

MAINE STATE LEGISLATURE

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SMC
H. 404

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L.D. 560

Date: 5/2/19

(Filing No. H-194)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 404,
L.D. 560, Bill, "An Act To Improve Access to Property Tax Exemptions for New
Homeowners"

Amend the amendment by striking out all of section 3 and inserting the following:

'Sec. 3. 36 MRSA §683, sub-§§3 and 4, as amended by PL 2017, c. 284, Pt. G,
§1, are further amended to read:

3. Effect on state valuation. For property tax years beginning before April 1, 2018,
50% of the just value of all the homestead exemptions under this subchapter must be
included in the annual determination of state valuation under sections 208 and 305. For
property tax years beginning on or after April 1, 2018, 62.5% of the just value of all the
homestead exemptions under this subchapter must be included in the annual
determination of state valuation under sections 208 and 305. For property tax years
beginning on or after April 1, 2020, 100% of the just value of all the homestead
exemptions under this subchapter provided for the first year a homestead exemption is
received under this subchapter must be included in the annual determination of state
valuation under sections 208 and 305; after the first year, the percentage is 62.5% of the
just value.

4. Property tax rate. For property tax years beginning before April 1, 2018, 50% of
the just value of all the homestead exemptions under this subchapter must be included in
the total municipal valuation used to determine the municipal tax rate. For property tax
years beginning on or after April 1, 2018, 62.5% of the just value of all the homestead
exemptions under this subchapter must be included in the total municipal valuation used
to determine the municipal tax rate. For property tax years beginning on or after April 1,
2020, 100% of the just value of all the homestead exemptions under this subchapter
provided for the first year a homestead exemption is received under this subchapter must
be included in the annual determination of state valuation under sections 208 and 305;
after the first year, the percentage is 62.5% of the just value. The municipal tax rate as
finally determined may be applied to only the taxable portion of each homestead qualified
for that tax year.

Sec. 4. 36 MRSA §685, sub-§2, as amended by PL 2017, c. 284, Pt. G, §2, is
further amended to read:

HOUSE AMENDMENT

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 404, L.D. 560

1 increases the state reimbursement rate of property taxes lost due to such participation to
2 100% for the first year; thereafter, the rate of state reimbursement returns to the current
3 rate of 62.5%.

4 **FISCAL NOTE REQUIRED**

5 (See attached)

6 SPONSORED BY: *Maude Grohoski*
7 (Representative GROHOSKI)

8 TOWN: Ellsworth



129th MAINE LEGISLATURE

LD 560

LR 2224(04)

An Act To Improve Access to Property Tax Exemptions for New Homeowners

Fiscal Note for House Amendment "A" to Committee Amendment "A"

Sponsor: Rep. Grohoski of Ellsworth

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$600,000	\$810,000	\$840,000
Appropriations/Allocations				
General Fund	\$0	\$600,000	\$810,000	\$840,000

Fiscal Detail and Notes

This amendment increases from 62.5% to 100% the reimbursement rate to municipalities for the lost property tax revenue for the first year from homeowners who have not owned a homestead for the preceding 12 months and claim a homestead exemption. The incremental impact (shown above) is to increase the General Fund appropriation in the committee amendment to the Department of Administrative and Financial Services by \$600,000 in fiscal year 2020-21, with a cumulative appropriation for the bill as amended of \$1,600,000 in fiscal year 2020-21.