



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1885

H.P. 1256

House of Representatives, May 5, 2025

**An Act to Create a State Property Tax Directed Toward 2nd Homes
for the Purposes of Funding Education, Early Childhood Programs
and the Land for Maine's Future Trust Fund**

Received by the Clerk of the House on May 1, 2025. Referred to the Committee on
Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative GEIGER of Rockland.

Cosponsored by Representatives: BRIDGEO of Augusta, DODGE of Belfast, MATLACK of
St. George, Senator: BEEBE-CENTER of Knox.

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

2 **Sec. 1. 5 MRSA §6203-D, sub-§1**, as enacted by PL 2023, c. 284, §8, is amended
3 to read:

4 **1. Fund established.** There is established the Land for Maine's Future Trust Fund that
5 is administered by the board. The Land for Maine's Future Trust Fund consists of the
6 proceeds from the sale of any bonds authorized for the purposes set forth in subsection 2,
7 eligible investment earnings of funds established under this chapter, revenue from the tax
8 imposed on real property pursuant to Title 36, section 459 and any funds received as
9 contributions from private and public sources for the purposes set forth in subsection 2.
10 The Land for Maine's Future Trust Fund must be held separate and apart from all other
11 money, funds and accounts and eligible investment earnings credited to the assets of the
12 Land for Maine's Future Trust Fund become part of the assets of that fund. Any balance
13 remaining in the Land for Maine's Future Trust Fund at the end of any fiscal year must be
14 carried forward for the next fiscal year.

15 **Sec. 2. 20-A MRSA §15009** is enacted to read:

16 **§15009. Early Childhood Education Fund**

17 **1. Fund established.** The Early Childhood Education Fund, referred to in this section
18 as "the fund," is established as an Other Special Revenue Funds account for the purposes
19 specified in this section.

20 **2. Source of revenue; nonlapsing.** The fund is funded by revenue from the tax
21 imposed on real property pursuant to Title 36, section 459. Any unexpended balances in
22 the fund may not lapse but must be carried forward.

23 **3. Fund to be used to increase funding for early childhood education programs.**
24 Allocations from the fund must be used to provide funds for the purpose of expanding or
25 developing early childhood education programs, as determined by the commissioner.

26 **4. Report by State Controller.** The State Controller shall report at least annually on
27 the fund on or before the 2nd Friday in November to the joint standing committees of the
28 Legislature having jurisdiction over appropriations and financial affairs and education
29 matters. The report must summarize the status of and activity in the fund, including
30 amounts distributed and how the recipients of those funds used the funds to expand or
31 develop early childhood education programs.

32 **5. Transfer for payments.** Notwithstanding any provision of law to the contrary, the
33 State Controller shall transfer from the balance available in the fund to the department an
34 amount for use as specified in subsection 3. Amounts transferred may be expended based
35 on allotment established by financial order upon recommendation by the State Budget
36 Officer and approval by the Governor. The amounts transferred are considered adjustments
37 to allocations. The Governor shall inform the Legislative Council and the joint standing
38 committees of the Legislature having jurisdiction over appropriations and financial affairs
39 and education matters immediately upon such a transfer from the fund.

40 **Sec. 3. 20-A MRSA §15699** is enacted to read:

41 **§15699. Fund for Essential Programs and Services**

1 **1. Fund established.** The Fund for Essential Programs and Services, referred to in
2 this section as "the fund," is established as an Other Special Revenue Funds account for the
3 purposes specified in this section.

4 **2. Source of revenue; nonlapsing.** The fund is funded by revenue from the tax
5 imposed on real property pursuant to Title 36, section 459. Any unexpended balances in
6 the fund may not lapse but must be carried forward.

7 **3. Fund to be used to increase state share percentage for below target school**
8 **administrative units.** Allocations from the fund must be used to provide funds to school
9 administrative units that do not achieve the annual target for the state share percentage of
10 the statewide adjusted total cost of the components of essential programs and services as
11 specified in section 15671, subsection 7, paragraph B, subparagraph (17), if that shortage
12 is the result of a municipality within that school administrative unit having a higher poverty
13 rate than the median poverty rate for the State and a lower median income rate than the
14 median income rate for the State. If insufficient funds are available to increase all such
15 school administrative units to the annual target, the commissioner shall use the funds in the
16 fund to equalize, to the extent possible, the percentage of the target for all such school
17 administrative units.

18 **4. Report by State Controller.** The State Controller shall report at least annually on
19 the fund on or before the 2nd Friday in November to the joint standing committees of the
20 Legislature having jurisdiction over appropriations and financial affairs and education
21 matters. The report must summarize the status of and activity in the fund, including the
22 amounts provided to each school administrative unit under subsection 3 and the percentage
23 of the state share of the total cost of funding public education from kindergarten to grade
24 12, as described by the Essential Programs and Services Funding Act, that school
25 administrative unit attained.

26 **5. Transfer for payments.** Notwithstanding any provision of law to the contrary, the
27 State Controller shall transfer from the balance available in the fund an amount for essential
28 programs and services payments to the department for use as specified in subsection 3.
29 Amounts transferred may be expended based on allotment established by financial order
30 upon recommendation by the State Budget Officer and approval by the Governor. The
31 amounts transferred are considered adjustments to allocations. The Governor shall inform
32 the Legislative Council and the joint standing committees of the Legislature having
33 jurisdiction over appropriations and financial affairs and education matters immediately
34 upon such a transfer from the fund.

