

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

smc
R008

Date: 5/12/2017

(Filing No. S-94)

Minority

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

128TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 31, L.D. 82, Bill, "An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 36 MRSA §661, first ¶, as enacted by PL 1981, c. 133, §5, is amended to read:

As Except as otherwise provided in this section, as required by the Constitution of Maine, Article IV, Part 3 Third, Section 23, the Treasurer of State shall reimburse each municipality 50% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of statutory property tax exemptions or credits enacted after April 1, 1978. The property tax revenue loss ~~shall~~ must be determined pursuant to the following procedure.

Sec. 3. 36 MRSA §661, sub-§4, as enacted by PL 1981, c. 133, §5, is amended to read:

4. **Payment.** The Treasurer of State shall pay to the municipality 50% the percentage of the property tax revenue loss to which it is entitled under this section by December 15th of the year following the year in which property tax revenue was lost by the municipality.

Sec. 4. 36 MRSA §661, sub-§6 is enacted to read:

6. **Exception.** The Treasurer of State shall reimburse each municipality 100% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of the exemption provided in section 653, subsection 1, paragraph D-4.

Sec. 5. **Appropriations and allocations.** The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Veterans Tax Reimbursement 0407

COMMITTEE AMENDMENT

R.O.P.S

COMMITTEE AMENDMENT "A" to S.P. 31, L.D. 82

1 Initiative: Provides funding to reimburse municipalities for the administrative costs
2 associated with implementing a 100% property tax exemption for veterans receiving a
3 property tax exemption based on a rating of 100% for service-connected disability.

4	GENERAL FUND	2017-18	2018-19
5	All Other	\$0	\$11,200
6			
7	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$11,200</u>
8			

9 **SUMMARY**

10 This amendment requires the State to reimburse municipalities for 100% of the
11 property tax revenue loss as a result of the property tax exemption provided by the bill to
12 veterans for a service-connected disability. The amendment also adds an appropriations
13 and allocations section to cover the costs of reimbursement and state-mandated
14 administrative costs.

15 **FISCAL NOTE REQUIRED**

16 (See attached)

COMMITTEE AMENDMENT



128th MAINE LEGISLATURE

LD 82

LR 344(02)

An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-94)
 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	\$11,200	\$4,750,000	\$4,875,000
Appropriations/Allocations				
General Fund	\$0	\$11,200	\$4,750,000	\$4,875,000

State Mandates

Required Activity	Unit Affected	Local Cost
Requires municipalities to process additional property tax exemption applications as a result of expanding the exemption to veterans receiving a 100% service-connected disability.	Municipality	Moderate statewide

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 provides a 100% property tax exemption to veterans receiving a 100% service-connected disability and municipalities will receive reimbursement for 100% of their property tax loss from the State. The bill includes a General Fund appropriation of \$11,200 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for 90% of the mandated administrative costs of implementing this exemption. Additional future General Fund appropriations will be needed beginning in fiscal year 2019-20 to reimburse municipalities for 100% of the exemption.