

Shaded LDs have been voted on by the Committee

WS 2/16/2023

**TAXATION COMMITTEE
131st LEGISLATURE
1st REG SESSION**

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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY24	FY25
66	250	1/31	2/9	Perkins	An Act to Prohibit the Taxation of Drinking Water	<p>This bill expands the sales tax exemption for <u>grocery staples to include drinking water</u> other than flavored, mineral bottled and carbonated waters.</p> <p>MRS concerns:</p> <ol style="list-style-type: none"> 1. “drinking water” should be defined. Suggest Streamlined Sales Tax definition of “bottled water”. 2. Questions whether it intended to include drinking water sold for nonresidential use (e.g. hotels etc) 3. Needs application date. <p><u>Rep. Hasenfus has proposed Committee Amendment.</u></p>	Tabled	<p>MRS PH testimony contains preliminary estimate revenue loss of \$7.5 million and \$10 million annually but depends on clarifications.</p> <p>MRS Admin Costs minimal and can be absorbed.</p> <p>In response to question from Rep. Rudnicki at PH, Newel Augur estimates \$3.1 million per year from ST on bottled water.</p>	
101	253	2/7		Perkins	An Act to Return to the Former Owner Any Excess Funds Remaining After the Sale of Foreclosed Property	<p><u>1.. Under current law, except in certain circumstances,</u> if a municipality, or the State Tax Assessor for property located in the unorganized territory, forecloses on property for failure to pay taxes owed on that property, <u>the municipality is under no obligation to return to the owner any funds that exceed the amount owed in taxes after the sale of the property.</u></p> <p><u>2.Under current law, 36 MRSA §943-C municipalities that intend to sell foreclosed property, must retain a licensed real estate broker, sell for fair market value and return excess funds (reduced by taxes owed and municipal costs) if:</u></p> <p><u>A. At least one of former owners is 65 or older</u></p>			

¹ . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

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						<p><u>B. Income</u> reduced by medical expenses of former owners less than \$40,000</p> <p><u>C. Liquid assets</u> of former owners is less the \$50,000 (single person) or \$75,000 (more than one person)_.</p> <p><u>If a licensed real estate broker cannot be found or property does not sell within 6 months, municipality may sell property through usual foreclosure process.</u></p> <p><u>3. This bill requires the municipality,</u> which includes the State Tax Assessor for property located in the unorganized territory, to</p> <p>A. <u>Provide notice of the availability of the excess funds, after subtracting</u> the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs and any other expenses incurred in disposing of the property, <u>to the former owner</u> within 30 days after the sale of the property or 180 days after the foreclosure, whichever is sooner.</p> <p>B. <u>Keep the excess funds in a segregated escrow account.</u> If the former owner fails to claim the excess funds in person within 90 days after receipt of the notice, the municipality is allowed to retain the excess funds.</p> <p>C. <u>If the former owner or the former owner's representative notifies the municipality within 90 days after receipt of the notice,</u> the municipality must <u>negotiate with the former owner over the return of the excess funds.</u> If the former owner is dissatisfied with the municipality's offer, the <u>former owner may seek binding arbitration</u> for resolution of the matter.</p>			

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144	362	2/7		Sachs	An Act Regarding the Monitoring of Municipal Abandoned Property	<p>1...<u>Under current law</u>, a municipality that certifies abandoned property is required to provide <u>information regarding the property to the Maine State Housing Authority</u> for use in determining opportunities for redevelopment, programs supporting first-time home buyers and similar programs and data analysis.</p> <p>2.. <u>This bill</u> instead requires the municipality to submit such <u>information to the Maine Redevelopment Land Bank Authority</u> for use in determining opportunities for redevelopment.</p> <p>MRS requests that this bill and LD 167 be held until later in the session to be considered with other bills affecting PT relief programs that will be affected by these changes.</p>			
167	247	2/7		Bell	An Act Regarding Eligibility for the Maine Resident Homestead Property Tax Exemption	<p>This bill provides that <u>a person who holds a life lease on a permanent residence is eligible for the Maine resident homestead property tax exemption.</u></p> <p>Changes in definition of “homestead” has repercussions for other benefits that incorporate the definition of “homestead.” MRS requests that this bill and LD 149 be held until later in the session to be considered with other bills affecting PT relief programs that will be affected by these changes.</p>			
210	820	2/7		Hasenfus	An Act to Expand the List of Persons Exempt from the Real Estate Transfer Tax	<p><u>Current law</u> provides exemption from Real Estate Transfer Tax for transfers to spouses, parents, grandparents and grandchildren.</p> <p><u>This bill expands</u> the exemption for family members to <u>include siblings, stepchildren and step grandchildren.</u></p> <p>MRS indicates that it <u>already considers stepchildren and step grandchildren</u> to be exempt. Recommends considering <u>whether stepsiblings should be exempted.</u></p>			