

Subchapter 4-B: MAINE RESIDENT HOMESTEAD PROPERTY TAX
EXEMPTION HEADING: PL 1997, C. 643, PT. HHH, §3 (NEW)

36 §681. DEFINITIONS

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF).]

1. Applicant. "Applicant" means an individual who has applied for a homestead property tax exemption pursuant to this subchapter.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

1-A. Cooperative housing corporation. "Cooperative housing corporation" means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle the shareholder to inhabit a certain space within a residential dwelling.

[2005, c. 647, §1 (NEW); 2005, c. 647, §5 (AFF) .]

1-B. Cooperative property. "Cooperative property" means the real property, including mobile and manufactured homes, owned by a cooperative housing corporation for the primary purpose of residential use.

[2005, c. 647, §1 (NEW); 2005, c. 647, §5 (AFF) .]

2. Homestead. "Homestead" means any residential property, including cooperative property, in this State assessed as real property owned by an 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.

[2005, c. 647, §2 (AMD); 2005, c. 647, §5 (AFF) .]

3. Permanent residence. "Permanent residence" means that place where an individual has a true, fixed and permanent home and principal establishment to which the individual, whenever absent, has the intention of returning. An individual may have only one permanent residence at a time and, once a permanent residence is established, that residence is presumed to continue until circumstances indicate otherwise.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

4. Permanent resident. "Permanent resident" means an individual who has established a permanent residence. For purposes of this subchapter, a person on active duty serving in the Armed Forces of the United States who is permanently stationed at a military or naval post, station or base in this State is deemed to be a permanent resident. A member of the Armed Forces of the United States stationed in the State who applies for an exemption shall present certification from the commander of the member's post, station or base or from the commander's designated agent that the member is permanently stationed at that post, station or base. For purposes of this subsection, "a person on active duty serving in the Armed Forces of the United States" does not include a member of the National Guard or the Reserves of the United States Armed Forces.

[2009, c. 418, §1 (AMD); 2009, c. 418, §3 (AFF) .]

5. Qualifying shareholder. "Qualifying shareholder" means a person who is a:

A. Shareholder in a cooperative housing corporation that owns a homestead in this State; [2005, c. 647, §3 (NEW); 2005, c. 647, §5 (AFF) .]

B. Shareholder for the preceding 12 months in the cooperative housing corporation specified in paragraph A; and [2005, c. 647, §3 (NEW); 2005, c. 647, §5 (AFF) .]

C. Permanent resident of this State. [2005, c. 647, §3 (NEW); 2005, c. 647, §5 (AFF) .]

[2005, c. 647, §3 (NEW); 2005, c. 647, §5 (AFF) .]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF). 2005, c. 647, §§1-3 (AMD). 2005, c. 647, §5 (AFF). 2009, c. 418, §1 (AMD). 2009, c. 418, §3 (AFF) .

36 §682. PERMANENT RESIDENCY; FACTUAL DETERMINATION BY ASSESSOR

The assessor shall determine whether an applicant has a permanent residence in this State. In making a determination as to the intent of an individual to establish a permanent residence in this State, the assessor may consider the following: [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

1. Formal declarations. Formal declarations of the applicant or any other individual;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

2. Informal statements. Informal statements of the applicant or any other individual;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

3. Place of employment. The place of employment of the applicant;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

4. Previous permanent residence. The previous permanent residence of the applicant and the date the previous permanent residency was terminated;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

5. Voter registration. The place where the applicant is registered to vote;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

6. Driver's license. The place of issuance to the applicant of a driver's license and the address listed on the license;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

7. Certificate of motor vehicle registration. The place of issuance of a certificate of registration of a motor vehicle owned by the applicant and the address listed on the certificate;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

8. Income tax returns. The residence claimed on any income tax return filed by the applicant;

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

9. Motor vehicle excise tax. The place of payment of a motor vehicle excise tax by the applicant; or
[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

10. Military residence. A declaration by the applicant of permanent residence registered with any branch of the Armed Forces of the United States.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF) .

36 §683. EXEMPTION OF HOMESTEADS

1. Exemption amount. Except for assessments for special benefits, the just value of \$10,000 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 \$10,000 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. [2005, c. 2, Pt. F, §5 (AFF); 2005, c. 2, Pt. F, §1 (RP) .]

B. [2005, c. 2, Pt. F, §5 (AFF); 2005, c. 2, Pt. F, §1 (RP) .]

C. [2005, c. 2, Pt. F, §5 (AFF); 2005, c. 2, Pt. F, §1 (RP) .]

[2009, c. 213, Pt. YYY, §1 (AMD); 2009, c. 213, Pt. YYY, §2 (AFF) .]

