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An Act To Reinstitute the State Property Tax Deferral Program for Seniors

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

Sec. 1. 36 MRSA §6251, as amended by PL 1993, c. 395, §31, is further amended to read:

§ 6251. Deferral of tax on homestead; joint election; age requirement; filing claim

1. Filing claim. Subject to section 6252, an individual or 2 or more individuals jointly may elect to defer the property taxes on their homestead by filing a claim for deferral with the municipal assessor after January 1st but no later than April 1st of the first year in which deferral is claimed if:

- A. The individual or each individual, in the case of 2 or more individuals filing a claim jointly, is 65 years of age or older on April 1st of the year in which the claim is filed; and
- B. The individual or, in the case of 2 or more individuals filing a claim jointly, all the individuals together have household income, as defined in section 6201, subsection 7, of less than \$32,000 for the calendar year immediately preceding the calendar year in which the claim is filed.

The municipal assessor shall forward each claim filed under this subsection to the bureau within 30 days of receipt, and the bureau shall determine if the property taxpayer is eligible for deferral. Claims must be filed on a form approved by the State Tax Assessor and must include all information requested by the State Tax Assessor, including without limitation the claimant's and the claimant's heirs' contact information.

~~Claims from new applicants may not be filed pursuant to this chapter prior to January 1, 1994. For purposes of this section, "new applicants" means any person or persons that have not filed claims prior to April 1, 1991.~~

2. Property tax deferral. ~~When the taxpayer elects to defer property taxes for any year by filing a claim for deferral under subsection 1, it shall have~~The determination, pursuant to subsection 1, that a taxpayer is eligible for deferral has the effect of:

- A. Deferring the payment of the property taxes levied on the homestead for the municipal fiscal year beginning on or after April 1st of that year;
- B. Continuing deferral of the payment by the taxpayer of any property taxes deferred under this chapter for previous years that have not become delinquent under section 6260; and
- C. Continuing the deferral of the payment by the taxpayer of any future property taxes for as long as the provisions of section 6252 are met.

3. Guardian compliance. If a guardian or conservator has been appointed for an individual otherwise qualified to obtain deferral of taxes under this chapter, the guardian or conservator may act for that individual in complying with this chapter.

4. Trustee compliance. ~~If a trustee of a revocable inter vivos trust which, if that trust was created by and is revocable by an individual, who is both the trustor and a beneficiary of the trust and who is otherwise qualified to obtain a deferral of taxes under this chapter, owns the fee simple estate under a recorded instrument of sale, the trustee may act for the individual in complying with this chapter.~~

5. Spouse not required to claim. Nothing in this section may be construed to require a spouse of an individual to file a claim jointly with the individual even though the spouse may be eligible to claim the deferral jointly with the individual.

6. Appeal. Any ~~person~~taxpayer aggrieved by the denial of a claim for deferral of homestead property taxes or disqualification from deferral of homestead property taxes may file an appeal of the State Tax Assessor's determination, within 30 days of notification of denial or disqualification by the State Tax Assessor, with the State Board of Property Tax Review as provided in chapter 101, subchapter H-A2-A. When the State Tax Assessor disagrees with the municipal valuation of a property subject to deferral, the abatement and appeals process under chapter 105, subchapter 8 applies.

Sec. 2. 36 MRSA §6252, sub-§2, as enacted by PL 1989, c. 534, Pt. C, §1, is amended to read:

2. Fee simple estate. The ~~person~~individual claiming the deferral must, solely or together with the ~~person's~~individual's spouse, own the fee simple estate or be purchasing the fee simple estate under a recorded instrument of sale, or 2 or more ~~persons~~individuals must together own or be purchasing the fee simple estate with rights of survivorship under a recorded instrument of sale if all owners live in the homestead and if all owners apply for the deferral jointly.

Sec. 3. 36 MRSA §6252, as enacted by PL 1989, c. 534, Pt. C, §1, is amended by adding at the end a new paragraph to read:

Property for which an individual claims the deferral of taxes under chapter 908-A is ineligible for a tax deferral under this chapter.

Sec. 4. 36 MRSA §6253, as enacted by PL 1989, c. 534, Pt. C, §1, is amended to read:

§ 6253.Claim forms; contents

1. Administration. A taxpayer's claim for deferral under this chapter ~~shall~~must be in writing on a form supplied by the bureau and ~~shall~~must:

A. Describe the homestead;

B. ~~Recite facts~~Provide information establishing the eligibility for the deferral under the provisions of this chapter, including ~~facts that establish~~information that establishes that the household income, as defined in section 6201, subsection 7, of the individual; or, ~~in the case of 2 or more individuals claiming the deferral jointly;~~ was less than \$32,000 for the calendar year immediately preceding the calendar year in which the claim is filed; and

C. ~~Have attached~~Contain any documentary ~~proof~~information required by the bureau to show that the requirements of section 6252 have been met.

