1	L.D. 974
2	Date: (Filing No. H- )
3	TAXATION
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	128TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT " " to H.P. 687, L.D. 974, Bill, "An Act To Increase the Homestead Exemption"
11	Amend the bill by inserting after section 1 the following:
12 13	'Sec. 2. 36 MRSA §683, sub-§§3 and 4, as amended by PL 2015, c. 390, §2, are further amended to read:
14 15 16 17 18 19 20 21 22	<b>3. Effect on state valuation.</b> For property tax years beginning before April 1, 2017, 50% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on or after April 1, 2017, 62.5% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305. For property tax years beginning on or after April 1, 2018, 100% of the just value of all the homestead exemptions under this subchapter must be included in the annual determination of state valuation under sections 208 and 305.
23 24 25 26 27 28 29 30 31 32	<b>4. Property tax rate.</b> For property tax years beginning before April 1, 2017, 50% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on or after April 1, 2017, 62.5% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. For property tax years beginning on or after April 1, 2018, 100% of the just value of all the homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. The municipal tax rate as finally determined may be applied to only the taxable portion of each homestead qualified for that tax year.
33 34	<b>Sec. 3. 36 MRSA §685, sub-§2,</b> as amended by PL 2015, c. 390, §§3 and 4, is further amended to read:
35 36	2. Entitlement to reimbursement by the State; calculation. A municipality that has approved homestead exemptions under this subchapter may recover from the State:

1 2	A. For property tax years beginning before April 1, 2017, 50% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; and
3 4	B. For property tax years beginning on or after April 1, 2017, 62.5% of the taxes los by reason of the exemptions under section 683, subsections 1 and 1-B-; and
5 6	C. For property tax years beginning on or after April 1, 2018, 100% of the taxes los by reason of the exemptions under section 683, subsections 1 and 1-B.
7 8 9	The municipality must provide proof in a form satisfactory to the bureau. The bureau shall reimburse the Unorganized Territory Education and Services Fund in the same manner for taxes lost by reason of the exemptions.
.0	<b>Sec. 4. Appropriations and allocations.</b> The following appropriations and allocations are made.
2	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
3	Homestead Property Tax Exemption Reimbursement 0886
.4 .5 .6	Initiative: Provides funding to increase the homestead property tax exemption to \$30,000 and provide for 100% reimbursement to municipalities for property tax years beginning April 1, 2018.
.7 .8 .9	GENERAL FUND 2017-18 2018-19   All Other \$0 \$75,700,000
20 21	GENERAL FUND TOTAL \$0 \$75,700,000
22	SUMMARY
23 24 25	This amendment adds provisions to the bill to increase state reimbursement for all homestead property tax exemptions from 62.5% to 100% for property tax years beginning on or after April 1, 2018 and provides funding for that reimbursement.
26	FISCAL NOTE REQUIRED
27	(See attached)