

ENACTED PROPERTY TAX LEGISLATION – 2024 SESSION

2nd Regular Session general (non-emergency) effective date: August 9, 2024

Current Use Programs

Working waterfront. The law makes changes to the working waterfront current use program by adding to the definition of “working waterfront” certain wharves and piers; adding eligibility for land that is subject to a legally binding right-of-way or easement that permits access to intertidal land for commercial fishing activities; increasing the reduction for working waterfront land from 20% to 30% if used “predominantly” as working waterfront and from 10% to 20% if used “primarily” as working waterfront; allowing delay of any withdrawal penalty for up to 2 years due to inability to pay; and requiring MRS to create a working waterfront information bulletin and submit a report to the Taxation Committee on the status of the working waterfront program every other year. Effective August 9, 2024. L.D. 2162; P.L. 2023, c. 671.

Municipal Reimbursement

Stabilization. A \$15 million appropriation was made to allow for full municipal reimbursement for revenue lost under the repealed Property Tax Stabilization program. Additionally, a \$50,000 appropriation was made to reimburse municipalities for the state-mandated costs related to administration of the program. Effective March 6, 2024. L.D. 646; P.L. 2023, c. 520.

Tax Assistance

Local stabilization and deferral. The law permits municipalities to establish by ordinance a program to allow seniors with homesteads in the municipality to stabilize and partially defer payment of their property taxes. A participating municipality must include in its ordinance age, income, and residency requirements for the program. Residents of a municipality that are participating in the State Property Tax Deferral Program may not participate in this municipal program. Effective August 9, 2024. L.D. 1345; P.L. 2023, c. 547.

State Property Tax Deferral program. The law was amended to clarify that a taxpayer who owns more than one residential property that is subject to a municipal lien is not eligible to participate in the deferral program. Effective August 9, 2024. L.D. 2028; P.L. 2023, c. 613.

Calculation of revenue sharing. For a municipality that qualifies for an adjustment to its state valuation as a result of a sudden and severe disruption under 36 M.R.S. § 208-A, the amount of money that the municipality uses from undesignated fund balances in the municipal fiscal year must be added to the total real and personal property taxes when calculating the municipality’s property tax burden. Applies to adjustments for revenue sharing years beginning on or after July 1, 2024. L.D. 2006; P.L. 2023, c. 629.

Unorganized Territory

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 to the highest bidder, subject to certain provisions. Effective August 9, 2024. L.D. 2024; Resolves 2023, c. 142.

Municipal cost component for 2024-25 fiscal year. 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 2024 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 March 28, 2024. L.D. 2207; P.L. 2023, c. 582.

Exemptions

Motor vehicle excise tax. The law expands the motor vehicle excise tax exemption for certain military personnel to include service members who are permanently stationed outside of Maine; along with service members who were deployed for military service for at least 180 consecutive days, at least a portion of which falls within the 12-month period prior to the request for exemption, and who did not previously receive an exemption for that deployment. The law also now allows the exemption for National Guard and Reserves members, as long as they meet the service requirements of the exemption. Effective August 9, 2024. L.D. 2076; P.L. 2023, c. 565.

Renewable energy exemption. The law limits the existing renewable energy equipment exemption. Beginning April 1, 2025, solar energy equipment is only exempt from property tax if: 1) the energy it produces is used on-site; 2) the equipment is collocated with a customer or customers that are subscribed to at least 50% of the facility's output; or 3) the energy the equipment produces is transmitted through an electric utility and accounted for using a bill credit mechanism and the generator had a fully executed interconnection agreement prior to April 1, 2024. The law does not make any changes to the exemption for wind energy equipment. Applies to property tax years beginning on or after April 1, 2025. L.D. 1153; P.L. 2023, c. 682.

Administrative/Miscellaneous

Tax liens. The law removes the requirement that certain notices in the tax lien foreclosure process reference the Bureau of Consumer Credit Protection and instead requires the notices to reference sources of assistance including free legal services for low-income individuals under 4 M.R.S. § 18-A(1)(B). The law also clarifies what related information the Bureau of Consumer Credit Protection must post to their website. Effective August 9, 2024. L.D. 2048; P.L. 2023, c. 579.

Storage facilities. The law makes facilities for storing spent nuclear fuel or radioactive waste ineligible for the Business Equipment Tax Exemption program (BETE), the Business Equipment Tax Reimbursement program (BETR), or the property tax exemption under 36 M.R.S. §

656(1)(E). Applies to property tax years beginning on or after April 1, 2022. L.D. 2027; P.L. 2023, c. 588.

Property tax levy limit. The municipal property tax levy limits established in 2005 through P.L. 2005, c. 2, Pt. C have been repealed. Effective August 9, 2024. L.D. 2102; P.L. 2023, c. 603.

Foreclosure sales. When selling a property that has been acquired through the tax lien foreclosure process, a municipality must list the property with a licensed real estate agent and return any excess proceeds from the sale to the former owner. The law makes this process, previously only required if requested by the former owner, mandatory for all sales of tax-acquired properties. The law also adds new notice provisions regarding the sale of a foreclosed property and the distribution of excess proceeds and requires a municipality to send excess proceeds to the State Treasurer as unclaimed property if they are unable to locate the former owner. The law is the result of the report from the Foreclosure Process Working Group, which was formed by the Legislature in response to the U.S. Supreme Court's opinion in the case of *Tyler v. Hennepin County* (143 S. Ct. 1369) (2023). Effective August 9, 2024. L.D. 2262; P.L. 2023, c. 640.

Motor vehicle excise tax. The law removes an obsolete reference in the list of exemptions to the motor vehicle excise tax relating to aircraft registered in accordance with 6 M.R.S. § 53, which was repealed in 2011. Effective April 22, 2024. L.D. 2290; P.L. 2023, c. 646.