

MAINE STATE LEGISLATURE

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EMG

Date: 5/19/17 Minority

(Filing No. H-230)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 60, L.D. 73, Bill, "An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age"

Amend the bill by striking out all of sections 1 and 2 and inserting the following:

'Sec. 1. 36 MRSA §683, sub-§1-C is enacted to read:

1-C. Additional senior exemption. For property tax years beginning on or after April 1, 2018, a homestead that is eligible for an exemption under subsections 1 and 1-B is eligible for an additional exemption of \$30,000 of the just value of the homestead if at least one of the applicants is 75 years of age or older and has claimed the homestead as a permanent residence for 10 or more years. If a taxpayer claiming the additional exemption under this subsection dies, the taxpayer's surviving spouse may continue to claim the exemption notwithstanding the age and length of residency requirements in this subsection so long as the homestead remains the surviving spouse's permanent residence.'

Amend the bill by striking out all of section 4 and inserting the following:

'Sec. 4. 36 MRSA §683, sub-§5, as amended by PL 2015, c. 267, Pt. J, §3, is further amended to read:

5. Determination of exemption for cooperative housing corporation. A cooperative housing corporation may apply for an exemption under this subchapter to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. The application must include a list of all qualifying shareholders and must be updated annually to reflect changes in the ownership, age and residency status and duration of qualifying shareholders. The exemption is equal to the amounts specified in subsections 1 and 1-B multiplied by the number of to 1-C applicable to units in the cooperative property occupied by qualifying shareholders. A cooperative housing corporation that receives an exemption pursuant to this section shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders on a per unit basis. The apportionment must provide the maximum eligible exemption to homesteads qualifying for the additional exemption under subsection 1-C and must

COMMITTEE AMENDMENT

1 apportion the remainder of the exemption on a per unit basis to the remaining eligible
 2 homesteads. Any supplemental assessment resulting from disqualification for exemption
 3 must be applied in the same manner against the qualifying shareholders for whom the
 4 disqualification applies.'

5 Amend the bill by adding after section 5 the following:

6 **'Sec. 6. Appropriations and allocations.** The following appropriations and
 7 allocations are made.

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

9 **Homestead Property Tax Exemption - Mandate Reimbursement 0887**

10 Initiative: Provides funding to reimburse municipalities for the cost of the mandated
 11 changes made to the homestead property tax exemption program.

12	GENERAL FUND	2017-18	2018-19
13	All Other	\$0	\$85,000
14			
15	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$85,000</u>

16 **Homestead Property Tax Exemption Reimbursement 0886**

17 Initiative: Provides funding to reimburse municipalities for 100% of the cost to increase
 18 the homestead property tax exemption from \$20,000 to \$50,000 for certain applicants 75
 19 years of age or older for property tax years beginning on or after April 1, 2018.

20	GENERAL FUND	2017-18	2018-19
21	All Other	\$0	\$15,375,000
22			
23	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$15,375,000</u>

24 **ADMINISTRATIVE AND FINANCIAL**
 25 **SERVICES, DEPARTMENT OF**
 26 **DEPARTMENT TOTALS**

26		2017-18	2018-19
27			
28	GENERAL FUND	\$0	\$15,460,000
29			
30	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$15,460,000</u>

31
 32 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
 33 section number to read consecutively.

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SUMMARY

This amendment makes technical corrections to facilitate administration of the increased homestead property tax exemption of persons who are at least 75 years of age. It also provides funding to reimburse municipalities for revenue lost due to the increase in the homestead property tax exemption.

FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 73

LR 473(02)

An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age

Fiscal Note for Bill as Amended by Committee Amendment *A(H-230)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$0	\$15,460,000	\$21,025,000	\$21,725,000
Appropriations/Allocations				
General Fund	\$0	\$15,460,000	\$21,025,000	\$21,725,000

State Mandates

Required Activity	Unit Affected	Local Cost
Staff time and programming costs related to eligibility determination, updating records, changing payments and tracking for the homestead property tax exemption program.	Municipality	\$85,000

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill increases the homestead property tax exemption from \$20,000 to \$50,000 for certain applicants age 75 or older and provides for 100% reimbursement to municipalities for this increase for property tax years beginning on or after April 1, 2018. The bill includes a General Fund appropriation of \$15,460,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services, \$15,375,000 of which is to reimburse municipalities for the loss of property tax revenue and \$85,000 of which is for a one-time reimbursement to municipalities for the mandated costs to make the resulting changes to the program.