ENACTED PROPERTY TAX LEGISLATION – 2017 SESSION

Farm and Open Space Law. The law amends the definition of “farmland” and states that parcels of land located on islands are not contiguous if separated by water at the normal high water mark or high tide. Those parcels already classified as farmland that no longer qualify will be transferred to the open space program, unless the owner withdraws the parcel. Effective November 1, 2017. 36 M.R.S § 1102(4)(C); LD 117, PL 2017, c. 183.

Property tax. This law clarifies that the Department of Transportation is not required to pay taxes or assessments on property it acquires for transportation purposes. Effective November 1, 2017. 23 M.R.S. § 161(1); LD 393, PL 2017, c. 40.

Truck campers. The law repeals the provisions in Title 29-A pertaining to (1) the registration of truck campers and (2) the collection of taxes on truck campers (including sales and use tax) by the Secretary of State. Effective November 1, 2017. 29-A M.R.S. §§ 409, 502, 503 & 508; LD 827, PL 2017, c. 67.

Municipal cost component. This law is a routine annual process for establishing the costs of administering the unorganized territory of Maine. The costs approved by the Maine Legislature must be incorporated into the 2017 property tax levy in the unorganized territory. The unorganized territory property tax is collected as dedicated revenue to the Unorganized Territory Education and Services Fund. Effective June 2, 2017. LD 1078, PL 2017, c. 121.


Conveyance of state interest in certain real estate in the unorganized territory. This Resolve authorizes the State Tax Assessor to sell certain tax-acquired parcels located in the unorganized territory. Effective November 1, 2017. LD 1421, Resolves, 2017, c. 11.

Business Equipment Tax Exemption (BETE) program. The purchase of services is removed from the definition of retail sales activity and retail sales facility for purposes of determining the eligibility of business equipment for the BETE program. The definition change aligns the language in the BETE program with similar language in the Business Equipment Tax Reimbursement program and means that businesses that provide services are no longer excluded from the BETE program. Effective November 1, 2017. 36 M.R.S. § 691(1)(A); LD 1551, PL 2017, c. 211, Sec. A-10.

Business Equipment Tax Exemption (BETE) program. The BETE abatement and appeal procedures are amended to match similar programs and allows taxpayers to appeal municipal decisions to the municipality and municipalities to appeal bureau decisions to the bureau. Effective November 1, 2017. 36 M.R.S. § 191(2)(I); LD 1551, PL 2017, c. 211, Secs. A-11 & A-12.
**Watercraft excise tax.** The law clarifies who is responsible for maintaining information about watercraft not registered in Maine. Responsible parties include any entity selling storage, mooring, or docking space for ten or more days. Effective November 1, 2017. 36 M.R.S. § 1504(9)(D); LD 1551, PL 2017, c. 211, Sec. A-13.

**Business Equipment Tax Reimbursement program.** The law changes the year upon which to calculate energy primarily for sale, for purposes of eligibility of energy facilities. The measurement year is changed from the year immediately preceding the property tax year for which a claim is made to the property tax year for which a claim is made. Effective November 1, 2017. 36 M.R.S. § 6652(1-C)(B); LD 1551, PL 2017, c. 211, Sec. A-14.

**Business Equipment Tax Reimbursement program.** The law requires that information regarding reimbursements of property taxes paid on certain business property made pursuant to Title 36, chapter 915 be added to the tax expenditure report submitted to the Legislature by the State Tax Assessor and changes the due date of that report from January 5th to February 15th of each odd-numbered year. Effective November 1, 2017. 36 M.R.S. § 199-B(1); LD 1551, PL 2017, c. 211, Sec. E-4.

**Sudden and severe disruption of valuation.** The law specifies that the report submitted to the Legislature by the State Tax Assessor no later than February 1st annually identifying all requests for an adjustment of equalized valuation under Title 36, section 208-A pertains to the most recently completed fiscal year rather than the previous calendar year. Effective November 1, 2017. 36 M.R.S. § 208-A(6); LD 1551, PL 2017, c. 211, Sec. E-6.

**Business Equipment Tax Reimbursement program.** It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature containing information that includes a list of persons receiving reimbursement for property taxes both under the business equipment tax reimbursement program and under a tax increment financing agreement. Effective November 1, 2017. 36 M.R.S. § 6664; LD 1551, PL 2017, c. 211, Sec. E-8.

**Tree Growth Tax Law reimbursements.** The law changes the due date for the annual distribution to municipalities for revenue lost under the Maine Tree Growth Tax Law from August 1st to October 15th. Effective November 1, 2017. 36 M.R.S. § 578(1); LD 1570, PL 2017, c. 170, Sec. B-4.

**Business Equipment Tax Exemption program.** The law clarifies that certain tax exempt property of institutions and organizations under 36 M.R.S. § 652 is not exempt under the business equipment tax exemption program. Effective November 1, 2017. 36 M.R.S. § 691(1)(A); LD 1570, PL 2017, c. 170, Sec. B-7.

**Business Equipment Tax Exemption program.** The law clarifies that the report due under the business equipment tax exemption program is due on April 1, which, under current law, is automatically extended to May 1 if the report is not received by April 1. It also requires a request for further extension to be submitted to the assessor of the taxing jurisdiction before the commitment of taxes. Effective November 1, 2017. 36 M.R.S. § 693(1); LD 1570, PL 2017, c. 170, Sec. B-8.
**Homestead exemption reimbursement.** The state will reimburse municipalities for loss of revenue due to the $20,000 homestead exemption at a rate of 50% for the 2017 property tax year. The prior 62.5% reimbursement rate will be reinstated for 2018 and later years. Effective July 4, 2017. 36 M.R.S. §§ 683, 685; LD 390, Part G, PL 2017, c. 284.