



129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1145

H.P. 834

House of Representatives, March 7, 2019

**An Act To Improve the Law Authorizing Municipalities To Allow
Low-income Seniors To Defer Payment of Municipal Property
Taxes**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative COOPER of Yarmouth.
Cosponsored by Senator SANBORN, H. of Cumberland.

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

2 **Sec. 1. 36 MRSA §6271, sub-§2, ¶B,** as enacted by PL 2009, c. 489, §5, is
3 amended to read:

4 B. The taxpayer is an owner of the eligible homestead, is at least ~~70~~ 65 years of age
5 on April 1st of the first year of eligibility and occupies the eligible homestead; and

6 **Sec. 2. 36 MRSA §6271, sub-§§9 and 10** are enacted to read:

7 **9. Property tax years beginning on or after April 1, 2020.** For property tax years
8 beginning on or after April 1, 2020, the State shall reimburse municipalities the amount
9 of property taxes deferred under this section in the manner provided under chapter 908,
10 and the State, the municipality where the property is located and the property owner have
11 the same rights and responsibilities related to the property as under that chapter.

12 **10. Municipal deferral reimbursement account.** The municipal deferral
13 reimbursement account is established as a nonlapsing account within the Department of
14 Administrative and Financial Services. Money credited to the account must be used to
15 reimburse municipalities as provided in subsection 9.

16 **Sec. 3. Appropriations and allocations.** The following appropriations and
17 allocations are made.

18 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

19 **Municipal Deferral Reimbursement Account N300**

20 Initiative: Provides a one-time nonlapsing General Fund appropriation of \$1,000,000 in
21 fiscal year 2019-20 to the newly created Municipal Deferral Reimbursement Account
22 program within the Department of Administrative and Financial Services to reimburse
23 municipalities for certain property taxes deferred.

24			
25	GENERAL FUND	2019-20	2020-21
26	All Other	\$1,000,000	\$0
27			
28	GENERAL FUND TOTAL	<u>\$1,000,000</u>	<u>\$0</u>

29 **SUMMARY**

30 This bill lowers from 70 years of age to 65 years of age the age of eligibility for
31 municipal property tax deferral programs for homesteads of low-income seniors and
32 requires the State to reimburse municipalities for the taxes deferred. The State acquires a
33 lien on the property for the amount of taxes deferred plus interest.