

ENACTED PROPERTY TAX LEGISLATION – 2021 SESSION

Tax Assistance

State property tax deferral program. The State's property tax deferral program, in effect for applications filed before April 1, 1991, is reinstated for property as of April 1, 2022. The program allows a qualified individual who is at least 65 years old or unable to work due to disability to defer the property taxes assessed on the individual's primary residence. Effective for the April 1, 2022, tax year. LD 1733, PL 2021, c. 483, Part AA.

Municipal program for veterans. This law authorizes municipalities to adopt, by ordinance, a program that provides benefits to veterans and their eligible family members who own or rent a homestead in the municipality. The benefit for owners is based on the difference between the full amount of the applicable veteran exemption under section 653(1)(E) and the exemption amount actually received as a result of the municipality assessing property below market value. The benefit for renters is \$100. Effective October 18, 2021. LD 191, PL 2021, c. 69.

Motor vehicle excise tax. The law provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on total, service-connected disability. 36 M.R.S. § 1483(12). Effective October 18, 2021. LD 1193, PL 2021, c. 240.

Municipal tax deferral program. This law allows municipalities to charge an interest rate lower than that charged for delinquent taxes for property enrolled in a municipal property tax deferral program under 36 M.R.S. § 6271. Effective October 18, 2021. LD 897, PL 2021, c. 120.

Development Districts

Tax increment financing expenditures. This law permits tax increment financing to be used by a municipality to cover costs associated with the development and operation of affordable housing even if the district is not organized as an affordable housing development district. Effective October 18, 2021. LD 953, PL 2021, c. 261.

Unorganized Territory

Municipal cost component. The law is part of the 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 2021 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 8, 2021. LD 1209, PL 2021, c. 93.

Conveyance of state interest in certain real estate in the unorganized territory. The resolve authorizes the State Tax Assessor to sell certain tax-acquired parcels located in the unorganized territory. Effective October 18, 2021. LD 146, Resolves 2021, c. 8.

Exemptions

Homestead Exemption program. Beginning with the April 1, 2022 property tax year, the law increases the municipal reimbursement percentage for the revenue lost due to the Maine Homestead Exemption program by 3 percentage points each year until the State reimbursement reaches 100%. Just value must be adjusted accordingly for purposes of calculating state valuation and for determining municipal tax rate. Effective July 1, 2021. LD 221, PL 2021, c. 398, Part PPPP.

Central labor councils. The law provides a property tax exemption for real estate and personal property owned and occupied or used solely for their own purposes by an association or network of labor unions. Effective October 18, 2021. LD 198, PL 2021, c. 410.

State Valuation

Declared ratio accuracy. The law lowers the declared ratio accuracy threshold stated in 36 M.R.S. § 383 from within 20% to within 10% of the state valuation ratio last determined to align with the accuracy requirement provided for state reimbursement for the homestead exemption. Effective October 18, 2021. LD 1216, Part C, PL 2021, c. 181.

Miscellaneous

Energy efficiency property. Maine Revenue Services is required to convene a stakeholder group to review assessment policies regarding energy efficiency property to determine the most appropriate property tax assessment method. MRS must issue a report to the Legislature by December 1, 2021. Effective October 18, 2021. LD 179, Resolves 2021, c. 93.

Abandoned property. The law establishes a process for municipalities to declare tax acquired residential property as abandoned. For tax liens recorded after December 31, 2021, a municipality may clear title of tax-acquired abandoned residential property within six months of the acquisition rather than the existing wait of 5 years. This law also directs municipalities to provide information about abandoned residential properties to the Maine State Housing Authority for use in determining opportunities for redevelopment, programs supporting first-time home buyers and similar programs, and data analysis. Effective October 18, 2021. LD 1132, PL 2021, c. 127.