



126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1654

S.P. 647

In Senate, December 23, 2013

**An Act To Amend the Municipal Hardship or Poverty Tax
Abatement Law To Reflect the Replacement of the Circuitbreaker
Program**

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 23, 2013. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator SAVIELLO of Franklin.
Cosponsored by Representative BEAVERS of South Berwick and
Senator: BOYLE of Cumberland.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the Circuitbreaker Program was replaced with a property tax fairness
4 credit in the First Regular Session of the 126th Legislature; and

5 **Whereas,** a municipality that provides a hardship or poverty tax abatement to its
6 residents was permitted to consider benefits provided to those residents under the
7 Circuitbreaker Program when determining the ability of residents to pay property taxes
8 due the municipality; and

9 **Whereas,** there is no provision for a municipality to consider the property tax
10 fairness credit in determining the ability of a resident to pay property taxes, limiting the
11 ability of municipalities to determine accurately residents' needs for abatement; and

12 **Whereas,** without the changes made by this legislation, municipalities may be
13 forced to reduce hardship or poverty tax abatement, hurting those who need it, or provide
14 abatement in amounts that are more than residents are entitled to; and

15 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
16 the meaning of the Constitution of Maine and require the following legislation as
17 immediately necessary for the preservation of the public peace, health and safety; now,
18 therefore,

19 **Be it enacted by the People of the State of Maine as follows:**

20 **Sec. 1. 36 MRSA §841, sub-§2,** as repealed and replaced by PL 2013, c. 424, Pt.
21 A, §24, is amended to read:

22 **2. Hardship or poverty.** The municipal officers, or the State Tax Assessor for the
23 unorganized territory, within 3 years from commitment, may, on their own knowledge or
24 on written application, make such abatements as they believe reasonable on the real and
25 personal taxes on the primary residence of any person who, by reason of hardship or
26 poverty, is in their judgment unable to contribute to the public charges. The municipal
27 officers, or the State Tax Assessor for the unorganized territory, may extend the 3-year
28 period within which they may make abatements under this subsection.

29 Municipal officers or the State Tax Assessor for the unorganized territory shall:

30 A. Provide that any person indicating an inability to pay all or part of taxes that have
31 been assessed because of hardship or poverty be informed of the right to make
32 application under this subsection;

33 B. Assist individuals in making application for abatement;

34 C. Make available application forms for requesting an abatement based on hardship
35 or poverty and provide that those forms contain notice that a written decision will be
36 made within 30 days of the date of application;

37 D. Provide that persons are given the opportunity to apply for an abatement during
38 normal business hours;

1 E. Provide that all applications, information submitted in support of the application,
2 files and communications relating to an application for abatement and the
3 determination on the application for abatement are confidential. Hearings and
4 proceedings held pursuant to this subsection must be in executive session;

5 F. Provide to any person applying for abatement under this subsection; notice in
6 writing of ~~their~~ the decision within 30 days of application; and

7 G. Provide that any decision made under this subsection include the specific reason
8 or reasons for the decision and inform the applicant of the right to appeal and the
9 procedure for requesting an appeal.

10 For the purpose of this subsection, the municipal officers may set off or otherwise treat as
11 available benefits provided to an applicant under chapter 907 or the property tax fairness
12 credit provided under section 5219-II, subsection 2 when determining if the applicant is
13 able to contribute to the public charges.

14 **Emergency clause.** In view of the emergency cited in the preamble, this
15 legislation takes effect when approved.

16 **SUMMARY**

17 Under current law, a municipality may abate the personal and real property taxes
18 imposed on the primary residence of a resident who, by reason of hardship or poverty, is
19 unable to pay the full amount of taxes assessed on that property. In making a
20 determination as to the ability of a resident to pay, municipal officers were allowed to
21 consider any benefit received by the resident under the Circuitbreaker Program, which
22 was discontinued and replaced with a property tax fairness credit in the First Regular
23 Session of the 126th Legislature.

24 This bill allows municipal officers, when determining the ability of a resident to pay
25 assessed property taxes for purposes of an abatement, to take into account any property
26 tax fairness credit received by that resident.