



130th MAINE LEGISLATURE

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Legislative Document

No. 290

S.P. 126

In Senate, February 3, 2021

**An Act To Stabilize Property Taxes for Individuals 65 Years of Age
or Older Who Own a Homestead for at Least 10 Years**

Received by the Secretary of the Senate on February 1, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator STEWART of Aroostook.
Cosponsored by Representative BICKFORD of Auburn and
Senator: POULIOT of Kennebec.

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

2 **Sec. 1. 36 MRSA c. 908-B** is enacted to read:

3 **CHAPTER 908-B**

4 **PROPERTY TAX STABILIZATION FOR SENIOR CITIZENS**

5 **§6281. Stabilization of property taxes on homesteads of individuals 65 years of age or**
6 **older**

7 **1. Definitions.** As used in this chapter, unless the context otherwise indicates, the
8 following terms have the following meanings.

9 A. "Eligible homestead" means a homestead occupied by an eligible individual who is
10 eligible for a homestead exemption under chapter 105, subchapter 4-B for the property
11 tax year during which an application for stabilization is made.

12 B. "Eligible individual" means an individual who:

13 (1) Is 65 years of age or older; and

14 (2) Is a permanent resident of the State as defined in section 681, subsection 4 who
15 has owned a homestead in the State for at least 10 years.

16 C. "Homestead" has the same meaning as under section 681, subsection 2.

17 D. "Stabilize" means to maintain the property tax billed to an eligible individual for
18 the individual's eligible homestead at the amount billed for that homestead for the
19 property tax year preceding the date of application for stabilization.

20 **2. Application for stabilization.** An individual may apply by December 1st to the
21 municipality in which the individual's homestead is located requesting that the municipality
22 stabilize the property tax assessed on that individual's homestead for the property tax year
23 beginning on April 1st following the submission of the application. A new application is
24 required for each year for which stabilization is requested.

25 **3. Stabilization for eligible individual.** If a municipality determines that an applicant
26 for stabilization under subsection 2 is an eligible individual and that the individual's
27 homestead is an eligible homestead, the municipality shall stabilize the property tax on the
28 individual's homestead billed for the property tax year for which stabilization was
29 requested.

30 **4. Transfer of eligibility.** If an eligible individual has been eligible for stabilization
31 under this section and establishes a new homestead in the State, the individual continues to
32 be eligible for stabilization. If an eligible individual establishes a new homestead in a
33 different municipality, at the request of the eligible individual, the municipality where
34 eligibility was first established shall notify the new municipality of the eligible individual's
35 previous eligibility and the amount at which the property taxes were stabilized. The new
36 municipality shall bill the eligible individual at the stabilized amount and is eligible for
37 state compensation under subsection 5.

38 **5. State compensation.** A municipality that has stabilized property tax for an eligible
39 individual under this chapter may recover from the State 100% of the amount by which the
40 property tax assessed on the homestead of an eligible individual in the usual manner

1 exceeds the stabilized amount of property tax billed under subsection 3. A municipality
2 claiming compensation under this subsection shall submit a claim to the bureau by
3 November 1st of the year in which the property tax was stabilized. The bureau shall review
4 claims and determine the total amount to be paid to each municipality. The bureau shall
5 certify and the Treasurer of State shall pay the amount due to each municipality by January
6 15th of the year following the year in which the claim for compensation was submitted.

7

SUMMARY

8 This bill requires a municipality to maintain the property tax on the homestead of a
9 permanent resident who is at least 65 years of age at the amount billed in the year prior to
10 an application for stabilization. The amount by which the property tax assessed exceeds
11 the stabilized amount must be paid to the municipality by the State. If an eligible individual
12 moves to a different municipality, the stabilized property tax amount continues at the new
13 location. An applicant for stabilization must be a permanent resident of the State and must
14 have owned a homestead for at least 10 years. An application for stabilization must be
15 made each year to continue eligibility.