

# 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 electronic originals  
(may include minor formatting differences from printed original)



# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

---

Legislative Document

No. 1234

H.P. 895

House of Representatives, March 14, 2019

**An Act To Expand the Value of the Homestead Exemption to  
\$25,000 and State Reimbursement to 100 Percent of Lost Property  
Tax Revenue**

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative AUSTIN of Skowhegan.  
Cosponsored by Senator LIBBY of Androscoggin and  
Representatives: DODGE of Belfast, HARNETT of Gardiner, HEPLER of Woolwich,  
LANDRY of Farmington, MADIGAN of Waterville, RISEMAN of Harrison, SKOLFIELD of  
Weld, STANLEY of Medway.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §683, sub-§1-B**, as enacted by PL 2015, c. 267, Pt. J, §1, is  
3 amended to read:

4 **1-B. Additional exemption.** A homestead eligible for an exemption under  
5 subsection 1 is eligible for an additional exemption of \$5,000 of the just value of the  
6 homestead for property tax years beginning on April 1, 2016 ~~and of~~ \$10,000 of the just  
7 value of the homestead for property tax years beginning on ~~or after~~ April 1, 2017, April 1,  
8 2018 and April 1, 2019 and \$15,000 of the just value of the homestead for property tax  
9 years beginning on or after April 1, 2020.

10 **Sec. 2. 36 MRSA §683, sub-§§3 and 4**, as amended by PL 2017, c. 284, Pt. G,  
11 §1, are further amended to read:

12 **3. Effect on state valuation.** For property tax years beginning before April 1, 2018,  
13 50% of the just value of all the homestead exemptions under this subchapter must be  
14 included in the annual determination of state valuation under sections 208 and 305. For  
15 property tax years beginning on ~~or after~~ April 1, 2018 and April 1, 2019, 62.5% of the  
16 just value of all the homestead exemptions under this subchapter must be included in the  
17 annual determination of state valuation under sections 208 and 305. For property tax  
18 years beginning on or after April 1, 2020, 100% of the just value of all the homestead  
19 exemptions under this subchapter must be included in the annual determination of state  
20 valuation under sections 208 and 305.

21 **4. Property tax rate.** For property tax years beginning before April 1, 2018, 50% of  
22 the just value of all the homestead exemptions under this subchapter must be included in  
23 the total municipal valuation used to determine the municipal tax rate. For property tax  
24 years beginning on ~~or after~~ April 1, 2018 and April 1, 2019, 62.5% of the just value of all  
25 the homestead exemptions under this subchapter must be included in the total municipal  
26 valuation used to determine the municipal tax rate. For property tax years beginning on  
27 or after April 1, 2020, 100% of the just value of all the homestead exemptions under this  
28 subchapter must be included in the total municipal valuation used to determine the  
29 municipal tax rate. The municipal tax rate as finally determined may be applied to only  
30 the taxable portion of each homestead qualified for that tax year.

31 **Sec. 3. 36 MRSA §683**, as amended by PL 2017, c. 478, §1, is further amended by  
32 adding at the end a new paragraph to read:

33 The property tax assessed on a homestead eligible for an exemption under this section  
34 may not be less than \$100.

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

37 **2. Entitlement to reimbursement by the State; calculation.** A municipality that  
38 has approved homestead exemptions under this subchapter may recover from the State:

1 A. For property tax years beginning before April 1, 2018, 50% of the taxes lost by  
2 reason of the exemptions under section 683, subsections 1 and 1-B; ~~and~~

3 B. For property tax years beginning on ~~or after~~ April 1, 2018 and April 1, 2019,  
4 62.5% of the taxes lost by reason of the exemptions under section 683, subsections 1  
5 and 1-B; and

6 C. For property tax years beginning on or after April 1, 2020, 100% of the taxes lost  
7 by reason of the exemptions under section 683, subsections 1 and 1-B.

8 The municipality must provide proof in a form satisfactory to the bureau. The bureau  
9 shall reimburse the Unorganized Territory Education and Services Fund in the same  
10 manner for taxes lost by reason of the exemptions.

11 **SUMMARY**

12 This bill increases for property tax years beginning April 1, 2020 the value of the  
13 homestead exemption benefit under the Maine resident homestead property tax  
14 exemption from \$20,000 to \$25,000 and increases the state reimbursement for the lost  
15 property tax revenue from 62.5% to 100%. The bill also provides that the property tax  
16 assessed on a homestead eligible for the homestead exemption may not be less than \$100.