MAINE STATE LEGISLATURE

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| | | LD 130 |
|---|---|--|
| Date 6/22/23 | MINORITY | (Filing No S- 426) |
| | TAXATION | ' |
| Reproduced and distribu | ted under the direction of the | Secretary of the Senate |
| | STATE OF MAINE | |
| | SENATE | |
| | 131ST LEGISLATURE | Ε |
| : | FIRST SPECIAL SESSIO | ON |
| COMMITTEE AMEND Senior Citizen Property Ta Exemption" | MENT " ${\cal B}$ " to SP 69, L x Stabilization and Expand | D 130, "An Act to Eliminate the Homestead Property Tax |
| Amend the bill by strikin | g out the title and substituting | g the following |
| 'An Act to Improve the Pro | perty Tax Stabilization Pro | gram' |
| Amend the bill by striking following | ng out everything after the er | nacting clause and inserting the |
| 'Sec. 1. 36 MRSA §62 to read | 281, sub-§2, as enacted by P | PL 2021, c 751, §1, is amended |
| municipality in which the indistabilize the property tax assessed beginning on April 1st follow year thereafter subject to adjusted each year for which stab homestead in the State or if rethat the just value of the homestead. | evidual's homestead is located essed on that individual's homewing the submission of the application 2-A education is requested when a equested by the municipality onestead with a stabilized value. | y apply by December 1st to the requesting that the municipality destead for the property tax year eplication and each property tax. A new application is required an individual establishes a new or if the municipality determines tation has increased by at least |
| | abilized valuation as provided | |
| · · | 81, sub-§2-A is enacted to re | |
| just value of a homestead with the original stabilized valuation | h a stabilized valuation has incon, the municipality may esta | ent to the year in which the |
| Sec. 3. 36 MRSA §628 read | 31, sub-§3, as enacted by PL | 2021, c 751, §1, is amended to |

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| | COMMITTEE AMENDMENT "B" to SP 69, LD 130 | | | | | |
|----------------------------------|---|---|--|--|--|--|
| 1 2 3 4 5 6 7 | 3. Stabilization for eligible individual. If a municipality determines that for stabilization under subsection 2 is an eligible individual and that the homestead is an eligible homestead, the municipality shall stabilize the proper individual's homestead billed for the property tax year for which stabilization and for subsequent property tax years for which the homestead is eligible valuation has been adjusted under subsection 2-A, in which case the adjusted replaces the original stabilized valuation | e individual's erty tax on the was requested le, unless the | | | | |
| 8 9 | Sec. 4. Appropriations and allocations. The following approallocations are made | priations and | | | | |
| 10 | ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF | | | | | |
| 11 | Property Tax Stabilization Z368 | | | | | |
| 12 13 14 | Initiative Provides funding to reimburse municipalities for property tax reve due to eliminating the annual application requirement for the property tax program | | | | | |
| 15 16 17 | GENERAL FUND 2023-24 All Other \$0 | 2024-25 \$200,000 | | | | |
| 18 | GENERAL FUND TOTAL \$0 | \$200,000 | | | | |
| 19 | 1 | | | | | |
| 20 21 | Amend the bill by relettering or renumbering any nonconsecutive Part le number to read consecutively | tter or section | | | | |
| 22 | SUMMARY | | | | | |
| 23 24 25 26 27 28 | This amendment replaces the bill. The amendment amends the law property tax stabilization for individuals 65 years of age or older to requirement for an annual application. It provides that a new application is ran individual establishes a new homestead in the State, if requested by the mif the municipality determines there has been an increase in just value of at in which case the stabilized value must be adjusted. | eliminate the equired when unicipality or | | | | |
| 29 | FISCAL NOTE REQUIRED | | | | | |
| 30 | (See attached) | | | | | |



131st MAINE LEGISLATURE

LD 130

LR 29(03)

An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption

Fiscal Note for Bill as Amended by Committee Amendment 'B'(5426)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

| | FY 2023-24 | FY 2024-25 | Projections FY 2025-26 | Projections FY 2026-27 |
|---|------------|------------|------------------------|------------------------|
| Net Cost (Savings) General Fund | \$0 | \$200,000 | \$300,000 | \$400,000 |
| Appropriations/Allocations General Fund | \$0 | \$200,000 | \$300,000 | \$400,000 |

Fiscal Detail and Notes

This bill includes a General Fund appropriation to the Department of Administrative and Financial Services, Property Tax Stabilization program of \$200,000 in fiscal year 2024-25 to reimburse municipalities for reduced property tax revenue resulting from the elimination of the annual application requirement for property tax stabilization

The fiscal note does not reflect changes to the property tax stabilization program related to authorizing municipal assessors to establish a new stabilized valuation when the just value of a homestead has increased by at least \$20,000 While allowing municipal assessors to increase the stabilized valuation may result in property tax revenue increases and corresponding reductions in state reimbursement for property tax revenue loss, there is not sufficient information to estimate the timing or amount of these potential impacts