



129th MAINE LEGISLATURE

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Legislative Document

No. 77

H.P. 63

House of Representatives, January 15, 2019

**An Act To Increase the Homestead Property Tax Exemption to
\$50,000 for Persons 75 Years of Age and Older**

Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative O'CONNOR of Berwick.
Cosponsored by Representative INGWERSEN of Arundel and
Representatives: GRIGNON of Athens, HEAD of Bethel, ORDWAY of Standish.

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

2 **Sec. 1. 36 MRSA §683, sub-§1**, as amended by PL 2017, c. 478, §1, is further
3 amended to read:

4 **1. Exemption amount before 2020.** ~~Except~~ For property tax years beginning before
5 April 1, 2020, except for assessments for special benefits, the just value of \$10,000 of the
6 homestead of a permanent resident of this State who has owned a homestead in this State
7 for the preceding 12 months is exempt from taxation. Notwithstanding this subsection, a
8 permanent resident of this State who loses ownership of a homestead in this State due to a
9 tax lien foreclosure and subsequently regains ownership of the homestead from the
10 municipality that foreclosed on the tax lien is deemed to have continuously owned the
11 homestead and may not be determined ineligible for the exemption provided in this
12 section due to the ownership of the homestead by the municipality. In determining the
13 local assessed value of the exemption, the assessor shall multiply the amount of the
14 exemption by the ratio of current just value upon which the assessment is based as
15 furnished in the assessor's annual return pursuant to section 383. If the title to the
16 homestead is held by the applicant jointly or in common with others, the exemption may
17 not exceed \$10,000 of the just value of the homestead, but may be apportioned among the
18 owners who reside on the property to the extent of their respective interests. A
19 municipality responsible for administering the homestead exemption has no obligation to
20 create separate accounts for each partial interest in a homestead owned jointly or in
21 common.

22 **Sec. 2. 36 MRSA §683, sub-§1-B**, as enacted by PL 2015, c. 267, Pt. J, §1, is
23 amended to read:

24 **1-B. Additional exemption before 2020.** ~~A~~ For property tax years beginning before
25 April 1, 2020, a homestead eligible for an exemption under subsection 1 is eligible for an
26 additional exemption of \$5,000 of the just value of the homestead for property tax years
27 beginning on April 1, 2016 and of \$10,000 of the just value of the homestead for property
28 tax years beginning on or after April 1, 2017.

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

30 **1-C. Exemption amount beginning in 2020.** For property tax years beginning on
31 or after April 1, 2020, except for assessments for special benefits, the just value of
32 \$20,000 of the homestead of a permanent resident of this State who has owned a
33 homestead in this State for the preceding 12 months is exempt from taxation, except that
34 the homestead of at least one permanent resident of the State who is at least 75 years of
35 age or older is eligible for an exemption of the just value of \$50,000 except for
36 assessments for special benefits. Notwithstanding this subsection, a permanent resident
37 of this State who loses ownership of a homestead in this State due to a tax lien
38 foreclosure and subsequently regains ownership of the homestead from the municipality
39 that foreclosed on the tax lien is deemed to have continuously owned the homestead and
40 may not be determined ineligible for the exemption provided in this section due to the
41 ownership of the homestead by the municipality. In determining the local assessed value
42 of the exemption, the assessor shall multiply the amount of the exemption by the ratio of

1 current just value upon which the assessment is based as furnished in the assessor's
2 annual return pursuant to section 383. If the title to the homestead is held by the applicant
3 jointly or in common with others, the exemption may not exceed the allowable amount of
4 the just value of the homestead, but may be apportioned among the owners who reside on
5 the property to the extent of their respective interests. A municipality responsible for
6 administering the homestead exemption has no obligation to create separate accounts for
7 each partial interest in a homestead owned jointly or in common.

8 **Sec. 4. 36 MRSA §683, sub-§5**, as amended by PL 2015, c. 267, Pt. J, §3, is
9 further amended to read:

10 **5. Determination of exemption for cooperative housing corporation.** A
11 cooperative housing corporation may apply for an exemption under this subchapter to be
12 applied against the valuation of property of the corporation that is occupied by qualifying
13 shareholders. The application must include a list of all qualifying shareholders and must
14 be updated annually to reflect changes in the ownership and residency of qualifying
15 shareholders. The exemption is equal to the amounts specified in subsections 1 and 1-B
16 or subsection 1-C multiplied by the number of units in the cooperative property occupied
17 by qualifying shareholders. A cooperative housing corporation that receives an
18 exemption pursuant to this section shall apportion the property tax reduction resulting
19 from the exemption among the qualifying shareholders on a per unit basis. Any
20 supplemental assessment resulting from disqualification for exemption must be applied in
21 the same manner against the qualifying shareholders for whom the disqualification
22 applies.

23 **Sec. 5. 36 MRSA §684, sub-§1**, as amended by PL 2007, c. 438, §21, is further
24 amended to read:

25 **1. Generally.** The bureau shall furnish to the assessor of each municipality a
26 sufficient number of printed forms to be filed by applicants for an exemption under this
27 subchapter and shall determine the content of the forms. A municipality shall provide to
28 its inhabitants reasonable notice of the availability of application forms. An individual
29 claiming an exemption under this subchapter for the first time shall file the application
30 form with the assessor or the assessor's representative. An individual claiming the
31 increased exemption based on age under section 683, subsection 1-C shall file a
32 notification verifying the individual's age with the assessor or the assessor's
33 representative. The application or age verification must be filed on or before April 1st of
34 the year on which the taxes are based.

35 **Sec. 6. 36 MRSA §685, sub-§2, ¶B**, as amended by PL 2017, c. 284, Pt. G, §2, is
36 further amended to read:

37 B. For property tax years beginning on or after April 1, 2018, 62.5% of the taxes lost
38 by reason of the exemptions under section 683, subsections 1 and 1-B or subsection
39 1-C.

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SUMMARY

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This bill increases the property tax exemption for individuals who are 75 years of age

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or older from \$20,000 to \$50,000 for property tax years beginning on or after April 1,

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2020.