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An Act To Allow a Municipality To Abate Taxes Assessed on Property That Is Destroyed

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

Sec. 1. 36 MRSA §841, sub-§2-A is enacted to read:

2-A. Destruction of property. The assessors, either upon written application or on their own initiative, may make such reasonable abatement, but no more than 10% of the overlay, as they consider proper to reflect the diminishment of the value of a person's homestead due to its destruction after April 1st of the property tax year for which abatement is requested. The total abatement granted by the assessors pursuant to this subsection in any one property tax year may not exceed 50% of the overlay for that municipality for that property tax year. Except for abatement requests relating to destruction that occurs after March 31, 2013 and before April 1, 2015, a taxpayer seeking an abatement pursuant to this subsection must file a written application requesting abatement within 18 months from the date of the destruction of the property stating the grounds for abatement.

As used in this subsection, the following terms have the following meanings.

- A. "Destruction" means damage to real property from fire, explosion or natural disaster that reduces the just value of the improvements on the property by at least 50%.
- B. "Homestead" has the same meaning as in section 681, subsection 2.
- C. "Overlay" means the amount the assessors or, in primary assessing areas, the municipal officers assess on estates above the sum necessary for them to assess, as limited pursuant to section 710.

Sec. 2. Application; retroactivity. This Act applies retroactively to property tax years beginning on or after April 1, 2013.

SUMMARY

This bill allows municipal assessors, or the State Tax Assessor for property in the unorganized territory, to abate the property taxes of residential real property that, due to destruction by fire, explosion or natural disaster, suffers at least a 50% decrease in just value to improvements on that residential real property. The abatement is limited to property that qualifies as a homestead under the Maine resident homestead property tax exemption. For an individual homestead, the amount of the abatement is limited to 10% of the overlay for the property tax year in which the abatement is sought. If more than one homestead requests an abatement in a single property tax year, the aggregate amount of the abatements is limited to 50% of the overlay for the property tax year in which the multiple abatements are sought.