

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1650

H.P. 1062

House of Representatives, April 13, 2023

An Act to Create a Tiered Senior Resident Homestead Exemption

Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative TERRY of Gorham.
Cosponsored by Senator VITELLI of Sagadahoc and
Representatives: BOYER of Poland, CLUCHEY of Bowdoinham, MATLACK of St. George,
SACHS of Freeport.

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

2 **Sec. 1. 36 MRSA §681, sub-§4-A** is enacted to read:

3 **4-A. Permanent senior resident.** "Permanent senior resident" means an individual
4 who has established a permanent residence and who the State Tax Assessor determines:

5 A. Was 65 years of age or older on April 1st of the first year in which an application
6 for a homestead exemption was filed under this subchapter; and

7 B. Meets the income requirements in section 683, subsection 1-C.

8 **Sec. 2. 36 MRSA §682-A** is enacted to read:

9 **§682-A. Permanent senior resident; factual determination by State Tax Assessor**

10 The State Tax Assessor shall determine annually whether an applicant meets the
11 eligibility criteria in section 681, subsection 4-A and shall annually, prior to February 1st,
12 provide a list of qualifying permanent senior residents and their exemption levels to the
13 municipalities where their homesteads are located.

14 **Sec. 3. 36 MRSA §683, sub-§1-C** is enacted to read:

15 **1-C. Additional exemption for permanent senior residents.** A homestead owned
16 by a permanent senior resident eligible for an exemption under subsections 1 and 1-B is
17 eligible for an additional exemption.

18 The homestead of a senior resident that has income of 80% or less of the regional median
19 family income for a family of the same size for the calendar year immediately preceding
20 the calendar year in which the claim is filed is eligible for an additional exemption of
21 \$25,000 of the just value of the homestead for property tax years beginning on or after
22 April 1, 2024.

23 The homestead of a senior resident that has income of more than 80% but not more than
24 100% of the regional median family income for a family of the same size for the calendar
25 year immediately preceding the calendar year in which the claim is filed is eligible for an
26 additional exemption of \$15,000 of the just value of the homestead for property tax years
27 beginning on or after April 1, 2024.

28 **Sec. 4. 36 MRSA §684**, as amended by PL 2009, c. 418, §2 and affected by §3, is
29 further amended to read:

30 **§684. Forms; application**

31 **1. Generally.** The bureau shall furnish to the assessor of each municipality a sufficient
32 number of printed forms to be filed by applicants for an exemption under this subchapter
33 and shall determine the content of the forms. A municipality shall provide to its inhabitants
34 reasonable notice of the availability of application forms. An individual claiming an
35 exemption under this subchapter for the first time shall file the application form with the
36 assessor or the assessor's representative. The application must be filed on or before April
37 1st of the year on which the taxes are based.

38 **1-A. Permanent senior resident.** Beginning with the April 1, 2024 property tax year,
39 the bureau shall furnish to the assessor of each municipality a sufficient number of printed
40 forms to be filed by applicants for an exemption under section 683, subsection 1-C and
41 shall determine the content of the forms. A municipality shall provide to its inhabitants

1 reasonable notice of the availability of application forms. An individual claiming an
2 exemption under this subsection for the first time shall file the application form with the
3 State Tax Assessor, which must be filed on or before November 1st prior to the year on
4 which the taxes are based.

5 **2. False filing.** An individual who knowingly gives false information for the purpose
6 of claiming a homestead exemption under this subchapter commits a Class E crime. Except
7 for a person on active duty serving in the Armed Forces of the United States who is
8 permanently stationed at a military or naval post, station or base in the State, an individual
9 who claims to be a permanent resident of this State under this subchapter who also claims
10 to be a permanent resident of another state for the tax year for which an application for a
11 homestead exemption is made commits a Class E crime.

12 **3. Continuation of eligibility.** The assessor shall evaluate annually the ongoing
13 eligibility of property for which a homestead exemption has been approved under this
14 subchapter. The evaluation must be based on the status of the property on April 1st of the
15 year on which the homestead exemption is based and the status as a permanent senior
16 resident in the notice provided to the municipality as required in section 682-A. The
17 evaluation must include, but is not limited to, a review of whether the ownership of the
18 property has changed in any manner that would disqualify the property for an exemption
19 under this subchapter or whether the owner has ceased to use the property as a homestead.
20 Unless the assessor determines that the property is no longer entitled to an exemption under
21 this subchapter, the owner is entitled to receive the exemption without having to reapply.
22 If the assessor determines that the property is no longer entitled to an exemption under this
23 subchapter, the assessor shall notify the owner as provided in section 686 that the property
24 is no longer entitled to an exemption under this subchapter.

25 **4. Owner notification.** An owner of property receiving an exemption under this
26 subchapter shall notify the assessor promptly when the ownership or use of the property
27 changes or there has been a change in permanent senior resident status so as to change the
28 qualification of the property for an exemption under this subchapter.

29 **Sec. 5. 36 MRSA §685, sub-§2, ¶D,** as enacted by PL 2021, c. 398, Pt. PPPP, §3,
30 is amended to read:

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

33 **Sec. 6. 36 MRSA §685, sub-§2, ¶E,** as enacted by PL 2021, c. 398, Pt. PPPP, §3,
34 is amended to read:

35 E. For property tax years beginning on or after April 1, 2023, the percentage of the
36 taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B that is
37 3 percentage points over the percentage for the previous year until the percentage of
38 reimbursement reaches 100%~~;~~ and

39 **Sec. 7. 36 MRSA §685, sub-§2, ¶F** is enacted to read:

40 F. For property tax years beginning on or after April 1, 2024, 100% of the taxes lost
41 by reason of the exemption provided under section 683, subsection 1-C.

42 **Sec. 8. 36 MRSA §686-A** is enacted to read:

43 **§686-A. Permanent senior resident; appeals**

1 Pursuant to the authority in section 682-A, if the State Tax Assessor determines that an
2 applicant is not entitled to the homestead exemption in section 683, subsection 1-C, the
3 State Tax Assessor shall promptly provide a notice of denial, including the reasons for the
4 denial, to the applicant by regular mail. An applicant that is aggrieved by a determination
5 of the bureau under this section may appeal pursuant to section 151. If the State Tax
6 Assessor determines that a property receiving an exemption under section 683, subsection
7 1-C in any year within the 10 preceding years was not eligible for the exemption, the State
8 Tax Assessor shall immediately notify in writing the municipal assessor where the property
9 is located and direct the assessor to supplementally assess the property for which the
10 exemption was improperly received, plus costs and interest. The supplemental assessment
11 must be assessed and collected pursuant to section 713-B. The bureau shall deduct the value
12 of the portion of the supplemental assessment that pertains to any funds previously
13 reimbursed to the municipality under section 685 from the next reimbursement issued to
14 the municipality.

15 **Sec. 9. 36 MRSA §6281**, as enacted by PL 2021, c. 751, §1, is repealed.

16 **Sec. 10. Effective date.** That section of this Act that repeals the Maine Revised
17 Statutes, Title 36, section 6281 takes effect November 2, 2023.

18 SUMMARY

19 This bill replaces the property tax stabilization for senior citizens program enacted by
20 the 130th Legislature with a tiered homestead exemption program for qualifying permanent
21 senior residents in the State. The bill provides that qualifying seniors earning less than
22 80% of the regional median family income qualify for an additional \$25,000 homestead
23 exemption and those earning more than 80% but less than 100% of the regional median
24 family income qualify for an additional \$15,000 exemption. The bill also requires the State
25 to reimburse municipalities for 100% of the property tax loss under the senior resident
26 homestead exemption.