



126th MAINE LEGISLATURE

LD 10

LR 368(01)

An Act To Provide a Property Tax Exemption for Family Burying Grounds

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Harvell of Farmington

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

State Mandate - Unfunded

Current biennium cost increase - General Fund

State Mandates

Required Activity

Municipalities will be required to administer a new property tax exemption for family burying grounds of 0.25 acres or less for property tax years beginning on or after April 1, 2014. Municipalities will be required to review and determine which properties are eligible for the property tax exemption and will subsequently need to update tax records and undertake other associated administrative duties.

Unit Affected
Municipality

Local Cost
Insignificant statewide

The required local activities in this bill may represent a State mandate pursuant to the Constitution of Maine. Unless General Fund appropriations are provided to fund at least 90% of the additional costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, municipalities may not be required to implement these changes.

Fiscal Detail and Notes

Pursuant to Article IV, Part Third, Section 23 of the Maine Constitution the state is required to annually reimburse municipalities for 50% of property tax revenue lost by municipalities for state imposed property tax exemptions or credits. Similar legislation introduced in the 125th Legislature was estimated to require approximately \$9,000 annually to cover the necessary 50% state reimbursement. As that bill was more restrictive in its eligibility qualifications it is anticipated that Maine Revenue Services will require higher ongoing annual appropriations for tax years beginning on or after April 1, 2014. Reimbursement for lost property tax revenue does not address the mandated activities.