1-A. Local assessed value of the exemption.

[2005, c. 2, Pt. F, §5 (AFF); 2005, c. 2, Pt. F, §2 (RP) .]

2. Exemption in addition to other exemptions. The exemption provided in this subchapter is in addition to the exemptions provided in sections 653 and 654.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

3. Effect on state valuation. Fifty percent of the just value of homesteads exempt under this subchapter must be included in the annual determination of state valuation under sections 208 and 305.

[2005, c. 2, Pt. F, §3 (AMD); 2005, c. 2, Pt. F, §5 (AFF) .]

4. Property tax rate. Fifty percent of the value of homestead exemptions under this subchapter must be included in the total municipal valuation used to determine the municipal tax rate. The municipal tax rate as finally determined may be applied to only the taxable portion of each homestead qualified for that tax year.

[2005, c. 2, Pt. F, §3 (AMD); 2005, c. 2, Pt. F, §5 (AFF) .]

5. Determination of exemption for cooperative housing corporation. A cooperative housing corporation may apply for an exemption under this subchapter to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. The application must include a list of all qualifying shareholders and must be updated annually to reflect changes in the ownership and residency of qualifying shareholders. The exemption is equal to the amount specified in subsection 1

multiplied by the number of units in the cooperative property occupied by qualifying shareholders. A cooperative housing corporation that receives an exemption pursuant to this section shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders on a per unit basis. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

[2005, c. 647, §4 (NEW); 2005, c. 647, §5 (AFF) .]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF). 2003, c. 20, §§BB1,2 (AMD). 2003, c. 20, §BB3 (AFF). 2005, c. 2, §§F1-3 (AMD). 2005, c. 647, §4 (AMD). 2005, c. 2, §F5 (AFF). 2005, c. 647, §5 (AFF). 2009, c. 213, Pt. YYY, §1 (AMD). 2009, c. 213, Pt. YYY, §2 (AFF).

36 §684. FORMS; APPLICATION

1. Generally. The bureau shall furnish to the assessor of each municipality a sufficient number of printed forms to be filed by applicants for an exemption under this subchapter and shall determine the content of the forms. A municipality shall provide to its inhabitants reasonable notice of the availability of application forms. An individual claiming an exemption under this subchapter for the first time shall file the application form with the assessor or the assessor's representative. The application must be filed on or before April 1st of the year on which the taxes are based.

[2007, c. 438, §21 (AMD) .]

2. False filing. An individual who knowingly gives false information for the purpose of claiming a homestead exemption under this subchapter commits a Class E crime. Except for a person on active duty serving in the Armed Forces of the United States who is permanently stationed at a military or naval post, station or base in the State, an individual who claims to be a permanent resident of this State under this subchapter who also claims to be a permanent resident of another state for the tax year for which an application for a homestead exemption is made commits a Class E crime.

[2009, c. 418, §2 (AMD); 2009, c. 418, §3 (AFF) .]

3. Continuation of eligibility. The assessor shall evaluate annually the ongoing eligibility of property for which a homestead exemption has been approved under this subchapter. The evaluation must be based on the status of the property on April 1st of the year on which the homestead exemption is based. The evaluation must include, but is not limited to, a review of whether the ownership of the property has changed in any manner that would disqualify the property for an exemption under this subchapter or whether the owner has ceased to use the property as a homestead. Unless the assessor determines that the property is no longer entitled to an exemption under this subchapter, the owner is entitled to receive the exemption without having to reapply. If the assessor determines that the property is no longer entitled to an exemption under this subchapter, the assessor shall notify the owner as provided in section 686 that the property is no longer entitled to an exemption under this subchapter.

[2003, c. 13, §1 (AMD) .]

4. Owner notification. An owner of property receiving an exemption under this subchapter shall notify the assessor promptly when the ownership or use of the property changes so as to change the qualification of the property for an exemption under this subchapter.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF). 2003, c. 13, §1 (AMD). 2007, c. 438, §21 (AMD). 2009, c. 418, §2 (AMD). 2009, c. 418, §3 (AFF).

36 §685. DUTY OF ASSESSOR; REIMBURSEMENT BY STATE

1. Examination and identification. The assessor shall examine each application for homestead exemption that is timely filed with the assessor, determine whether the property is entitled to an exemption under this subchapter and identify the exemption in the municipal valuation.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

2. Entitlement to reimbursement by the State; calculation. A municipality that has approved homestead exemptions under this subchapter may recover from the State 50% of the taxes lost by reason of the exemptions upon proof in a form satisfactory to the bureau. The bureau shall reimburse the Unorganized Territory Education and Services Fund for 50% of taxes lost by reason of the exemption.

