

## **125th MAINE LEGISLATURE**

## **SECOND REGULAR SESSION-2012**

Legislative Document

No. 1878

H.P. 1389

House of Representatives, March 14, 2012

An Act To Allow Reimbursement and Abatement of Property Taxes Paid or Owed on a Primary Residence Destroyed by Fire

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

Heath & Fuit

HEATHER J.R. PRIEST Clerk

Presented by Representative GRAHAM of North Yarmouth. Cosponsored by Senator DIAMOND of Cumberland and Representatives: BERRY of Bowdoinham, CASAVANT of Biddeford, KENT of Woolwich, SHAW of Standish, STRANG BURGESS of Cumberland, TURNER of Burlington, Senator: THOMAS of Somerset.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 25 MRSA §2394, sub-§2 is enacted to read:
3 4 5 6 7	<b>2. Report.</b> The municipal fire inspector or the Office of the State Fire Marshal, if involved, shall provide a copy of the report of the investigation of the origin of the fire prepared pursuant to section 2395 to the owner of the property upon request of the owner. If the fire occurred in a residence, the report must include a determination of the habitability of that residence.
8	Sec. 2. 36 MRSA §566 is enacted to read:
9 10	§566. Reimbursement or abatement of taxes on permanent residence rendered uninhabitable by fire
11 12 13	The owner of a permanent residence that is made uninhabitable by fire may apply for a reimbursement or abatement of property taxes paid or owed by that owner as specified in this section.
14 15	<b>1. Definitions.</b> As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
16 17 18	<u>A.</u> "Municipal officers" means the municipal officers for the municipality in which a permanent residence is located or the State Tax Assessor for the unorganized territory.
19 20	B. "Owner" means an individual who owns and resides in a permanent residence and who pays property taxes on that permanent residence.
21	C. "Permanent residence" has the same meaning as in section 681, subsection 3.
22 23 24	D. "Property taxes paid" means taxes assessed on the permanent residence, excluding land, of an owner and actually paid by that owner for a tax year during which the permanent residence is rendered uninhabitable by fire.
25 26 27 28	E. "Report or order" means the report issued by a municipal fire inspector or the Department of Public Safety, Office of the State Fire Marshal following the investigation of a fire pursuant to Title 25, section 2394 or an order served by the State Fire Marshal or a public safety inspector pursuant to Title 25, section 2392.
29	F. "Tax year" means April 1st to March 31st.
30 31 32 33 34 35 36 37	2. Determination of uninhabitability. To receive a reimbursement or abatement under this section, an owner must request a copy of the report issued pursuant to Title 25, section 2394, subsection 2. In order for the owner to obtain a reimbursement or abatement under this section, the report must contain a statement from the official completing the report under Title 25, section 2394, subsection 2 that the permanent residence has been made uninhabitable by fire. If a report has not been completed, the owner must request, pursuant to Title 25, section 2392, the State Fire Marshal or a public safety inspector to inspect the permanent residence of that owner and serve an order to
38	vacate the permanent residence.

13. Submission of request. An owner must submit a request for reimbursement or2abatement under this section along with a copy of the report or order to the municipal3officers. The request must be submitted no later than 90 days following the fire that4rendered the permanent residence uninhabitable.

5 **4. Reimbursement.** Upon receipt of a timely filed request under subsection 3 and 6 the report or order indicating that the permanent residence is uninhabitable due to fire, the 7 municipal officers may grant the owner reimbursement of property taxes. The 8 reimbursement may not exceed the amount of property taxes paid, prorated based on the 9 number of days left in the tax year following the fire that rendered the permanent 10 residence uninhabitable.

**5. Abatement of unpaid property taxes.** If a permanent residence is rendered uninhabitable prior to the owner's paying property taxes owed for that tax year, upon receipt of a timely filed request under subsection 3 and the report or order indicating that the permanent residence is uninhabitable due to fire, the municipal officers may grant an abatement of the property taxes owed but not paid in an amount not to exceed the unpaid portion of the property taxes due for that tax year, prorated based on the number of days left in the tax year following the fire that rendered the permanent residence uninhabitable.

18 Sec. 3. Application. This Act applies to property tax years beginning on or after
 19 April 1, 2012.

## SUMMARY

This bill provides a mechanism for a person whose house is rendered uninhabitable by fire to obtain reimbursement or abatement of property taxes paid or owed on that house for the balance of the tax year following the fire as long as certain conditions are met:

25

20

1. The house must be the primary residence of the person; and

26 2. The person must obtain a report from the municipal fire inspector for the
27 municipality in which the house is located or from the Department of Public Safety,
28 Office of the State Fire Marshal stating that the house is uninhabitable due to fire.
29 Alternatively, the person may use an order to vacate the premises issued by the State Fire
30 Marshal or a public safety inspector as proof of uninhabitability.

If a person meets these conditions, the municipal officers, or the State Tax Assessor for the unorganized territory, may reimburse or abate any amount up to the amount of property taxes paid or owed on the house only, prorated to reflect the number of days left in the property tax year.

Current law requires municipal fire inspectors or the State Fire Marshal to investigate every instance when property is damaged or destroyed by fire. This bill requires the investigating official, when the fire occurs at a residence, to indicate on the investigation report whether the residence is habitable following the fire and to issue a copy of the report to the owner of the residence, if requested.