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H.P. 724

House of Representatives, March 24, 2015

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

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative COOPER of Yarmouth.
Cosponsored by Senator BREEN of Cumberland.

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

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

3 **2-A. Destruction of property.** The assessors, either upon written application or on
4 their own initiative, may make such reasonable abatement, but no more than 10% of the
5 overlay, as they consider proper to reflect the diminishment of the value of a person's
6 homestead due to its destruction after April 1st of the property tax year for which
7 abatement is requested. The total abatement granted by the assessors pursuant to this
8 subsection in any one property tax year may not exceed 50% of the overlay for that
9 municipality for that property tax year. Except for abatement requests relating to
10 destruction that occurs after March 31, 2013 and before April 1, 2015, a taxpayer seeking
11 an abatement pursuant to this subsection must file a written application requesting
12 abatement within 18 months from the date of the destruction of the property stating the
13 grounds for abatement.

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

15 A. "Destruction" means damage to real property from fire, explosion or natural
16 disaster that reduces the just value of the improvements on the property by at least
17 50%.

18 B. "Homestead" has the same meaning as in section 681, subsection 2.

19 C. "Overlay" means the amount the assessors or, in primary assessing areas, the
20 municipal officers assess on estates above the sum necessary for them to assess, as
21 limited pursuant to section 710.

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

24 **SUMMARY**

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