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An Act To Allow the Same Homestead and Veterans' Exemptions to a Person Who Has a Life Lease as Are Allowed to Those Who Have a Life Estate

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, some residents of the State occupy their homestead under a life estate or a life lease; and

Whereas, residents who hold their homestead pursuant to a life estate are entitled to homestead and veterans' property tax exemptions and residents occupying their homesteads under a life lease are not; and

Whereas, residents with a life lease should be treated the same as residents with a life estate; and

Whereas, residents who hold their property in this manner are likely to be elderly and in need of immediate property tax relief; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §653, sub-§1, ¶L is enacted to read:

L. A person whose interest in property is a life lease is entitled to the same exemptions under this subsection as a person whose interest in property is a life estate.

Sec. 2. 36 MRSA §681, sub-§2, as amended by PL 2005, c. 647, §2 and affected by §5, is further amended to read:

2. Homestead. "Homestead" means any residential property, including cooperative property, in this State assessed as real property owned by an applicant, occupied under a life lease by the applicant or held in a revocable living trust for the benefit of the applicant and occupied by the applicant as the applicant's permanent residence or owned by a cooperative housing corporation and occupied as a permanent residence by a resident who is a qualifying shareholder. A "homestead" does not include any real property used solely for commercial purposes.

Sec. 3. Application. This Act applies to property taxes based on the status of property on April 1, 2009.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill extends homestead and veterans' property tax exemptions to persons who occupy their property under a life lease.