35 **Sec. 4. 36 MRSA §459** is enacted to read:

36 **§459. Statewide property tax**

37 For property tax years beginning on or after April 1, 2026, for the purpose of all real
38 estate in this State that is subject to a Maine property tax, including real estate in a
39 municipality or the unorganized territory, that real estate is subject to taxation pursuant to
40 this section, and that tax is referred to in this section as "the statewide property tax."

41 **1. Taxable year.** The taxable year is from April 1st to April 1st. The status of all
42 taxpayers must be fixed as of April 1st annually.

43 **2. Rate of tax; additional to other property taxes.** The statewide property tax is
44 assessed at the rate of 5 mills applied to 100% valuation of the statewide valuation on all

1 real estate in this State not exempt from the assessment of tax. The statewide property tax
2 is in addition to any other tax imposed on real estate in this State, either by a municipality
3 or the State. As used in this section, "statewide valuation" means the state valuation, as
4 defined in section 381, for the unorganized territory and the local assessed valuation for
5 municipalities.

6 **3. Determination of statewide property tax assessment.** The State Tax Assessor
7 shall determine the amount of the statewide property tax due from each taxpayer based
8 upon the rate established in subsection 2. The State Tax Assessor shall notify each taxpayer
9 in writing, not later than August 1st annually.

10 **4. Due dates; interest.** Taxes levied under this section must be paid to the State Tax
11 Assessor on or before October 1st of each year. A person who fails to pay the tax on or
12 before October 1st is liable for interest at the maximum rate posted on the Treasurer of
13 State's publicly accessible website according to section 505, subsection 4.

14 **5. Exemption and amount; eligibility; administration.** The just value of up to
15 \$1,000,000 of a homestead subject to tax under this section is exempt from the tax imposed
16 pursuant to this section as provided in this subsection.

17 A. A permanent resident who receives an exemption under the Maine resident
18 homestead property tax exemption under chapter 105, subchapter 4-B is eligible for
19 the exemption provided pursuant to this subsection.

20 B. For purposes of administration, the State Tax Assessor shall administer the
21 exemption under this subsection in the same manner as the assessor administers the
22 Maine resident homestead property tax exemption under chapter 105, subchapter 4-B
23 for homesteads located in the unorganized territory.

24 C. The exemption provided in this subsection applies only to the tax imposed pursuant
25 to this section.

26 **6. Administration.** For purposes of administration of this section, including, without
27 limitation, the assessment of the statewide property tax, warrants, levy, change of
28 ownership, interest and foreclosure, except when specifically provided, the provisions of
29 law that apply to the levy of property taxes by municipalities and in the unorganized
30 territory apply to this section, and the State Tax Assessor shall administer the statewide
31 property tax accordingly.

32 **7. Distribution of revenue.** Revenue from the statewide property tax must be
33 distributed as follows.

34 A. Fifty percent must be transferred on at least an annual basis to the Fund for Essential
35 Programs and Services established in Title 20-A, section 15699.

36 B. Forty percent must be transferred on at least an annual basis to the Early Childhood
37 Education Fund established in Title 20-A, section 15009.

38 C. Ten percent must be transferred on at least an annual basis to the Land for Maine's
39 Future Trust Fund established in Title 5, section 6203-D, subsection 1.

40 **8. Annual report.** Beginning November 1, 2026 and annually thereafter, the State
41 Tax Assessor shall report to the joint standing committees of the Legislature having
42 jurisdiction over appropriations and financial affairs, education matters and taxation
43 matters regarding the amount of revenue generated by the statewide property tax, the

1 amounts distributed pursuant to subsection 7 and any recommendations for improving the
2 administration of the statewide property tax. Each joint standing committee may submit a
3 bill to the legislative session that convenes immediately following the submission of the
4 report.

5 **SUMMARY**

6 This bill creates the statewide property tax to impose a tax of 5 mills of the assessed
7 value of real estate that is not exempt from taxation. This bill also establishes an exemption
8 from the statewide property tax of the just value up to \$1,000,000 for homesteads that are
9 eligible for the Maine homestead property tax exemption, including being occupied by a
10 permanent resident of the State as that person's permanent residence. The statewide
11 property tax exemption applies only to the taxes assessed for the statewide property tax.

12 The State Tax Assessor is directed to administer the statewide property tax in the same
13 manner and under the same constraints as currently done for real property in the
14 unorganized territory.

15 The bill also creates 2 new funds, the Fund for Essential Programs and Services and
16 the Early Childhood Education Fund. The Fund for Essential Programs and Services
17 receives 50% of the revenue from the statewide property tax, which must be used to provide
18 funds to school administrative units that do not achieve the annual target for the state share
19 percentage of the statewide adjusted total cost of the components of essential programs and
20 services, if that shortage is the result of a municipality within that school administrative
21 unit having a higher poverty rate than the median poverty rate for the State and a lower
22 median income rate than the median income rate for the State.

23 The Early Childhood Education Fund receives 40% of the revenue from the statewide
24 property tax, which must be used to provide funds for the purpose of expanding or
25 developing early childhood education programs, as determined by the Commissioner of
26 Education.

27 The remaining 10% of revenue is deposited in the Land for Maine's Future Trust Fund.