

**§6235. Municipal authority; partial deferral of property taxes for seniors**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Deferred property taxes" means the amount of property taxes assessed on an eligible homestead, the collection of which is deferred by the municipality under a program. [PL 2023, c. 547, §1 (NEW).]

B. "Eligible homestead" means a homestead owned and occupied by an eligible individual who is eligible for a homestead exemption under chapter 105, subchapter 4-B for the property tax year during which an application for stabilization is made. [PL 2023, c. 547, §1 (NEW).]

C. "Federal poverty level" means the nonfarm income official poverty line for a family of the size involved, as defined by the federal Office of Management and Budget and revised annually in accordance with the United States Omnibus Budget Reconciliation Act of 1981. [PL 2023, c. 547, §1 (NEW).]

D. "Homestead" has the same meaning as under section 681, subsection 2 and may include mobile homes if expressly included in a municipal ordinance adopted under this section. [PL 2023, c. 547, §1 (NEW).]

E. "Household income" has the meaning set out in section 6201, subsection 7. [PL 2023, c. 547, §1 (NEW).]

F. "Partial property tax deferral" means the deferral of the payment of property taxes assessed on an eligible homestead in excess of the stabilized taxes assessed on that eligible homestead. [PL 2023, c. 547, §1 (NEW).]

G. "Program" means a stabilization and tax deferral program adopted by a municipality pursuant to subsection 2. [PL 2023, c. 547, §1 (NEW).]

H. "Stabilize" means to set the amount of property tax required to be paid by a taxpayer on an eligible homestead in the property tax year during which the taxpayer first qualifies for the program and to maintain that amount each year thereafter. [PL 2023, c. 547, §1 (NEW).]

I. "Stabilized taxes" means the amount of property tax to be billed to and due from the taxpayer on the taxpayer's eligible homestead in each year of the program. [PL 2023, c. 547, §1 (NEW).]

J. "Tax-deferred property" means the property upon which taxes are partially deferred under a program. [PL 2023, c. 547, §1 (NEW).]

K. "Taxes" or "property taxes" means ad valorem taxes, assessments, fees and charges entered on the assessment and tax roll. [PL 2023, c. 547, §1 (NEW).]

L. "Taxpayer" means an individual who is responsible for payment of property taxes and has applied to participate or is currently participating in a program. [PL 2023, c. 547, §1 (NEW).]  
[PL 2023, c. 547, §1 (NEW).]

**2. Authority.** The legislative body of a municipality may by ordinance adopt a stabilization and partial property tax deferral program to provide benefits to seniors with homesteads in the municipality. The ordinance must:

A. Require that the taxpayer be a permanent resident of the State as defined in section 681, subsection 4; [PL 2023, c. 547, §1 (NEW).]

B. Require that the taxpayer have owned and occupied a homestead as a permanent residence in the municipality for a minimum number of years, either consecutive or cumulative, prior to application for the program; [PL 2023, c. 547, §1 (NEW).]

C. Specify the minimum age that qualifies a taxpayer as a senior as of April 1st preceding the date of the taxpayer's application for the program; and [PL 2023, c. 547, §1 (NEW).]

D. Establish the minimum household income in relation to the federal poverty level for purposes of eligibility for the program. [PL 2023, c. 547, §1 (NEW).]

A program may impose additional standards of eligibility and procedures, as long as those standards are established by the municipality by ordinance, except that a taxpayer who is deferring property taxes under any other property tax deferral program administered by the State, including, but not limited to, the program set forth in chapter 908, is not eligible to participate in a program adopted by a municipality pursuant to this section.

[PL 2023, c. 547, §1 (NEW).]

**3. Application.** A municipality that adopts a program shall develop an application for the program and establish a due date for a taxpayer to submit an application. A taxpayer may apply to the municipality in which the taxpayer's homestead is located requesting that the municipality stabilize the amount of property tax assessed on that individual's homestead and defer the payment and collection of property taxes on the homestead in excess of the stabilized taxes in the subsequent year. A new application is required for each year for which stabilization is requested, subject to conditions set forth in the municipal ordinance that adopts the program, which may include a grace period for reapplication each year or automatic disqualification from the program for failure to file an application as required by ordinance. The municipality shall determine by ordinance whether taxpayers may be eligible to participate in the program with a new application following disqualification.

An application, information submitted in support of an application and files and communications relating to an application for stabilization and partial deferral of property taxes under the program are confidential. Hearings and proceedings held by a municipality on an application must be held in executive session unless otherwise requested by the applicant. Nothing in this paragraph applies to the recording of liens under subsection 6, the recording of lists under subsection 4 or any enforcement proceedings undertaken by the municipality pursuant to this section or other applicable law.

[PL 2023, c. 547, §1 (NEW).]

