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An Act To Amend the Municipal Hardship or Poverty Tax Abatement Law To Reflect the Replacement of the Circuitbreaker Program

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Circuitbreaker Program was replaced with a property tax fairness credit in the First Regular Session of the 126th Legislature; and

Whereas, a municipality that provides a hardship or poverty tax abatement to its residents was permitted to consider benefits provided to those residents under the Circuitbreaker Program when determining the ability of residents to pay property taxes due the municipality; and

Whereas, there is no provision for a municipality to consider the property tax fairness credit in determining the ability of a resident to pay property taxes, limiting the ability of municipalities to determine accurately residents' needs for abatement; and

Whereas, without the changes made by this legislation, municipalities may be forced to reduce hardship or poverty tax abatement, hurting those who need it, or provide abatement in amounts that are more than residents are entitled to; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §841, sub-§2, as repealed and replaced by PL 2013, c. 424, Pt. A, §24, is amended to read:

2. Hardship or poverty. The municipal officers, or the State Tax Assessor for the unorganized territory, within 3 years from commitment, may, on their own knowledge or on written application, make such abatements as they believe reasonable on the real and personal taxes on the primary residence of any person who, by reason of hardship or poverty, is in their judgment unable to contribute to the public charges. The municipal officers, or the State Tax Assessor for the unorganized territory, may extend the 3-year period within which they may make abatements under this subsection.

Municipal officers or the State Tax Assessor for the unorganized territory shall:

- A. Provide that any person indicating an inability to pay all or part of taxes that have been assessed because of hardship or poverty be informed of the right to make application under this subsection;
- B. Assist individuals in making application for abatement;

C. Make available application forms for requesting an abatement based on hardship or poverty and provide that those forms contain notice that a written decision will be made within 30 days of the date of application;

D. Provide that persons are given the opportunity to apply for an abatement during normal business hours;

E. Provide that all applications, information submitted in support of the application, files and communications relating to an application for abatement and the determination on the application for abatement are confidential. Hearings and proceedings held pursuant to this subsection must be in executive session;

F. Provide to any person applying for abatement under this subsection; notice in writing of ~~their~~the decision within 30 days of application; and

G. Provide that any decision made under this subsection include the specific reason or reasons for the decision and inform the applicant of the right to appeal and the procedure for requesting an appeal.

For the purpose of this subsection, the municipal officers may set off or otherwise treat as available benefits provided to an applicant under chapter 907 or the property tax fairness credit provided under section 5219-II, subsection 2 when determining if the applicant is able to contribute to the public charges.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

Under current law, a municipality may abate the personal and real property taxes imposed on the primary residence of a resident who, by reason of hardship or poverty, is unable to pay the full amount of taxes assessed on that property. In making a determination as to the ability of a resident to pay, municipal officers were allowed to consider any benefit received by the resident under the Circuitbreaker Program, which was discontinued and replaced with a property tax fairness credit in the First Regular Session of the 126th Legislature.

This bill allows municipal officers, when determining the ability of a resident to pay assessed property taxes for purposes of an abatement, to take into account any property tax fairness credit received by that resident.