

An Act to Increase the Homestead Exemption Reimbursement

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

Sec. 1. 36 MRSA §685, sub-§2, as amended by PL 2023, c. 412, Pt. II, §1, is further amended to read:

2. Entitlement to reimbursement by the State; calculation. A municipality that has approved homestead exemptions under this subchapter may recover from the State:

- A. For property tax years beginning before April 1, 2018, 50% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B;
- B. For property tax years beginning on April 1, 2018 and April 1, 2019, 62.5% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B
- C. For property tax years beginning on April 1, 2020 and April 1, 2021, 70% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B;
- D. For property tax years beginning on April 1, 2022, 73% of the taxes lost by reason of the exemptions under section 683, subsections 1 and 1-B; ~~and~~
- E. For property tax years beginning on ~~or after~~ April 1, 2023, April 1, 2024, and April 1, 2025, 76% of the taxes lost by reason of the exemptions under subsections 1 and 1-B; and
- F. For property tax years beginning April 1, 2026, and thereafter, the percentage of the property taxes lost as a result of the exemptions under section 683, subsections 1 and 1-B is 3 percentage points over the percentage for the previous year until the percentage of reimbursement reaches 100%.

The municipality must provide proof in a form satisfactory to the bureau. The bureau shall reimburse the Unorganized Territory Education and Services Fund in the same manner for taxes lost by reason of the exemptions.

Summary

This bill increases the homestead exemption reimbursement percentages by 3% each year, starting in 2026, until the reimbursement reaches 100%.