**4. Stabilization and deferral.** If a taxpayer satisfies the eligibility criteria set forth in the municipal ordinance establishing the program and satisfies the municipal application criteria, the municipality shall stabilize the amount of property tax assessed on the taxpayer's homestead as of the most recent April 1st assessment prior to application for the program. The municipality shall then defer the payment and collection of property tax assessed on the eligible homestead in excess of the stabilized taxes in subsequent years, as long as the taxpayer remains eligible for the program as set forth in this section and the municipal ordinance authorizing the program.

The taxpayer must remain responsible for the payment of stabilized taxes to remain eligible for the program. Notwithstanding the partial deferral of the payment and collection of property tax in excess of the stabilized taxes under the program, the lien established on the eligible homestead under section 552 continues for the purpose of protecting the municipal interest in the eligible homestead. Interest on the amount of deferred property taxes accrues at the rate of 0.5 percentage points above the otherwise applicable rate for delinquent taxes unless the municipality adopts a lower interest rate by ordinance. In order to preserve the right to enforce the lien, the municipality must record in the county registry of deeds a list of properties within the municipality that have become eligible for stabilization and partial property tax deferral. The list must contain a description of each property as listed in the municipal valuation together with the name of the taxpayer listed on the valuation. The list must be updated annually to reflect the addition or deletion of properties, the amount of deferred taxes accrued for each property and payments received.

The municipality shall make available upon request the most recent list of tax-deferred properties of that municipality required to be filed with the county registry of deeds under this subsection. The

municipality may publish and release as public information statistical summaries concerning the program as long as the release of the information does not jeopardize the confidentiality of individually identifiable information. For the purposes of this section, "individually identifiable information" does not include information required to be included on liens or lists filed with the county registry of deeds pursuant to this section.

The recording of the properties under this subsection is notice that the municipality claims a lien against those properties in the amount of the deferred taxes plus interest together with any fees paid to the county registry of deeds in connection with the recording. For a property deleted from the list, the recording serves as notice of release or satisfaction of the lien, even though the amount of taxes, interest or fees is not listed.

[PL 2023, c. 547, §1 (NEW).]

**5. Events requiring the payment of deferred tax and interest.** Subject to subsection 7, all deferred property taxes and accrued interest must be paid pursuant to subsection 6 when:

A. The taxpayer dies; [PL 2023, c. 547, §1 (NEW).]

B. Some person other than the taxpayer becomes the owner of the property; [PL 2023, c. 547, §1 (NEW).]

C. The tax-deferred property is no longer occupied by the taxpayer as a permanent residence, except that this paragraph does not apply if the taxpayer is required to be absent from the eligible homestead for health reasons; [PL 2023, c. 547, §1 (NEW).]

D. The tax-deferred property is a mobile home and is moved out of the State, if mobile homes are identified as eligible homesteads by municipal ordinance adopted under this section; or [PL 2023, c. 547, §1 (NEW).]

E. The taxpayer fails to pay the stabilized taxes in any tax year. [PL 2023, c. 547, §1 (NEW).]  
[PL 2023, c. 547, §1 (NEW).]

**6. Lien.** When it is determined that one of the events set out in subsection 5 has occurred and that a property is no longer eligible for partial property tax deferral under this section, the municipality shall send notice by certified mail to the taxpayer, or the taxpayer's heirs or devisees, listing the total amount of deferred property taxes, including accrued interest and costs of all the years and establishing a due and payable date. For events listed in subsection 5, paragraphs A, B, C and E, payment is due within 45 days of the date of the notice. When the event listed in subsection 5, paragraph D occurs, the total amount of deferred property taxes is due and payable 5 days before the date of removal of the property from the State. The municipality shall include in the notice a statement that the lien enforcement procedures pursuant to chapter 105, subchapter 9 apply. If the deferred property tax liability of a property has not been satisfied by the date established pursuant to this subsection, the municipality may enforce the lien according to procedures in chapter 105, subchapter 9.

Partial payments accepted during the 18-month redemption period provided for in section 943 may not interrupt or extend the redemption period or in any way affect foreclosure procedures.

[PL 2023, c. 547, §1 (NEW).]

**7. Transfer of eligibility.** If one of the events listed in subsection 5 occurs, and the ownership of the eligible homestead is transferred to another member of the same household, the transferee may apply to the municipality for continuation of the stabilization and partial property tax deferral if the transferee meets the conditions of this section and the municipal ordinance authorizing the program.

[PL 2023, c. 547, §1 (NEW).]

**8. Repeal of program.** A municipality that has adopted a program may discontinue it through the same procedure by which the program was adopted except that any property taxes deferred under the program continue to be deferred under the conditions of the program on the date it was ended.

[PL 2023, c. 547, §1 (NEW).]

SECTION HISTORY

PL 2023, c. 547, §1 (NEW).

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