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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 833, L.D. 1196, Bill, "An Act To Assist Seniors and Certain Persons with Disabilities in Paying Property Taxes"

Amend the bill by inserting after section 2 the following:

'Sec. 3. 36 MRSA §6250, sub-§3-A is enacted to read:

'3-A. Liquid asset. "Liquid asset" means something of value available to an individual that can be converted to cash in 3 months or less and includes:

- A. Bank accounts;
B. Certificates of deposit;
C. Money market and mutual funds;
D. Life insurance policies;
E. Stocks and bonds;
F. Lump-sum payments and inheritances; and
G. Funds from a home equity conversion mortgage that are in the individual's possession whether they are cash or have been converted to another form.'

Amend the bill in section 3 in subsection 1 in paragraph A in the last line (page 1, line 21 in L.D.) by striking out the following: "and" and inserting the following: 'and'

Amend the bill in section 3 in subsection 1 in paragraph B in the last line (page 1, line 25 in L.D.) by striking out the following: "." and inserting the following: '., and'

Amend the bill in section 3 in subsection 1 by inserting after paragraph B the following:

'C. The individual has liquid assets of less than \$50,000 or, in the case of 2 or more individuals filing a claim jointly, all the individuals together have liquid assets of less than \$75,000.'

Amend the bill by inserting after section 4 the following:

COMMITTEE AMENDMENT

1 **'Sec. 5. 36 MRSA §6252, sub-§4** is enacted to read:

2 **4. No duplicate deferral.** The property is not receiving a deferral of taxes under
3 chapter 908-A.'

4 Amend the bill by striking out all of sections 6 and 7.

5 Amend the bill in section 8 in §6255 by striking out all of subsection 3 (page 3, lines
6 36 and 37 in L.D.) and inserting the following:

7 **'3. Interest.** Interest ~~shall accrue~~ accrues annually on the actual amount of taxes
8 advanced to the municipality for the tax-deferred property at the rate of ~~6% per annum~~
9 that equals the highest prime rate as published in the Wall Street Journal on the first day
10 of September of the preceding calendar year or, if the first day of September falls on a
11 weekend or holiday, on the next succeeding business day, rounded up to the next whole
12 percent and reduced by one percentage point.'

13 Amend the bill by striking out all of sections 9 to 13 and 16 to 19.

14 Amend the bill by inserting after section 20 the following:

15 **'Sec. 21. 36 MRSA §6271, sub-§2, ¶¶B and C,** as enacted by PL 2009, c. 489,
16 §5, are amended to read:

17 B. The taxpayer is an owner of the eligible homestead, is at least 70 years of age on
18 April 1st of the first year of eligibility and occupies the eligible homestead; ~~and~~

19 C. The household income of the taxpayer does not exceed 300% of the federal
20 poverty level; ~~and~~

21 **Sec. 22. 36 MRSA §6271, sub-§2, ¶D** is enacted to read:

22 **D. The property is not receiving a deferral of taxes under chapter 908.'**

23 Amend the bill by inserting after section 21 the following:

24 **'Sec. 22. Appropriations and allocations.** The following appropriations and
25 allocations are made.

26 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
27 **Elderly Tax Deferral Program 0650**

28 Initiative: Provides one-time funding to develop and implement a computer application
29 for a property tax deferral program.

30	GENERAL FUND	2017-18	2018-19
31	All Other	\$100,000	\$0
32			
33	GENERAL FUND TOTAL	\$100,000	\$0

34 **Elderly Tax Deferral Program 0650**

35 Initiative: Provides ongoing funding to reimburse municipalities for property taxes
36 deferred under a property tax deferral program.

1	GENERAL FUND	2017-18	2018-19
2	All Other	\$0	\$1,600,000
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,600,000</u>

5 **Elderly Tax Deferral Program 0650**

6 Initiative: Provides ongoing funding for one Property Appraiser I position and related
7 costs to implement and administer a property tax deferral program.

8	GENERAL FUND	2017-18	2018-19
9	POSITIONS - LEGISLATIVE COUNT	1.000	1.000
10	Personal Services	\$40,589	\$82,322
11	All Other	\$12,663	\$11,583
12			
13	GENERAL FUND TOTAL	<u>\$53,252</u>	<u>\$93,905</u>

14 **ADMINISTRATIVE AND FINANCIAL**
15 **SERVICES, DEPARTMENT OF**
16 **DEPARTMENT TOTALS**

16		2017-18	2018-19
17			
18	GENERAL FUND	\$153,252	\$1,693,905
19			
20	DEPARTMENT TOTAL - ALL FUNDS	<u>\$153,252</u>	<u>\$1,693,905</u>

21
22 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
23 section number to read consecutively.

24 **SUMMARY**

25 This amendment removes the provisions of the bill that eliminate the requirement that
26 interest accrues on deferred property taxes and provides that interest accrues on deferred
27 property taxes at the prime rate published in the Wall Street Journal minus one percentage
28 point. The amendment adds a maximum asset standard for eligibility of property owners
29 and provides that property may not be subject to deferral under both the state deferral
30 program and a municipal deferral program. The amendment also provides an
31 appropriation to cover the cost of state administration of the program and the initial cost
32 of making payments to municipalities for deferred taxes.

33 **FISCAL NOTE REQUIRED**

34 (See attached)