



# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 1207

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H.P. 851

House of Representatives, March 26, 2013

**An Act To Expand the Property Tax Exemption for Veterans Who  
Are 100% Disabled**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative CROCKETT of Bethel.  
Cosponsored by Senator TUTTLE of York and  
Representatives: BEAULIEU of Auburn, DAVIS of Sangerville, DeCHANT of Bath,  
MONAGHAN-DERRIG of Cape Elizabeth, PRIEST of Brunswick, VILLA of Harrison,  
WILSON of Augusta, Senator: BURNS of Washington.

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

2 **Sec. 1. 36 MRSA §653, sub-§1, ¶C**, as amended by PL 2007, c. 240, Pt. PPPP,  
3 §1, is further amended to read:

4 C. The estates up to the just value of \$6,000, having a taxable situs in the place of  
5 residence, of veterans who served in the Armed Forces of the United States:

6 (1) During any federally recognized war period, including the Korean Campaign,  
7 the Vietnam War, the Persian Gulf War and the periods from August 24, 1982 to  
8 July 31, 1984 and December 20, 1989 to January 31, 1990, or who were awarded  
9 the Armed Forces Expeditionary Medal, when they have reached the age of 62  
10 years or when they are receiving any form of pension or compensation from the  
11 United States Government for total disability, service-connected or nonservice-  
12 connected, as a veteran. A veteran of the Vietnam War must have served on  
13 active duty for a period of more than 180 days, any part of which occurred after  
14 February 27, 1961 and before May 8, 1975 unless the veteran died in service or  
15 was discharged for a service-connected disability after that date. "Persian Gulf  
16 War" means service on active duty on or after August 2, 1990 and before or on  
17 the date that the United States Government recognizes as the end of that war  
18 period; ~~or~~.

19 ~~(2) Who are disabled by injury or disease incurred or aggravated during active~~  
20 ~~military service in the line of duty and are receiving any form of pension or~~  
21 ~~compensation from the United States Government for total, service connected~~  
22 ~~disability.~~

23 The exemptions provided in this paragraph apply to the property of that veteran,  
24 including property held in joint tenancy with that veteran's spouse or held in a  
25 revocable living trust for the benefit of that veteran.

26 **Sec. 2. 36 MRSA §653, sub-§2**, as enacted by PL 2007, c. 418, §1, is amended to  
27 read:

28 **2. Cooperative housing corporations.** A cooperative housing corporation is  
29 entitled to an exemption under this section to be applied against the valuation of property  
30 of the corporation that is occupied by qualifying shareholders. An application for  
31 exemption must include a list of all qualifying shareholders and any information required  
32 by the municipality to verify eligibility of qualifying shareholders and the applicable  
33 exemption amount. The application must be updated annually to reflect changes in  
34 eligibility. The exemption is equal to the total amount calculated under subsection 1 or 3  
35 as if the qualifying shareholders were owners of the property. A cooperative housing  
36 corporation that receives an exemption pursuant to this section shall apportion the  
37 property tax reduction resulting from the exemption among the qualifying shareholders  
38 according to the proportion of the total exemption that each qualifying shareholder would  
39 be entitled to if the qualifying shareholder were the owner of the property. Any  
40 supplemental assessment resulting from disqualification for exemption must be applied in  
41 the same manner against the qualifying shareholders for whom the disqualification  
42 applies. For the purposes of this subsection, the following terms have the following  
43 meanings.

1 A. "Cooperative housing corporation" means an entity organized for the purpose of  
2 owning residential real estate in which residents own shares that entitle them to  
3 inhabit a designated space within a residential dwelling.

4 B. "Qualifying shareholder" means a person who is a shareholder in a cooperative  
5 housing corporation who would qualify for an exemption under subsection 1 or 3 if  
6 the person were the owner of the property.

7 **Sec. 3. 36 MRSA §653, sub-§3** is enacted to read:

8 **3. Estates of veterans who are totally disabled.** The estate of a veteran who is  
9 disabled by injury or disease incurred or aggravated during active military service in the  
10 line of duty and is receiving any form of pension or compensation from the United States  
11 Government for total, service-connected disability is exempt from taxation. The  
12 following provisions apply regarding the exemption provided in this subsection.

13 A. As used in this subsection, "veteran" means a person who was in active service in  
14 the Armed Forces of the United States and who, if discharged, retired or separated  
15 from the Armed Forces, was discharged, retired or separated under other than  
16 dishonorable conditions.

17 B. The exemption provided by this subsection is in lieu of any exemption under  
18 subsection 1 to which a veteran may be eligible and applies to the property of that  
19 veteran, including property held in a revocable living trust for the benefit of that  
20 veteran.

21 C. An exemption may not be granted to a person under this subsection unless the  
22 person is a resident of this State.

23 D. A person who desires to secure exemption under this subsection shall make  
24 written application and file written proof of entitlement on or before the first day of  
25 April in the year in which the exemption is first requested with the assessor of the  
26 place in which the person resides. The assessor shall thereafter grant the exemption  
27 to the person who is so qualified and remains a resident of that place or until the  
28 assessor is notified of the reason or desire for discontinuance.

29 E. A municipality granting an exemption under this subsection is entitled to  
30 reimbursement from the State of 90% of that portion of the property tax revenue lost  
31 as a result of the exemptions that exceeds 3% of the total municipal property tax levy,  
32 upon submission of proof in a form satisfactory to the State Tax Assessor. An  
33 exemption granted under this subsection that is reimbursable pursuant to section 661  
34 is not eligible for reimbursement under this paragraph.

35 F. Property conveyed to a person for the purpose of obtaining an exemption from  
36 taxation under this subsection is not exempt, except property conveyed between  
37 spouses. A person who obtains an exemption by means of fraudulent conveyance is  
38 subject to a fine of not less than \$100 and not more than 2 times the amount of the  
39 taxes evaded by the fraudulent conveyance, whichever amount is greater.

40 **Sec. 4. Application.** This Act applies to property tax years beginning on or after  
41 April 1, 2014.

