

## ENACTED PROPERTY TAX LEGISLATION – 2019 SESSION

### Exemptions

**Homestead exemption.** The law increases the homestead exemption from \$20,000 to \$25,000 for property tax years beginning on or after April 1, 2020. The law also increases the State reimbursement to municipalities from 62.5% to 70% of revenue lost due to the exemption, also for property tax years beginning on or after April 1, 2020. Effective June 17, 2019. LD 1001, PL 2019, c. 343.

**Renewable energy equipment.** The law exempts solar and wind energy equipment, except that of industrial power suppliers, from property tax. A taxpayer claiming the exemption must file an application with the municipality in the first year the exemption is sought. Maine Revenue Services must work with a stakeholder group and report a procedure for renewable energy facility valuation to the Legislature by December 1, 2019. Effective September 19, 2019. LD 1430, PL 2019, c. 440.

**Blind exemption.** The law removes the provision allowing the \$4,000 exemption for the legally blind to be apportioned among multiple jurisdictions. The exemption must now be claimed in the taxpayer's place of residence. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

### State Valuation

**State valuation.** The 45-day period for municipalities to appeal adverse state valuation decisions to Maine Revenue Services is changed to a specific deadline of November 15. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

**State valuation.** The law allows adjustment to a municipality's prior years' state valuations for purposes of calculating current and ongoing state education payments. Municipalities may appeal adverse decisions to the State Board of Property Tax Review. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

**State valuation.** Notice of proposed state valuation is no longer required to be sent to municipalities through certified mail. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

### Tax Assistance

**Property tax relief.** The law establishes the Property Tax Relief Fund for Maine Residents (replacing the Tax Relief Fund for Maine Residents) and requires the fund to be used to provide property tax relief payments directly to Maine residents whose residence qualifies for an exemption under the Maine homestead property tax exemption. When the fund reaches a target balance, the Treasurer of State is required, by March 1, to mail checks for the tax relief payment

to each owner of a qualifying homestead. Effective September 19, 2019. LD 1713, PL 2019, c. 448.

**Senior Volunteer Benefit program.** This law increases the maximum allowable annual benefit municipalities may offer to volunteers 60 or older, from \$750 to \$1,000 or 100 times the state minimum wage, whichever is greater. Effective September 19, 2019. LD 62, PL 2019, c. 36.

**Municipal tax deferral program.** The law allows municipalities to determine age and residence limitations for participation in a municipal tax deferral program under 36 M.R.S. chapter 908-A. Effective September 19, 2019. LD 811, PL 2019, c. 159.

### **Development Districts**

**Tax increment financing districts.** The law expands the definition of approved project costs incurred outside a tax increment financing district to include all public safety facilities, rather than just fire stations. Effective September 19, 2019. LD 1122, PL 2019, c. 148.

**Municipal development districts.** The law allows development districts that are not tax increment financing districts to have no time limitation. Municipalities may also establish a duration of longer than 30 years for a development district that is not a tax increment financing district. 30 years is the duration limit for tax increment financing districts. Effective September 19, 2019. LD 746, PL 2019, c. 140.

**Municipal development districts.** The law expands the list of authorized project costs for development districts to include broadband service development, expansion, or improvement inside or outside of a TIF district. Effective September 19, 2019. LD 854, PL 2019, c. 260.

### **Excise Tax**

**Motor vehicle excise tax.** Well drilling equipment attached to a motor vehicle used for business purposes is not subject to the excise tax. Instead, this equipment is subject to property tax and is eligible for the Business Equipment Tax Exemption program. Effective September 19, 2019. LD 873, PL 2019, c. 430.

**Mobile homes and camper trailers.** The definitions of mobile home and camper trailer are aligned with the definitions in sales tax law. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

**Excise tax.** The law is clarified to state that the credit for excise tax previously paid and the model year adjustment for certain vehicles is limited to instances when the previously paid excise tax is the Maine excise tax. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

### **Unorganized Territory**

**Municipal deorganization.** The Legislature has approved a request by Magalloway Plantation to proceed with the deorganization of that municipality. Once the process is completed, Magalloway will become part of the unorganized territory, which is administered by the State. Effective September 19, 2019. LD 1568, P&SL 2019, c. 13.

**Municipal cost component.** This law is a routine annual process for establishing the costs of administering the unorganized territory of Maine. The costs approved by the Maine Legislature must be incorporated into the 2019 property tax levy in the unorganized territory. The unorganized territory property tax is collected as dedicated revenue to the Unorganized Territory Education and Services Fund. Effective September 19, 2019. LD 1643, PL 2019, c. 212.

**Conveyance of state interest in certain real estate in the unorganized territory.** This Resolve authorizes the State Tax Assessor to sell certain tax-acquired parcels located in the unorganized territory. Effective September 19, 2019. LD 1739, Resolves, 2019, c. 68.

### **Real Estate Transfer Tax**

**Real estate transfer tax.** Nominal value, for purposes of calculating the real estate transfer tax, is defined as 20% of the assessed value for determining when the market value for property should be used. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

### **Miscellaneous**

**Facsimile signature.** The State Tax Assessor may use a facsimile signature at the assessor's discretion. Previously, a facsimile was allowed only on specific documents. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

**Tenants in common and joint tenants.** A tenant in common or a joint tenant wishing to be considered a sole owner for tax purposes must notify the municipal assessor prior to the commitment of taxes. Previously the law did not impose a deadline for notification. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

**Foreclosure.** If a municipality agrees to sell a foreclosed homestead to the previous owner, the alternate sale process required by 36 M.R.S. § 943-C does not apply. Effective September 19, 2019. LD 1798, PL 2019, c. 401.

**Delinquent taxes.** The definition of delinquent taxes in the unorganized territory is aligned with that of municipalities, where taxes are delinquent if not paid by the due date. Effective September 19, 2019. LD 1798, PL 2019, c. 401.