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An Act To Authorize Municipal Property Tax Deferral Programs

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

Sec. 1. 36 MRSA c. 907-B is enacted to read:

CHAPTER 907-B

MUNICIPAL PROPERTY TAX DEFERRAL PROGRAM

§ 6241. Definitions

For the purposes of this chapter, unless the context otherwise indicates, the terms used in this chapter have the same meaning as in chapter 907.

§ 6242. Municipal authority

The legislative body of a municipality may by ordinance adopt a program to defer property tax payments of persons who own homesteads in the municipality. A municipality may choose to restrict the program to persons who are at least 62 years of age.

1. Condition of program. A program adopted under this section must:

A. Require that the claimant owns a homestead in the municipality;

B. Calculate benefits in a way that provides greater benefits proportionally to claimants with lower incomes in relation to their property taxes; and

C. Specify events requiring payment of deferred property taxes and interest.

2. Relationship to state Circuitbreaker Program and to municipal property tax assistance. Benefits received under a program adopted by a municipality under this section are in addition to benefits provided under chapters 907 and 907-A. A municipality may, but is not required to, provide that:

A. Benefits under the program are equal to a percentage of the benefits received by the claimant under chapters 907 and 907-A; or

B. The amount of benefits received under the program are equal to the balance of property tax payments remaining after benefits are received by the claimant under chapters 907 and 907-A.

3. Repeal of program. A municipality that has adopted a program under this section may repeal it through the same procedure by which the program was adopted.

SUMMARY

This bill authorizes municipalities to establish property tax deferral programs.