

Date:

(Filing No. H-)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 222, L.D. 289, Bill, “An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty”

Amend the bill by adding after section 3 the following:

Sec. 4. 36 MRSA §661, first ¶, as enacted by PL 1981, c. 133, §5, is amended to read:

As Except as otherwise provided in this section, as required by the Constitution of Maine, Article IV, Part 3 Third, Section 23, the Treasurer of State shall reimburse each municipality 50% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of statutory property tax exemptions or credits enacted after April 1, 1978. The property tax revenue loss shall must be determined pursuant to the following procedure.

Sec. 5. 36 MRSA §661, sub-§4, as enacted by PL 1981, c. 133, §5, is amended to read:

4. Payment. The Treasurer of State shall pay to the municipality ~~50%~~ the percentage of the property tax revenue loss to which it is entitled under this section by December 15th of the year following the year in which property tax revenue was lost by the municipality.

Sec. 6. 36 MRSA §661, sub-§6 is enacted to read:

6. Exception. The Treasurer of State shall reimburse each municipality 100% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of the expansion of the exemption provided in section 653, subsection 1 to veterans who did not serve during a federally recognized war period.

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

COMMITTEE AMENDMENT

1 **Veterans Tax Reimbursement 0407**

2 Initiative: Provides funding to reimburse municipalities for costs associated with
3 implementing a property tax exemption for veterans at least 62 years of age who have
4 served on active duty or have qualifying disabilities.

| | | | |
|---|---------------------------|----------------|-----------------|
| 5 | GENERAL FUND | 2017-18 | 2018-19 |
| 6 | All Other | \$0 | \$15,000 |
| 7 | | | |
| 8 | GENERAL FUND TOTAL | \$0 | \$15,000 |
| 9 | | | |

10 **SUMMARY**

11 This amendment requires the State to reimburse municipalities for 100% of the
12 property tax revenue loss as a result of the extension of the veterans' property tax
13 exemption to veterans who did not serve during a federally recognized war period.
14 Reimbursement of at least 50% of the property tax revenue loss is required by the
15 Constitution of Maine, Article IV, Part Third, Section 23. This amendment also adds a
16 General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of
17 Administrative and Financial Services to reimburse municipalities for state-mandated
18 administrative costs associated with implementing this property tax exemption.

19 **FISCAL NOTE REQUIRED**

20 **(See attached)**