

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1242

H.P. 903

House of Representatives, March 14, 2019

An Act To Reinstitute the State Property Tax Deferral Program for Seniors

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 CLOUTIER of Lewiston.
Cosponsored by Senator GRATWICK of Penobscot, Senator LIBBY of Androscoggin and
Representatives: CAIAZZO of Scarborough, CRAVEN of Lewiston, DENK of Kennebunk,
FOLEY of Biddeford, HANDY of Lewiston, HARNETT of Gardiner, MATLACK of St.
George, TERRY of Gorham.

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

2 **Sec. 1. 36 MRSA §6251**, as amended by PL 1993, c. 395, §31, is further amended
3 to read:

4 **§6251. Deferral of tax on homestead; joint election; age requirement; filing claim**

5 **1. Filing claim.** Subject to section 6252, an individual or 2 or more individuals
6 jointly may elect to defer the property taxes on their homestead by filing a claim for
7 deferral with the municipal assessor after January 1st but no later than April 1st of the
8 first year in which deferral is claimed if:

9 A. The individual or each individual, in the case of 2 or more individuals filing a
10 claim jointly, is 65 years of age or older on April 1st of the year in which the claim is
11 filed; and

12 B. The individual or, in the case of 2 or more individuals filing a claim jointly, all the
13 individuals together have household income, as defined in section 6201, subsection 7,
14 of less than \$32,000 for the calendar year immediately preceding the calendar year in
15 which the claim is filed.

16 The municipal assessor shall forward each claim filed under this subsection to the bureau
17 within 30 days of receipt, and the bureau shall determine if the ~~property taxpayer~~ is
18 eligible for deferral. Claims must be filed on a form approved by the State Tax Assessor
19 and must include all information requested by the State Tax Assessor, including without
20 limitation the claimant's and the claimant's heirs' contact information.

21 ~~Claims from new applicants may not be filed pursuant to this chapter prior to January 1,~~
22 ~~1994. For purposes of this section, "new applicants" means any person or persons that~~
23 ~~have not filed claims prior to April 1, 1991.~~

24 **2. Property tax deferral.** ~~When the taxpayer elects to defer property taxes for any~~
25 ~~year by filing a claim for deferral under subsection 1, it shall have~~ The determination,
26 pursuant to subsection 1, that a taxpayer is eligible for deferral has the effect of:

27 A. Deferring the payment of the property taxes levied on the homestead for the
28 municipal fiscal year beginning on or after April 1st of that year;

29 B. Continuing deferral of the payment by the taxpayer of any property taxes deferred
30 under this chapter for previous years that have not become delinquent under section
31 6260; and

32 C. Continuing the deferral of the payment by the taxpayer of any future property
33 taxes for as long as the provisions of section 6252 are met.

34 **3. Guardian compliance.** If a guardian or conservator has been appointed for an
35 individual otherwise qualified to obtain deferral of taxes under this chapter, the guardian
36 or conservator may act for that individual in complying with this chapter.

37 **4. Trustee compliance.** ~~If a A trustee of an a revocable inter vivos trust which, if~~
38 ~~that trust was created by and is revocable by an individual, who is both the trustor and a~~
39 ~~beneficiary of the trust and who is otherwise qualified to obtain a deferral of taxes under~~

1 this chapter, ~~owns the fee simple estate under a recorded instrument of sale, the trustee~~
2 may act for the individual in complying with this chapter.

3 **5. Spouse not required to claim.** Nothing in this section may be construed to
4 require a spouse of an individual to file a claim jointly with the individual even though
5 the spouse may be eligible to claim the deferral jointly with the individual.

6 **6. Appeal.** Any ~~person taxpayer~~ aggrieved by the denial of a claim for deferral of
7 homestead property taxes or disqualification from deferral of homestead property taxes
8 may file an appeal of the State Tax Assessor's determination, within 30 days of
9 notification of denial or disqualification by the State Tax Assessor, with the State Board
10 of Property Tax Review as provided in chapter 101, subchapter H-A 2-A. When the State
11 Tax Assessor disagrees with the municipal valuation of a property subject to deferral, the
12 abatement and appeals process under chapter 105, subchapter 8 applies.

13 **Sec. 2. 36 MRSA §6252, sub-§2,** as enacted by PL 1989, c. 534, Pt. C, §1, is
14 amended to read:

15 **2. Fee simple estate.** The ~~person individual~~ claiming the a deferral must, solely or
16 together with the ~~person's individual's~~ spouse, own the fee simple estate or be purchasing
17 the fee simple estate under a recorded instrument of sale, or 2 or more ~~persons individuals~~
18 must together own or be purchasing the fee simple estate with rights of survivorship
19 under a recorded instrument of sale if all owners live in the homestead and if all owners
20 apply for the deferral jointly.

