



131st MAINE LEGISLATURE

LD 1737

LR 2103(02)

An Act to Provide up to \$5,000 in Property Tax Relief to Veterans

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$32,000	\$0	\$4,707,000
Appropriations/Allocations				
General Fund	\$0	\$32,000	\$0	\$4,707,000

State Mandates

Required Activity	Unit Affected	Local Cost
Requires municipalities to administer an expanded property tax exemption for veterans.	Municipality	\$230,000 is 100%

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill expands the property tax exemption for veterans effective for property tax years beginning on or after April 1, 2025. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$32,000 in fiscal year 2024-25 for computer programming costs to implement the changes to the exemption.

Ongoing General Fund appropriations of \$4,500,000 in fiscal year 2026-27 will be required to reimburse municipalities for 50% of the additional property tax revenue loss from expanding the property tax exemption for veterans. Ongoing General Fund appropriations of \$207,000 in fiscal year 2026-27 will be required to reimburse municipalities for 90% of the additional local mandate costs.