



126th MAINE LEGISLATURE

LD 316

LR 718(01)

An Act To Provide Property Tax Relief for Noncombat Veterans

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Libby of Lewiston

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

State Mandate - Unfunded

Current biennium cost increase - General Fund

State Mandates

Required Activity

Municipalities will be required to administer a new property tax exemption of \$4,500 for noncombat veterans, their unremarried widower or widow, minor child or parent of a deceased veteran that would otherwise be eligible for the exemption. Required activities would include reviewing and determining which properties are eligible for the property tax exemption and subsequently updating tax records as well as other associated administrative duties.

Unit Affected

Municipality

Local Cost

Insignificant statewide

The required local activities in this bill may represent a State mandate pursuant to the Constitution of Maine. Unless General Fund appropriations are provided to fund at least 90% of the additional costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, municipalities may not be required to implement these changes.

Fiscal Detail and Notes

Pursuant to Article IV, Part Third, Section 23 of the Maine Constitution the State is required to annually reimburse municipalities for 50% of property tax revenue lost by municipalities for State imposed property tax exemptions or credits. While it is unknown at this time as to the total amount of property tax revenue that would be lost due to this exemption, there will need to be a General Fund appropriation to cover this reimbursement. Reimbursement for lost property tax revenue does not address the mandated activities.