

MAINE STATE LEGISLATURE

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Date: 3/3/14

(Filing No. H-643)

Minority
TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1182, L.D. 1610, Bill, "An Act To Allow a Municipality To Abate Taxes Assessed on Property That Is Destroyed"

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

'An Act To Allow a Municipality To Provide Relief to a Person Whose Homestead Is Destroyed'

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

'Sec. 1. 36 MRSA §6232, sub-§1, as amended by PL 2007, c. 635, §1, is further amended to read:

1. Conditions of program. Except as provided in ~~subsection~~ subsections 1-A and 1-B, a program adopted under this section must:

- A. Require that the claimant has a homestead in the municipality;
- B. Provide benefits for both owners and renters of homesteads; and
- C. Calculate benefits in a way that provides greater benefits proportionally to claimants with lower incomes in relation to their property taxes accrued or rent constituting property taxes accrued.

Sec. 2. 36 MRSA §6232, sub-§1-B is enacted to read:

1-B. Homestead destroyed after April 1st. A municipality may by ordinance adopt a program that provides benefits to persons with homesteads in the municipality in response to the diminishment of the value of the person's homestead, as defined in section 681, subsection 2, due to the destruction of the homestead after April 1st and before the date of the commitment of taxes pursuant to section 709 or 709-A. The ordinance must provide that a taxpayer seeking benefits pursuant to the ordinance must file a written application with the municipal officers requesting benefits and stating the grounds for the request within a timely period after the date of the destruction of the property and before the date of commitment. For the purposes of this subsection, "destruction" means

1 damage to real property from fire, explosion or natural disaster that reduces the just value
2 of the homestead by at least 50%. An ordinance adopted pursuant to this subsection must
3 provide factors for the municipal officers to review when considering a request for
4 benefits under this subsection including the time of year the destruction occurred in
5 relation to the tax year as well as the municipality's fiscal year, the causes and origins of
6 the destruction, the degree to which the destroyed property was insured, the likelihood of
7 prompt reconstruction and the impact on the municipal treasury if benefits are granted.

8 **Sec. 3. Application; retroactivity; exception.** This Act applies retroactively to
9 property tax years beginning on or after April 1, 2013. Notwithstanding the Maine
10 Revised Statutes, Title 36, section 6232, subsection 1-B, a municipal ordinance adopted
11 pursuant to this Act may permit municipal officers to waive the requirement of a timely
12 filing of an application for benefits with respect to destruction of property that occurred
13 before the effective date of this Act.'

14 **SUMMARY**

15 This amendment, which is the minority report of the committee, changes the form of
16 relief that a municipality is authorized to provide to a person whose homestead is
17 destroyed from a property tax abatement to a municipal benefit program. The
18 amendment also provides that the destroyed property must be the applicant's homestead
19 and requires that an application for the benefit must be made after April 1st and before
20 the date of the commitment of taxes.