

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## SECOND REGULAR SESSION-2024

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Legislative Document

No. 2162

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H.P. 1384

House of Representatives, January 11, 2024

### **An Act Regarding the Homestead Property Tax Exemption and the Property Value Reassessment Process**

(EMERGENCY)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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 ANKELES of Brunswick.  
Cosponsored by Senator RENY of Lincoln and  
Representatives: ARFORD of Brunswick, BRIDGEO of Augusta, GOLEK of Harpswell,  
HEPLER of Woolwich, RIELLY of Westbrook, Senator: DAUGHTRY of Cumberland.

1           **Emergency preamble.** Whereas, acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3           **Whereas,** it is necessary to make changes to the property tax assessment laws in order  
4 for those changes to take effect before the assessment and reassessment of property by the  
5 April 1st statutory date on which the taxable value of property is based; and

6           **Whereas,** in the judgment of the Legislature, these facts create an emergency within  
7 the meaning of the Constitution of Maine and require the following legislation as  
8 immediately necessary for the preservation of the public peace, health and safety; now,  
9 therefore,

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

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

12           **1-C. Additional exemption for tax years beginning on or after April 1, 2024.** For  
13 property tax years beginning on or after April 1, 2024, a homestead eligible for exemption  
14 under subsections 1 and 1-B is eligible for an additional exemption of \$15,000 if the  
15 homestead has an assessed value of less than \$100,000.

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

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

20           **Sec. 3. 36 MRSA §685, sub-§2, ¶E,** as amended by PL 2023, c. 412, Pt. II, §1, is  
21 further amended to read:

22           E. For property tax years beginning on or after April 1, 2023, 76% of the taxes lost by  
23 reason of the exemptions under section 683, subsections 1 and 1-B; ~~and~~

24           **Sec. 4. 36 MRSA §685, sub-§2, ¶F** is enacted to read:

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

27           **Sec. 5. 36 MRSA §1132, sub-§4,** as enacted by PL 2007, c. 466, Pt. A, §58, is  
28 amended to read:

29           **4. Excess valuation factor.** "Excess valuation factor" means a market-based influence  
30 on the determination of the just value of working waterfront land that would result in a  
31 valuation that is in excess of that land's current use value but does not exceed an amount  
32 higher than the average of the 5 years prior to the date of withdrawal of the land from  
33 current use valuation. "Excess valuation factor" includes, but is not limited to, aesthetic  
34 factors, recreational water-use factors, residential housing factors and nonresidential  
35 development factors unrelated to working waterfront uses.

36           **Sec. 6. 36 MRSA §1132, sub-§11,** as enacted by PL 2007, c. 466, Pt. A, §58, is  
37 amended to read:

38           **11. Working waterfront land.** "Working waterfront land" means a parcel of land, or  
39 a portion thereof, ~~abutting~~ that fully or partially abuts water to the head of tide or land  
40 located in the intertidal zone that is used primarily or used predominantly to provide access

1 to or support the conduct of commercial fishing activities. "Working waterfront land" also  
2 includes a wharf or pier used by persons engaged in commercial fishing activities that  
3 include berthing a boat and the location of small fishing houses for commercial fishing gear  
4 maintenance and storage. For purposes of this subchapter, a parcel is deemed to include  
5 property that includes the residence of the person who owns the parcel and a unit of real  
6 estate notwithstanding the fact that it is divided by a road, way, railroad or pipeline.

7 **Sec. 7. 36 MRSA §1135, sub-§2, ¶A**, as enacted by PL 2007, c. 466, Pt. A, §58,  
8 is amended to read:

9 A. Working waterfront land used predominantly as working waterfront land is eligible  
10 for a reduction of ~~20%~~ 30%.

11 **Sec. 8. 36 MRSA §1135, sub-§2, ¶B**, as enacted by PL 2007, c. 466, Pt. A, §58,  
12 is amended to read:

13 B. Working waterfront land used primarily as working waterfront land is eligible for  
14 a reduction of ~~40%~~ 20%.

15 **Sec. 9. 36 MRSA §1135, sub-§2, ¶D** is enacted to read:

16 D. Working waterfront land that is subject to a legally binding right-of-way or  
17 easement that permits access to intertidal land for commercial fishing activities is  
18 eligible for the reduction described in paragraph A, B or C and an additional reduction  
19 of 10%.

20 **Sec. 10. 36 MRSA §1138, sub-§4**, as amended by PL 2021, c. 630, Pt. C, §17, is  
21 amended by enacting at the end a new first blocked paragraph to read:

22 If the owner of the property subject to a penalty under this section is unable to pay the  
23 penalty assessed under this section due to market conditions beyond the owner's control,  
24 injury or another incapacitating event, the owner may request and the assessor shall, at the  
25 request of the owner, permit a delay in payment of the penalty of up to 2 years.

26 **Sec. 11. 36 MRSA §1140-C** is enacted to read:

27 **§1140-C. Information bulletin**

28 The State Tax Assessor shall create an information bulletin regarding provisions of the  
29 current use laws that apply to working waterfront lands and that include any changes made  
30 to the current use laws after December 31, 2023. The assessor shall post the bulletin on the  
31 bureau's publicly accessible website and shall make it available to municipal assessors and  
32 to members of the public engaged in commercial fishing activities.

33 **Emergency clause.** In view of the emergency cited in the preamble, this legislation  
34 takes effect when approved.

35 **SUMMARY**

36 This bill provides an additional homestead property tax exemption of \$15,000 for a  
37 homestead with an assessed value of less than \$100,000.

38 The bill also amends the laws relating to the current use valuation of working  
39 waterfront land for property tax purposes. It amends the definition of "working waterfront  
40 land" and makes changes to the calculation of current use valuation for certain types of

1 working waterfront land. It allows a delay of the withdrawal penalty payment if the  
2 property owner is affected by certain conditions that affect the ability of the property owner  
3 to pay a penalty assessed for withdrawal of working waterfront land from current use  
4 valuation. It also directs the State Tax Assessor to create an information bulletin regarding  
5 current use laws that apply to working waterfront lands that include any changes made to  
6 the current use laws after December 31, 2023.