MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 29

H.P. 28

House of Representatives, January 13, 2015

An Act To Establish a Local Option Real Estate Transfer Tax

Reference to the Committee on Taxation suggested and ordered printed.

ROBERT B. HUNT

R(+ B. Hunt

Presented by Representative GOODE of Bangor. Cosponsored by Senator LIBBY of Androscoggin.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 36 MRSA c. 712-A is enacted to read:
3	CHAPTER 712-A
4	LOCAL OPTION REAL ESTATE TRANSFER TAX
5	§4661. Definitions
6 7	As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. Other terms have the same meanings as in chapter 711-A.
8 9	1. Eligible property. "Eligible property" means real property subject to the tax imposed under chapter 711-A.
10 11 12	2. Local option real estate transfer tax. "Local option real estate transfer tax" means the real estate transfer tax imposed by a participating municipality on eligible property pursuant to section 4662.
13 14	3. Participating municipality. "Participating municipality" means a municipality that elects to impose a local option real estate transfer tax pursuant to section 4664.
15	§4662. Imposition and collection of local option real estate transfer tax
16 17 18 19 20 21	A participating municipality may impose a local option real estate transfer tax on the transferor of eligible property of up to 1% of the value of the eligible property transferred. The local option real estate transfer tax must be collected in the same manner and at the same time as the tax collected pursuant to section 4641-B, subsection 1. The tax imposed pursuant to this section is in addition to the real estate transfer tax imposed pursuant to section 4641-A.
22	§4663. Determination and payment of municipal share; administrative costs
23 24 25 26 27 28 29 30	On the last day of each month, the register of deeds shall identify the amount of revenue under this chapter attributable to each participating municipality, based on the location of the properties being transferred and the amount of tax collected under section 4662 for those properties, and certify the net amount due the municipality to the county treasurer. The county treasurer shall, on or before the 10th day of each month, pay over to each municipality that municipality's share of the tax collected pursuant to this chapter for the previous month. If the tax collected is not paid over by the 10th day of the month, the municipality may impose interest pursuant to section 186.
31	§4664. Referendum
32 33 34	The question of whether to impose a local option real estate transfer tax and the amount of the tax must be submitted to the legal voters of a municipality that seeks to impose the local option real estate transfer tax.

The petition process and the voting at elections must be held and conducted in accordance with Title 30-A, sections 2528, 2529 and 2532 even if the municipality has not accepted the provisions of section 2528. The voting at elections held in municipalities must be held and conducted in accordance with Title 21-A. The municipal clerk shall make a return of the results, certify the results and send them to the Secretary of State. The Secretary of State shall forward the results to the register of deeds for that municipality.

The local option real estate transfer tax may be discontinued by referendum conducted in the same manner as the referendum adopting the tax under this section.

A vote by a municipality to adopt or repeal a local option real estate transfer tax may not be held more often than once each year. The municipality must notify the assessor and the register of deeds within 30 days of the outcome of any election.

§4665. Effective date of tax

The local option real estate transfer tax authorized by this chapter takes effect 120 days after the municipal referendum vote under section 4664 if it is accepted by a majority of the local voters voting at the election and the total number of votes cast equals or exceeds 20% of the total number of votes cast in that municipality in the most recent gubernatorial election.

19 SUMMARY

This bill allows a municipality, by referendum, to establish a local option real estate transfer tax of up to 1% on the transfer of real property that is subject to the state real estate transfer tax.