MAINE STATE LEGISLATURE

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further amended to read:

1 L.D. 560 Date: 5/2/19 (Filing No. H-194) 2 3 Reproduced and distributed under the direction of the Clerk of the House. 4 STATE OF MAINE 5 HOUSE OF REPRESENTATIVES 129TH LEGISLATURE 6 7 FIRST REGULAR SESSION HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 404, 8 L.D. 560, Bill, "An Act To Improve Access to Property Tax Exemptions for New 9 10 Homeowners" 11 Amend the amendment by striking out all of section 3 and inserting the following: 12 'Sec. 3. 36 MRSA §683, sub-§§3 and 4, as amended by PL 2017, c. 284, Pt. G, 13 §1, are further amended to read: 14 3. Effect on state valuation. For property tax years beginning before April 1, 2018. 15 50% of the just value of all the homestead exemptions under this subchapter must be 16 included in the annual determination of state valuation under sections 208 and 305. For 17 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 18 19 determination of state valuation under sections 208 and 305. For property tax years 20 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 21 22 received under this subchapter must be included in the annual determination of state 23 valuation under sections 208 and 305; after the first year, the percentage is 62,5% of the 24 just value. 25 4. Property tax rate. For property tax years beginning before April 1, 2018, 50% of 26 the just value of all the homestead exemptions under this subchapter must be included in 27 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 28 29 exemptions under this subchapter must be included in the total municipal valuation used 30 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 31 32 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; 33 after the first year, the percentage is 62.5% of the just value. The municipal tax rate as 34 35 finally determined may be applied to only the taxable portion of each homestead qualified 36 for that tax year. 37 Sec. 4. 36 MRSA §685, sub-§2, as amended by PL 2017, c. 284, Pt. G, §2, is

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	HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 404, L.D. 560					
1 2	2. Entitlement to reimbursement by the State; calculation. A municipality that has approved homestead exemptions under this subchapter may recover from the State:					
3 4	A. For property tax years beginning before April 1, 2018, 50% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; and					
5 6 7	B. For Except as provided in paragraph C, for property tax years beginning on or after April 1, 2018, 62.5% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B ₋ ; and					
8 9 10	C. Notwithstanding paragraph B, for property tax years beginning on or after April 1, 2020, 100% of the taxes lost by reason of the exemptions provided to permanent residents for the first year for which an exemption is received under this subchapter.					
11 12 13	The municipality must provide proof in a form satisfactory to the bureau. The bureau shall reimburse the Unorganized Territory Education and Services Fund in the same manner for taxes lost by reason of the exemptions.					
14 15	Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.					
16	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF					
17	Homestead Property Tax Exemption Reimbursement 0886					
18 19 20 21	Initiative: Provides funding to allow homeowners who have not owned a homestead for the preceding 12 months to claim a homestead property tax exemption and to reimburse municipalities 100% of the lost property tax revenue for the first year for such homeowners.					
22 23 24	GENERAL FUND 2019-20 2020-21 All Other \$0 \$1,600,000					
25 26	GENERAL FUND TOTAL \$0 \$1,600,000					
27 28	Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.					
29	SUMMARY					
30	Committee Amendment "A" allows permanent residents to participate in the					

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homestead property tax exemption without having to wait a year. This amendment

	HOUSE AMENDIMENT 1 TO COMMITT THE AMENDIMENT "A" (0 H.P. 404, L.D. 500				
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: Mile OM:				
7	(Representative GROHOSKI)				

TOWN: Ellsworth

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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.