

# MAINE STATE LEGISLATURE

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ROBS

Date: 3/9/12

L.D. 1693

(Filing No. H-754)

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TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
125TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1245, L.D. 1693, Bill, "An Act To Amend the Law Governing Abatements of Property Taxes for Infirmity or Poverty"

Amend the bill by striking out the title and substituting the following:

**'An Act To Amend the Law Governing Abatements of Property Taxes for Infirmity or Poverty and the Administration of the Circuitbreaker Program'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**Sec. 1. 36 MRSA §841, sub-§2**, as amended by PL 2005, c. 169, §1, is further amended to read:

**2. Infirmity or poverty.** The municipal officers, or the State Tax Assessor for the unorganized territory, within 3 years from commitment, may, on their own knowledge or on written application ~~therefor~~, make such abatements as they believe reasonable on the real and personal taxes on the primary residence of any person who, by reason of infirmity or poverty, is in their judgment unable to contribute to the public charges. The municipal officers, or the State Tax Assessor for the unorganized territory, may extend the 3-year period within which they may make abatements under this subsection.

Municipal officers or the State Tax Assessor for the unorganized territory shall:

A. Provide that any person indicating an inability to pay all or part of taxes that have been assessed because of poverty or infirmity be informed of the right to make application under this subsection;

B. Assist individuals in making application for abatement;

C. Make available application forms for requesting an abatement based on poverty or infirmity and provide that those forms contain notice that a written decision will be made within 30 days of the date of application;

D. Provide that persons are given the opportunity to apply for an abatement during normal business hours;

**COMMITTEE AMENDMENT**

ROFS

COMMITTEE AMENDMENT "A" to H.P. 1245, L.D. 1693

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E. Provide that all applications, information submitted in support of the application, files and communications relating to an application for abatement and the determination on the application for abatement are confidential. Hearings and proceedings held pursuant to this subsection must be in executive session;

F. Provide to any person applying for abatement under this subsection, notice in writing of their decision within 30 days of application; and

G. Provide that any decision made under this subsection include the specific reason or reasons for the decision and inform the applicant of the right to appeal and the procedure for requesting an appeal.

For the purpose of this subsection, the municipal officers may set off or otherwise treat as available benefits provided to an applicant under chapter 907 when determining if the applicant is able to contribute to the public charges.

Sec. 2. 36 MRSA §6201, sub-§10, as amended by PL 2007, c. 325, §1, is further amended to read:

**10. Property taxes accrued.** "Property taxes accrued" means property taxes exclusive of special assessment, delinquent interest and charges for service levied on a claimant's homestead in this State as of April 1, 1972, or any tax year thereafter. If a claimant receives an abatement of property taxes based on infirmity or poverty pursuant to section 841, subsection 2 during the year for which relief is requested, "property taxes accrued" means only the portion of property taxes levied that was not abated during the year for which the claimant requests relief. If a homestead is owned by 2 or more persons or entities as joint tenants or tenants in common, and one or more persons or entities are not members of the claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead that reflects the ownership percentage of the claimant and the claimant's household. If a claimant and spouse own their homestead for part of the year for which relief is requested and rent it or a different homestead for part of the same tax year, "property taxes accrued" means taxes levied on the homestead on April 1st, multiplied by the percentage of 12 months that the property was owned and occupied by the household as its homestead during the year for which relief is requested. When a household owns and occupies 2 or more different homesteads in this State in the same calendar year, property taxes accrued relate only to the total of the property taxes owed for the time that each property was occupied by the household as a homestead. To calculate the amount attributable to each property, the April 1st assessment on each homestead is multiplied by the percentage of 12 months that each property was owned and occupied by the claimant as the claimant's homestead during the year for which relief is requested. If a homestead is an integral part of a larger unit such as a farm, or a multipurpose or multidwelling building, property taxes accrued are that percentage of the total property taxes accrued that the value of the homestead is of the total value, except that property taxes accrued do not include any portion of taxes claimed as a business expense for federal income tax purposes. For purposes of this chapter, "unit" refers to the parcel of property separately assessed of which the homestead is a part.'

**COMMITTEE AMENDMENT**

**ROFS**

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**SUMMARY**

This amendment changes the title and replaces the bill. It provides that, for purposes of calculating eligibility at the municipal level for property tax abatement for reasons of poverty or infirmity, municipal officers may set off or otherwise treat as available benefits provided under the Circuitbreaker Program when determining a person's ability to contribute to the public charges. It prohibits a claimant under the Circuitbreaker Program from seeking a refund on property taxes that were abated by a municipality based upon poverty or infirmity by excluding from the definition of "property taxes accrued" any taxes abated in the year for which the claimant is seeking relief.

**FISCAL NOTE REQUIRED**  
**(See attached)**



**ROFS**

# 125th MAINE LEGISLATURE

LD 1693

LR 2526(02)

**An Act To Amend the Law Governing Abatements of Property Taxes for Infirmity or Poverty**

**Fiscal Note for Bill as Amended by Committee Amendment "A" (H-754)**

**Committee: Taxation**

**Fiscal Note Required: Yes**

## Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$41,000)	(\$50,000)	(\$50,000)
<b>Revenue</b>				
General Fund	\$0	\$41,000	\$50,000	\$50,000

### Fiscal Detail and Notes

This bill provides that, for purposes of making property tax abatements for reasons of infirmity or poverty, municipal officers may set off or otherwise treat as available Circuitbreaker Program benefits when determining how much a person is able to contribute to the public charges. Any property taxes abated by a municipality for reasons of poverty or infirmity may not be claimed under the Circuitbreaker Program. The provisions of the bill will reduce benefit payments by \$41,000 in FY 2012-13 and by \$50,000 in subsequent fiscal years. Any additional costs required under the bill can be absorbed by Maine Revenue Services within budgeted resources.