21 **Sec. 3. 36 MRSA §6252,** as enacted by PL 1989, c. 534, Pt. C, §1, is amended by
22 adding at the end a new paragraph to read:

23 Property for which an individual claims the deferral of taxes under chapter 908-A is
24 ineligible for a tax deferral under this chapter.

25 **Sec. 4. 36 MRSA §6253,** as enacted by PL 1989, c. 534, Pt. C, §1, is amended to
26 read:

27 **§6253. Claim forms; contents**

28 **1. Administration.** A ~~taxpayer's~~ claim for deferral under this chapter ~~shall~~ must be
29 in writing on a form supplied by the bureau and ~~shall~~ must:

30 A. Describe the homestead;

31 B. ~~Recite facts~~ Provide information establishing the eligibility for the deferral under
32 the provisions of this chapter, including ~~facts that establish~~ information that
33 establishes that the household income, as defined in section 6201, subsection 7, of the
34 individual; or, ~~in the case of~~ 2 or more individuals claiming the deferral jointly; was
35 less than \$32,000 for the calendar year immediately preceding the calendar year in
36 which the claim is filed; and

37 C. ~~Have attached~~ Contain any ~~documentary proof~~ information required by the bureau
38 to show that the requirements of section 6252 have been met.

1 **2. Statement verification.** ~~There shall be annexed to the~~ The claim must contain a
2 statement verified by a written declaration of the ~~applicant making the claim to the effect~~
3 individual or individuals that the statements contained in the claim are true.

4 **Sec. 5. 36 MRSA §6254, sub-§1**, as amended by PL 2007, c. 695, Pt. A, §45, is
5 further amended to read:

6 **1. Lien.** The lien provided in section 552 must continue for purposes of protecting
7 the State's deferred tax interest in tax deferred property. When it is determined that one
8 of the events set out in section 6259 has occurred and that a property is no longer eligible
9 for property tax deferral under this chapter, the State Tax Assessor shall send notice by
10 certified mail to the ~~owner taxpayer~~, or the ~~owner's taxpayer's~~ heirs or devisees, listing
11 the total amount of deferred property taxes, including accrued interest and costs of all the
12 years and demanding payment on or before April 30th of the year following the tax year
13 in which the circumstances causing withdrawal from the provisions of this chapter occur.

14 When the circumstances listed in section 6259, subsection 4 occur, the amount of
15 deferred taxes is due and payable 5 days before the date of removal of the property from
16 the State.

17 If the deferred tax liability of a property has not been satisfied by the April 30th demand
18 date, the State Tax Assessor shall, within 30 days, record in the registry of deeds in the
19 county where the real estate is located a tax lien certificate signed by the State Tax
20 Assessor or bearing the assessor's facsimile signature, setting forth the total amount of
21 deferred tax liability, a description of the real estate on which the tax was deferred and an
22 allegation that a tax lien is claimed on the real estate to secure payment of the tax, that a
23 demand for payment of the tax has been made in accordance with this section and that the
24 tax remains unpaid.

25 At the time of the recording of the tax lien certificate in the registry of deeds, the State
26 Tax Assessor shall send by certified mail, return receipt requested, to each record holder
27 of a mortgage on the real estate, to the holder's last known address, a true copy of the tax
28 lien certificate. The cost to be paid by the ~~property owner taxpayer~~, or the ~~owner's~~
29 taxpayer's heirs or devisees, is the sum of the fees for recording and discharging of the
30 lien as established by Title 33, section 751, plus \$13. Upon redemption, the State Tax
31 Assessor shall prepare and record a discharge of the tax lien mortgage. The lien
32 described in section 552 is the basis of this tax lien mortgage procedure.

33 The filing of the tax lien certificate, provided for in this section, in the registry of deeds
34 creates a mortgage on the real estate to the State and has priority over all other mortgages,
35 liens, attachments and encumbrances of any nature and gives to the State all rights
36 usually instant to a mortgage, except that the mortgagee does not have any right of
37 possession of the real estate until the right of redemption expires.

38 Payments accepted during the redemption period may not interrupt or extend the
39 redemption period or in any way affect the foreclosure procedures.

40 **Sec. 6. 36 MRSA §6257**, as amended by PL 1991, c. 591, Pt. DD, §1 and c. 622,
41 Pt. CC, §1, is further amended to read:

