

MAINE STATE LEGISLATURE

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Rept B

L.D. 289

Date: 5/19/17 Report B

(Filing No. H- 233)

TAXATION

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

COMMITTEE AMENDMENT "B" to H.P. 222, L.D. 289, Bill, "An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty"

Amend the bill by adding after section 3 the following:

'Sec. 4. 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. 5. 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. 6. 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 expansion of the exemption provided in section 653, subsection 1 to veterans who did not serve during a federally recognized war period.

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

COMMITTEE AMENDMENT

R.O.S.

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Veterans Tax Reimbursement 0407

Initiative: Provides funding to reimburse municipalities for costs associated with implementing a property tax exemption for veterans at least 62 years of age who have served on active duty or have qualifying disabilities.

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

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SUMMARY

11 This amendment requires the State to reimburse municipalities for 100% of the
12 property tax revenue loss as a result of the extension of the veterans' property tax
13 exemption to veterans who did not serve during a federally recognized war period.
14 Reimbursement of at least 50% of the property tax revenue loss is required by the
15 Constitution of Maine, Article IV, Part Third, Section 23. This amendment also adds a
16 General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of
17 Administrative and Financial Services to reimburse municipalities for state-mandated
18 administrative costs associated with implementing this property tax exemption.

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FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 289

LR 185(03)

An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty

Fiscal Note for Bill as Amended by Committee Amendment 'B' (H-233)

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	\$15,000	\$860,000	\$890,000
Appropriations/Allocations				
General Fund	\$0	\$15,000	\$860,000	\$890,000

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 property tax exemption to veterans at least 62 years of age who have served on active duty or have qualifying disabilities. The bill includes a General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for administrative costs associated with implementing this property tax exemption. General Fund appropriations would need to be provided beginning in fiscal year 2019-20 to reimburse municipalities for 100% of the exemption.