

# MAINE STATE LEGISLATURE

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Date: 4/18/13

L.D. 136  
(Filing No. H-82)

TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
126TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 111, L.D. 136, Bill, "An Act To Connect Benefits Provided under the Circuitbreaker Program with the Payment of Property Taxes"

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

**Mandate preamble.** This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, 2/3 of all of the members elected to each House have determined it necessary to enact this measure.

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

**Whereas,** this legislation requires beneficiaries of the Circuitbreaker Program to pay the property taxes for the property connected to the benefit they receive; and

**Whereas,** the next application period for the Circuitbreaker Program begins August 1, 2013; and

**Whereas,** Maine Revenue Services needs no less than 90 days before the application period begins in order to implement the program; and

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

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

**Sec. 1. 36 MRSA §191, sub-§2, ¶XX** is enacted to read:

XX. The disclosure of information to an authorized representative of a municipality necessary for the administration of section 6211-A. This paragraph does not

COMMITTEE AMENDMENT

1 authorize the disclosure of a claimant's income. A municipality receiving  
2 information under this paragraph, either from the bureau or the claimant, shall keep  
3 the information confidential.

4 **Sec. 2. 36 MRSA §906**, as enacted by PL 1985, c. 653, is amended to read:

5 **§906. Application of payments to unpaid taxes**

6 The municipal officers of a municipality may, upon request of the municipal treasurer  
7 or the tax collector, require that any tax payment received from an individual as payment  
8 for any property tax be applied against outstanding or delinquent taxes due on that  
9 property in chronological order beginning with the oldest unpaid tax bill, except that  
10 payments received pursuant to section 6211-A must be applied only to the unpaid taxes  
11 for the year for which relief is requested under chapter 907 unless the taxpayer requests  
12 that the payment be applied to an older unpaid tax bill. Taxes may not be applied to a  
13 period for which an abatement request or appeal has not been resolved unless approved in  
14 writing by the taxpayer.

15 **Sec. 3. 36 MRSA §6211-A** is enacted to read:

16 **§6211-A. Payment of benefit when property taxes unpaid**

17 **1. Determination of unpaid property taxes; payment.** If the assessor, either due  
18 to information provided on the application or by other means, determines that the  
19 property taxes accrued on the homestead for the year for which relief is requested by the  
20 claimant have not been paid at the time of application, the assessor shall issue the benefit  
21 jointly in the name of the claimant and the name of the municipality to which the property  
22 taxes accrued are owed or, if the homestead property is located in the unorganized  
23 territory, jointly to the claimant and the Unorganized Territory Education and Services  
24 Fund established in section 1605, subsection 1.

25 **2. Endorsement process.** A claimant that receives a benefit payment pursuant to  
26 subsection 1 shall endorse the benefit to the Unorganized Territory Education and  
27 Services Fund established in section 1605, subsection 1 or the municipality named on the  
28 benefit payment. Upon receipt of the endorsed benefit payment, the Unorganized  
29 Territory Education and Services Fund or the municipality named on the benefit payment  
30 shall apply the benefit payment to the claimant's unpaid property tax bill in accordance  
31 with section 906 and, within a reasonable time period, issue a check for the remainder of  
32 the benefit to the claimant, unless the claimant expressly approves in writing that an  
33 additional amount may be withheld from the benefit payment.

34 **Sec. 4. 36 MRSA §6218**, as enacted by PL 1989, c. 534, Pt. A, §10, is amended  
35 by adding at the end a new paragraph to read:

36 The application form must be designed to provide information to the assessor as to  
37 whether the property taxes accrued on the homestead for the year for which relief is  
38 requested have been paid in full at the time of application.

39 **Sec. 5. Application.** This Act applies to applications for benefits under the Maine  
40 Revised Statutes, Title 36, chapter 907 filed on or after August 1, 2013.

H. C. C.

1       **Sec. 6. Appropriations and allocations.** The following appropriations and  
2 allocations are made.

3       **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

4       **Revenue Services - Bureau of 0002**

5       Initiative: Provides an ongoing General Fund appropriation to the Bureau of Revenue  
6 Services for one Tax Examiner position and related expenses, including computer  
7 programming, printing and postage.

8	<b>GENERAL FUND</b>	<b>2013-14</b>	<b>2014-15</b>
9	Personal Services	\$60,820	\$64,655
10	All Other	\$17,913	\$9,364
11			
12	<b>GENERAL FUND TOTAL</b>	<u>\$78,733</u>	<u>\$74,019</u>

13       **Emergency clause.** In view of the emergency cited in the preamble, this  
14 legislation takes effect when approved.'

15   **SUMMARY**

16       This amendment adds a mandate preamble and an emergency preamble and  
17 emergency clause to the bill. It includes provisions with respect to the Circuitbreaker  
18 Program to address the confidentiality of claimant information at the municipal level,  
19 homestead property located in the unorganized territory and the application of program  
20 benefits to unpaid taxes. It clarifies the method for processing a joint benefit payment. It  
21 provides that the bill applies to applications for the Circuitbreaker Program filed on or  
22 after August 1, 2013 and adds an appropriations and allocations section.

23       The amendment, like the bill, requires the application form for the Circuitbreaker  
24 Program to include a method of determining whether the property taxes being claimed  
25 have been paid at the time of application. The amendment provides that, if the State Tax  
26 Assessor determines that the property taxes have not been paid, the benefit must be issued  
27 jointly to the claimant and the municipality or, if the homestead property is located in the  
28 unorganized territory, to the claimant and the Unorganized Territory Education and  
29 Services Fund. The claimant is required to endorse the check to the municipality or the  
30 Unorganized Territory Education and Services Fund, which is required to apply the  
31 benefit to the claimant's property taxes accrued and unpaid on the homestead for the year  
32 for which relief is requested, unless the claimant requests that the payment be applied to  
33 an older unpaid tax bill. The municipality or the Unorganized Territory Education and  
34 Services Fund must pay any remaining benefit to the claimant, unless the claimant in  
35 writing permits the municipality or the Unorganized Territory Education and Services  
36 Fund to retain an additional amount of the benefit.

37   **FISCAL NOTE REQUIRED**

38   (See attached)



# 126th MAINE LEGISLATURE

LD 136

LR 474(02)

## An Act To Connect Benefits Provided under the Circuitbreaker Program with the Payment of Property Taxes

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-82)

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

State Mandate - Exempted

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
<b>Net Cost (Savings)</b>				
General Fund	\$78,733	\$74,019	\$77,252	\$80,646
<b>Appropriations/Allocations</b>				
General Fund	\$78,733	\$74,019	\$77,252	\$80,646

#### State Mandates

##### Required Activity

Municipalities will incur administrative costs to track and process checks to circuitbreaker claimants who owe outstanding property taxes and who receive more in a circuitbreaker benefit than what is owed.

##### Unit Affected

Municipality

##### Local Cost

Insignificant statewide

Pursuant to the Mandate Preamble, the two-thirds vote of all members elected to each House exempts the state from the constitutional requirement to fund 90% of the additional costs.

#### Fiscal Detail and Notes

The bill includes General Fund appropriations of \$78,733 in FY 14 and \$74,019 in FY 15 to Maine Revenue Services for the programmatic change to the Circuitbreaker program. Costs include one Tax Examiner position to process the identified applications, computer programming activities to update application forms and related office, postage and printing expenses.