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An Act To Increase the Homestead Property Tax Exemption

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

Sec. 1. 36 MRSA §683, sub-§1, as repealed and replaced by PL 2005, c. 2, Pt. F, §1 and affected by §5, is amended to read:

1. Exemption amount. Except for assessments for special benefits and except as provided in subsection 1-B, the just value of \$13,000 of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months is exempt from taxation. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to the homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$13,000 of the just value of the homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

Sec. 2. 36 MRSA §683, sub-§1-B is enacted to read:

1-B. Approved exemption amount. Notwithstanding subsection 1, except for assessments for special benefits, a municipality may approve the exemption from taxation of the just value of \$25,000 of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to the homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$25,000 of the just value of the homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

A municipality may approve the increased homestead exemption amount established in this subsection in the following manner.

A. In a municipality where the responsibility for final adoption of the municipal budget is vested by municipal charter in a council, the increased exemption amount must be approved by a majority of the members of the council.

B. When the final budget authority is vested in a town meeting operating under the general enabling procedures of Title 30-A, the increased exemption amount must be approved by the town meeting or under the procedures of Title 30-A, section 2522 or 2528.

Sec. 3. Application. This Act applies to property tax years beginning on or after April 1, 2009.

SUMMARY

This bill allows a municipality to approve a higher exemption amount under the Maine resident homestead property tax exemption program.