

MAINE STATE LEGISLATURE

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L.D. 1071

Date: 6/9/21

(Filing No. S- 235)

MAJORITY

TAXATION

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STATE OF MAINE

SENATE

130TH LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 339, L.D. 1071, "An Act To Reduce Property Taxes for Maine Residents"

Amend the bill in section 1 in subsection 1-B in the 6th line (page 1, line 9 in L.D.) by striking out the following: "\$40,000" and inserting the following: 'April 1, 2021 and \$20,000'

Amend the bill in section 1 in subsection 1-B in the last line (page 1, line 10 in L.D.) by striking out the following: "2021" and inserting the following: '2022'

Amend the bill by striking out all of section 2 and inserting the following:

Sec. 2. 36 MRSA §683, sub-§3, as amended by PL 2019, c. 343, Pt. H, §3, is 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 April 1, 2018 and April 1, 2019, 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 and April 1, 2021, 70% 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, 2022, a percentage 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. The percentage for each property tax year is the same as the percentage of state reimbursement for that property tax year under section 685, subsection 2.

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

Sec. 3. 36 MRSA §683, sub-§4, as amended by PL 2019, c. 343, Pt. H, §3, is further amended to read:

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1 **4. Property tax rate.** For property tax years beginning before April 1, 2018, 50% of
 2 the just value of all the homestead exemptions under this subchapter must be included in
 3 the total municipal valuation used to determine the municipal tax rate. For property tax
 4 years beginning on April 1, 2018 and April 1, 2019, 62.5% of the just value of all the
 5 homestead exemptions under this subchapter must be included in the total municipal
 6 valuation used to determine the municipal tax rate. For property tax years beginning on or
 7 after April 1, 2020 and April 1, 2021, 70% of the just value of all the homestead exemptions
 8 under this subchapter must be included in the total municipal valuation used to determine
 9 the municipal tax rate. For property tax years beginning on or after April 1, 2022, a
 10 percentage of the just value of all the homestead exemptions under this subchapter must be
 11 included in the total municipal valuation used to determine the municipal tax rate. The
 12 percentage for each property tax year is the same as the percentage of state reimbursement
 13 for that property tax year under section 685, subsection 2. The municipal tax rate as finally
 14 determined may be applied to only the taxable portion of each homestead qualified for that
 15 tax year.'

16 Amend the bill in section 4 in subsection 2 in paragraph C in the first line (page 2, line
 17 5 in L.D.) by inserting after the following: "2020" the following: 'and April 1, 2021'

18 Amend the bill in section 4 in subsection 2 in paragraph C in the 2nd line (page 2, line
 19 6 in L.D.) by striking out the following: "and"

20 Amend the bill in section 4 in subsection 2 by striking out all of paragraph D (page 2,
 21 lines 7 and 8 in L.D.) and inserting the following:

22 'D. For property tax years beginning on April 1, 2022, 73% of the taxes lost by reason
 23 of the exemptions under section 683, subsections 1 and 1-B; and

24 'E. For property tax years beginning on or after April 1, 2023, the percentage of the
 25 taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B that is
 26 3 percentage points over the percentage for the previous year until the percentage of
 27 reimbursement reaches 100%.'

28 Amend the bill by inserting after section 4 the following:

29 '**Sec. 5. Appropriations and allocations.** The following appropriations and
 30 allocations are made.

31 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

32 **Homestead Property Tax Exemption Reimbursement 0886**

33 Initiative: Provides funding to increase the homestead property tax exemption to \$30,000
 34 and increase the state reimbursement to municipalities by 3% per year until it reaches
 35 100%.

36 GENERAL FUND	2021-22	2022-23
37 All Other	\$0	\$18,276,000
38		
39 GENERAL FUND TOTAL	\$0	\$18,276,000

40

41 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 42 number to read consecutively.

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COMMITTEE AMENDMENT "H" to S.P. 339, L.D. 1071 (S-235)

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SUMMARY

This amendment is the majority report of the committee. The amendment changes the total homestead property tax exemption to \$30,000 for property tax years beginning on or after April 1, 2022 and increases the percentage of state reimbursement of taxes lost by reason of the homestead exemption to municipalities by 3% per year up to 100%. It also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



130th MAINE LEGISLATURE

LD 1071

LR 332(02)

An Act To Reduce Property Taxes for Maine Residents

Fiscal Note for Bill as Amended by Committee Amendment "#(LS-235)"
 Committee: Taxation
 Fiscal Note Required: Yes

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$18,276,000	\$28,580,000	\$34,356,000
Appropriations/Allocations				
General Fund	\$0	\$18,276,000	\$28,580,000	\$34,356,000

Fiscal Detail and Notes

The bill includes a General Fund appropriation to the Department of Administrative and Financial Services of \$18,276,000 in fiscal year 2022-23 to increase the homestead property tax exemption to \$30,000 and increase the state reimbursement to municipalities by 3% per year until it reaches 100%.