2. Statement verification. ~~There shall be annexed to the~~The claim must contain a statement verified by a written declaration of the ~~applicant making the claim to the effect~~individual or individuals that the statements contained in the claim are true.

Sec. 5. 36 MRSA §6254, sub-§1, as amended by PL 2007, c. 695, Pt. A, §45, is further amended to read:

1. Lien. The lien provided in section 552 must continue for purposes of protecting the State's deferred tax interest in tax deferred property. When it is determined that one of the events set out in section 6259 has occurred and that a property is no longer eligible for property tax deferral under this chapter, the State Tax Assessor shall send notice by certified mail to the ~~owner~~taxpayer, or the ~~owner's~~taxpayer's heirs or devisees, listing the total amount of deferred property taxes, including accrued interest and costs of all the years and demanding payment on or before April 30th of the year following the tax year in which the circumstances causing withdrawal from the provisions of this chapter occur.

When the circumstances listed in section 6259, subsection 4 occur, the amount of deferred taxes is due and payable 5 days before the date of removal of the property from the State.

If the deferred tax liability of a property has not been satisfied by the April 30th demand date, the State Tax Assessor shall, within 30 days, record in the registry of deeds in the county where the real estate is located a tax lien certificate signed by the State Tax Assessor or bearing the assessor's facsimile signature, setting forth the total amount of deferred tax liability, a description of the real estate on which the tax was deferred and an allegation that a tax lien is claimed on the real estate to secure payment of the tax, that a demand for payment of the tax has been made in accordance with this section and that the tax remains unpaid.

At the time of the recording of the tax lien certificate in the registry of deeds, the State Tax Assessor shall send by certified mail, return receipt requested, to each record holder of a mortgage on the real estate, to the holder's last known address, a true copy of the tax lien certificate. The cost to be paid by the ~~property owner~~taxpayer, or the ~~owner's~~taxpayer's heirs or devisees, is the sum of the fees for recording and discharging of the lien as established by Title 33, section 751, plus \$13. Upon redemption, the State Tax Assessor shall prepare and record a discharge of the tax lien mortgage. The lien described in section 552 is the basis of this tax lien mortgage procedure.

The filing of the tax lien certificate, provided for in this section, in the registry of deeds creates a mortgage on the real estate to the State and has priority over all other mortgages, liens, attachments and encumbrances of any nature and gives to the State all rights usually instant to a mortgage, except that the mortgagee does not have any right of possession of the real estate until the right of redemption expires.

Payments accepted during the redemption period may not interrupt or extend the redemption period or in any way affect the foreclosure procedures.

Sec. 6. 36 MRSA §6257, as amended by PL 1991, c. 591, Pt. DD, §1 and c. 622, Pt. CC, §1, is further amended to read:

§ 6257. Municipal tax collector to receive amount equivalent to deferred taxes from State

1. Payment of deferred taxes. Within 30 days of the receipt of information from a municipal tax collector concerning the amount of deferred property taxes in the respective municipality, the State Tax Assessor shall certify that amount to the Treasurer of the State, who shall make payment to the municipality on or before the 15th day of the following month.

~~**1-A. Prorated payment of deferred taxes.** The State Tax Assessor is authorized to prorate payments to municipalities for claims filed pursuant to this chapter if the amount available in the Senior Property Tax Deferral Revolving Account established in section 6266 in any fiscal year is insufficient to make full payments to all municipalities. If the applicant for deferred taxes can not pay the difference due to the municipality, the municipality that does not receive the full amount of deferred property taxes may cause a tax lien certificate to be filed in the county registry of deeds for the amount not received.~~

~~**1-B. Reimbursement to taxpayers.** The State Tax Assessor is authorized to reimburse taxpayers who qualified under this chapter and who have paid property taxes that would have otherwise been deferred but for the prorating of benefits as allowed in subsection 1-A.~~

2. Accounts maintained. The bureau shall maintain accounts for each deferred property and shall accrue interest only on the actual amount of taxes payments advanced to the municipality.

Sec. 7. 36 MRSA §6267, as enacted by PL 1993, c. 707, Pt. G, §10, is repealed.

Sec. 8. Application. This Act applies to property tax years beginning on or after April 1, 2020.

SUMMARY

This bill reinstitutes the property tax deferral program for seniors which, until April 1, 1991, provided a mechanism allowing qualifying senior homeowners to defer property tax payments and required the State to pay the property taxes on behalf of the homeowners. The bill makes the existing abatement and appeal processes available in cases in which the State Tax Assessor disagrees with the municipal assessment of a property eligible for enrollment in the program and makes other technical changes to the program to bring it into conformity with current law.