



125th MAINE LEGISLATURE

SECOND REGULAR SESSION-2012

Legislative Document

No. 1693

H.P. 1245

House of Representatives, December 23, 2011

An Act To Amend the Law Governing Abatements of Property Taxes for Infirmity or Poverty

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

Received by the Clerk of the House on December 21, 2011. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KESCHL of Belgrade.

Cosponsored by Senator KATZ of Kennebec and

Representatives: BLACK of Wilton, CLARK of Easton, FLOOD of Winthrop, FREDETTE of Newport, HARMON of Palermo, O'CONNOR of Berwick, SANDERSON of Chelsea,

Senator: THOMAS of Somerset.

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

2 **Sec. 1. 36 MRSA §841, sub-§2**, as amended by PL 2005, c. 169, §1, is further
3 amended to read:

4 **2. Infirmity or poverty.** The municipal officers₂ or the State Tax Assessor for the
5 unorganized territory, within 3 years from commitment, may, on their own knowledge or
6 on written application ~~therefor~~, make such abatements as they believe reasonable on the
7 real and personal taxes on the primary residence of any person who, by reason of
8 infirmity or poverty, is in their judgment unable to contribute to the public charges. The
9 municipal officers₂ or the State Tax Assessor for the unorganized territory₂ may extend
10 the 3-year period within which they may make abatements under this subsection.

11 Municipal officers or the State Tax Assessor for the unorganized territory shall:

12 A. Provide that any person indicating an inability to pay all or part of taxes that have
13 been assessed because of poverty or infirmity be informed of the right to make
14 application under this subsection;

15 B. Assist individuals in making application for abatement;

16 C. Make available application forms for requesting an abatement based on poverty or
17 infirmity and provide that those forms contain notice that a written decision will be
18 made within 30 days of the date of application;

19 D. Provide that persons are given the opportunity to apply for an abatement during
20 normal business hours;

21 E. Provide that all applications, information submitted in support of the application,
22 files and communications relating to an application for abatement and the
23 determination on the application for abatement are confidential. Hearings and
24 proceedings held pursuant to this subsection must be in executive session;

25 F. Provide to any person applying for abatement under this subsection, notice in
26 writing of their decision within 30 days of application; and

27 G. Provide that any decision made under this subsection include the specific reason
28 or reasons for the decision and inform the applicant of the right to appeal and the
29 procedure for requesting an appeal.

30 For the purpose of this subsection, benefits provided under chapter 907 are deemed
31 available to the applicant for the purpose of contributing to the public charges.

32 **Sec. 2. 36 MRSA §6201, sub-§10**, as amended by PL 2007, c. 325, §1, is further
33 amended to read:

34 **10. Property taxes accrued.** "Property taxes accrued" means property taxes actually
35 paid by the claimant exclusive of special assessment, delinquent interest and charges for
36 service levied on a claimant's homestead in this State as of April 1, 1972, or any tax year
37 thereafter. If a homestead is owned by 2 or more persons or entities as joint tenants or
38 tenants in common, and one or more persons or entities are not members of the claimant's
39 household, "property taxes accrued" is that part of property taxes levied on the homestead
40 that reflects the ownership percentage of the claimant and the claimant's household and

1 paid by the claimant. If a claimant and spouse own their homestead for part of the year
2 for which relief is requested and rent it or a different homestead for part of the same tax
3 year, "property taxes accrued" means taxes levied on the homestead on April 1st,
4 multiplied by the percentage of 12 months that the property was owned and occupied by
5 the household as its homestead during the year for which relief is requested, and paid by
6 the claimant. When a household owns and occupies 2 or more different homesteads in
7 this State in the same calendar year, property taxes accrued relate only to the total of the
8 property taxes owed and actually paid for the time that each property was occupied by the
9 household as a homestead. To calculate the amount attributable to each property, the
10 April 1st assessment on each homestead is multiplied by the percentage of 12 months that
11 each property was owned and occupied by the claimant as the claimant's homestead
12 during the year for which relief is requested. If a homestead is an integral part of a larger
13 unit such as a farm, or a multipurpose or multidwelling building, property taxes accrued
14 are that percentage of the total property taxes accrued and actually paid that the value of
15 the homestead is of the total value, except that property taxes accrued do not include any
16 portion of taxes claimed as a business expense for federal income tax purposes. For
17 purposes of this chapter, "unit" refers to the parcel of property separately assessed of
18 which the homestead is a part.

19 **Sec. 3. 36 MRSA §6204-A** is enacted to read:

20 **§6204-A. Proof of payment of taxes**

21 For applications filed on or after August 1, 2012, a claimant shall provide proof of
22 payment of the property taxes accrued for which the claimant is seeking reimbursement
23 under this chapter. A claimant who receives an abatement of property taxes based on
24 infirmity or poverty pursuant to section 841, subsection 2 may not claim that portion of
25 property taxes abated.

26 **SUMMARY**

27 This bill provides that benefits issued to a property owner under the Circuitbreaker
28 Program are deemed available to contribute to the public charges for the purposes of
29 calculating eligibility at the municipal level for a property tax abatement for reasons of
30 infirmity or poverty.

31 Under the Circuitbreaker Program, an owner of property files for a reimbursement
32 benefit based on the property taxes accrued, but not necessarily paid, from the prior
33 calendar year on the owner's homestead. This bill amends the Circuitbreaker Program to
34 specify that the reimbursement benefit is calculated based on the property taxes actually
35 paid by the owner on that owner's homestead and requires the claimant to provide proof
36 of payment. Any property taxes abated by a municipality for infirmity or poverty may
37 not be claimed under the Circuitbreaker Program.