



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1538

S.P. 611

In Senate, April 5, 2023

An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BRENNER of Cumberland.
Cosponsored by Representative SALISBURY of Westbrook and
Senators: PIERCE of Cumberland, POULIOT of Kennebec, VITELLI of Sagadahoc,
Representatives: BLIER of Buxton, SUPICA of Bangor.

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

2 **Sec. 1. 36 MRSA c. 919-B** is enacted to read:

3 **CHAPTER 919-B**

4 **ACCESSORY DWELLING UNIT REIMBURSEMENT**

5 **§6911. Definitions**

6 As used in this chapter, unless the context otherwise indicates, the following terms
7 have the following meanings:

8 **1. Accessory dwelling unit.** "Accessory dwelling unit" means an attached or detached
9 dwelling unit on the same lot or parcel as an existing or proposed single-family or
10 multifamily residence that allows for independent living for one or more persons and
11 contains kitchen and bathroom facilities and sleeping accommodations. The accessory
12 dwelling unit may be within or an addition to an existing residence or a separate structure
13 on the lot or parcel.

14 **2. Eligible property.** "Eligible property" is a property containing a single-family or
15 multifamily residence on which an accessory dwelling unit has been constructed that meets
16 the requirements of section 6912, subsection 2.

17 **§6912. Reimbursement allowed; municipal approval; procedure**

18 **1. Generally.** Beginning with tax year 2024, a person against whom taxes have been
19 assessed pursuant to chapter 105, subchapter 2 on eligible property and who has paid those
20 taxes is entitled to reimbursement by the State of a portion of those taxes as provided in
21 this chapter. The reimbursement is based upon a percentage of the increase of the taxes
22 under subsection 3 due to the construction of an accessory dwelling unit on the property
23 and may be claimed for up to 10 years after an accessory dwelling unit has been
24 constructed.

25 **2. Requirements.** A person under subsection 1 may receive a reimbursement under
26 this chapter if:

27 A. The construction of the new accessory dwelling unit, including reconstruction,
28 alteration or improvement of an existing structure, commences after the effective date
29 of this chapter;

30 B. The cost of the construction under paragraph A exceeds \$3,000 not including the
31 cost of routine maintenance or a repair; and

32 C. The accessory dwelling unit is rented under a lease of a duration of at least one year.

33 **3. Reimbursement percentage.** The reimbursement under this chapter is in an amount
34 equal to the percentage under paragraphs A to F of the amount of increase in taxes under
35 subsection 1 on assessed market value due to the construction of an accessory dwelling unit
36 on the eligible property up to a market increase in assessed market value of \$200,000.

37 A. For the 1st year to the 5th year for which reimbursement is made, the percentage is
38 100%.

1 B. For the 6th year for which reimbursement is made, the percentage is 75%.

2 C. For the 7th year for which reimbursement is made, the percentage is 50%.

3 D. For the 8th year for which reimbursement is made, the percentage is 25%.

4 E. For the 9th year for which reimbursement is made, the percentage is 15%.

5 F. For the 10th year for which reimbursement is made, the percentage is 5%.

6 **4. Process for reimbursement.** A person entitled to reimbursement of property taxes
7 paid under this chapter may file a claim for reimbursement with the State Tax Assessor.
8 The reimbursement claim must be filed with the State Tax Assessor on or after August 1st
9 and on or before the following December 31st for property taxes paid during the preceding
10 calendar year.

11 **§6913. Rules**

12 The State Tax Assessor may adopt rules to carry out the provisions of this chapter.
13 Rules adopted pursuant to this section are routine technical rules under Title 5, chapter 375,
14 subchapter 2-A.

15 **SUMMARY**

16 This bill allows for a reimbursement by the State for up to 10 years of a percentage of
17 property taxes paid due to an increase in the taxes because of the construction of an
18 accessory dwelling unit, which is defined as an attached or detached dwelling unit on the
19 same lot or parcel as an existing or proposed single-family or multifamily residence that
20 allows for independent living for one or more persons and contains kitchen and bathroom
21 facilities and sleeping accommodations.