[2005, c. 2, Pt. F, §4 (AMD); 2005, c. 2, Pt. F, §5 (AFF) .]

3. Information provided to State; deviations in assessment ratio. The assessor shall provide by June 1st, annually, any relevant information requested by the bureau for the purpose of determining the actual assessment ratio for developed parcels in use in a municipality. The certified ratio declared by the municipality must be considered accurate by the bureau if it is within 10% of the assessment ratio last determined by the bureau in its annual report of ratio studies involving developed parcels of property. The assessor may submit additional information on the relevant assessment ratio to the bureau in order to prove that a different ratio should apply. The bureau may accept a certified ratio that deviates more than 10% from the last reported developed parcel ratio only if the information submitted by the municipality clearly indicates that the certified ratio is more accurate than the assessment ratio contained in the bureau's most recent annual report.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

4. Estimated and final payments by the State. Reimbursement to municipalities must be made in the following manner.

A. The bureau shall estimate the amount of reimbursement required under this section for each municipality and certify 80% of the estimated amount to the Treasurer of State by August 1st, annually. The Treasurer of State shall pay by August 15th, annually, the amount certified to each municipality entitled to reimbursement. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

B. A municipality claiming reimbursement under this section shall submit a claim to the bureau by November 1st of the year in which the exemption applies or within 30 days of commitment of taxes, whichever occurs later. The bureau shall review the claims and determine the total amount to be paid. The bureau shall certify and the Treasurer of State shall pay by December 15th of the year in which the exemption applies the difference between the estimated payment issued and the amount that the bureau finally determines for that tax year. Municipal claims that are timely filed after November 1st must be paid as soon as reasonably possible after the December 15th payment date. If the total amount of reimbursement to which a municipality is entitled is less than the amount received under paragraph A, the municipality shall repay the excess to the State by December 30th of the year, or the amount may be offset against the amount of state-municipal revenue sharing due the municipality under Title 30-A, section 5681. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

5. Reimbursement for state mandated costs. The bureau shall reimburse municipalities and the Unorganized Territory Education and Services Fund for state mandated costs in the manner provided in Title 30-A, section 5685.

[1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF) .]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF). 2005, c. 2, §F4 (AMD). 2005, c. 2, §F5 (AFF).

36 §686. DENIAL OF HOMESTEAD EXEMPTION; APPEALS

If the assessor determines that a property is not entitled to a homestead exemption under this subchapter, the assessor shall promptly provide a notice of denial, including the reasons for the denial, to the applicant by either personal delivery or regular mail. An applicant may appeal a denial of an exemption under this subchapter using the procedures provided in subchapter VIII. If the assessor determines that a property receiving an exemption under this subchapter any year within the 10 preceding years was not eligible for the exemption, the assessor shall immediately notify the bureau in writing. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF).]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF).

36 §687. SUPPLEMENTAL ASSESSMENT

If the assessor notifies the bureau under section 686, or the bureau otherwise determines that a property improperly received an exemption under this subchapter for any of the 10 years immediately preceding the determination, the assessor shall supplementally assess the property for which the exemption was improperly received, plus costs and interest. The supplemental assessment must be assessed and collected pursuant to section 713-B. The bureau shall deduct the value of the portion of the supplemental assessment that pertains to any funds previously reimbursed to the municipality under section 685 from the next reimbursement issued to the municipality. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF).]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF).

36 §688. EFFECT OF DETERMINATION OF RESIDENCE

A determination of permanent residence made for purposes of this subchapter is not binding on the bureau with respect to the administration of Part 8 and has no effect on determination of domicile for purposes of the Maine individual income tax. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF).]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF).

36 §689. AUDITS; DETERMINATIONS OF BUREAU

The bureau has the authority to audit the records of a municipality to ensure compliance with this subchapter. The bureau may independently review the records of a municipality to determine if homestead exemptions have been properly approved. If the bureau determines that a homestead exemption was improperly approved, the bureau shall ensure, either by setoff against other payments due the municipality or otherwise, that the municipality is not reimbursed for the exemption. A municipality that is aggrieved by a determination of the bureau under this subchapter may appeal pursuant to section 151. [1997, c. 643, Pt. HHH, §3 (NEW); 1997, c. 643, Pt. HHH, §10 (AFF).]

SECTION HISTORY

1997, c. 643, §HHH3 (NEW). 1997, c. 643, §HHH10 (AFF).