



128th MAINE LEGISLATURE

LD 73

LR 473(02)

An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$0	\$15,460,000	\$21,025,000	\$21,725,000
Appropriations/Allocations				
General Fund	\$0	\$15,460,000	\$21,025,000	\$21,725,000

State Mandates

Required Activity

Staff time and programming costs related to eligibility determination, updating records, changing payments and tracking for the homestead property tax exemption program.

Unit Affected

Municipality

Local Cost

\$85,000

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill increases the homestead property tax exemption from \$20,000 to \$50,000 for certain applicants age 75 or older and provides for 100% reimbursement to municipalities for this increase for property tax years beginning on or after April 1, 2018. The bill includes a General Fund appropriation of \$15,460,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services, \$15,375,000 of which is to reimburse municipalities for the loss of property tax revenue and \$85,000 of which is for a one-time reimbursement to municipalities for the mandated costs to make the resulting changes to the program.