of state valuation under sections 208 and 305.

3 4. Property tax rate. One hundred percent of local option homestead property tax
4 exemptions granted by a municipality pursuant to this chapter must be included in the
5 total municipal valuation used to determine the municipal tax rate. The municipal tax
6 rate as finally determined may be applied only to the taxable portion of each qualified
7 homestead for that tax year.

8 5. Denial; appeals. If a municipal assessor determines that a property is not eligible
9 for a local option homestead property tax exemption under this chapter, the assessor shall
10 provide promptly a notice of denial, including the reasons for the denial, to the applicant
11 either by personal delivery or regular mail. An applicant may appeal a denial of an
12 exemption under this chapter using the procedures provided in chapter 105, subchapter 8.

13 §6244. Repeal of program

14 A municipality that has adopted a local option homestead property tax exemption
15 program under this chapter may repeal it through the same procedure by which the
16 program was adopted.

17 **SUMMARY**

18 This bill allows a municipality to adopt a local option homestead property tax
19 exemption program that provides an exemption of up to 20% of the just value of the
20 homestead. Eligibility criteria for the local option homestead property tax exemption
21 must be the same as for the state homestead property tax exemption program. The benefit
22 available under the local homestead exemption is in addition to the benefit available
23 under the state homestead exemption.