

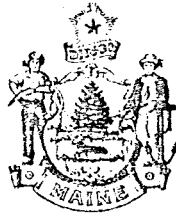
# MAINE STATE LEGISLATURE

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JAMES E. TIERNEY  
ATTORNEY GENERAL



STATE OF MAINE  
DEPARTMENT OF THE ATTORNEY GENERAL  
STATE HOUSE STATION 6  
AUGUSTA, MAINE 04333

March 12, 1982

Lawrence P. Greenlaw, Jr.  
Legislative Liaison  
Executive Department  
State House  
Augusta, Maine 04333

Dear Mr. Greenlaw:

This will respond to your letter of March 8, 1982, in which you asked whether the enactment of L.D. 1999<sup>1</sup> would subject the State to liability under art. IV, pt. 3, § 23 of the Maine Constitution. It is our opinion that no such liability would result from enactment of the bill.

Article IV, pt. 3, § 23 of the Maine Constitution provides in essence that the Legislature must reimburse municipalities for 50% of the property tax revenue loss which they suffer as a result of statutory property tax exemptions or credits enacted after April 1, 1978. We believe the section to be inapplicable for the reason that neither L.D. 1999 nor the statutory scheme which it would amend, see 30 M.R.S.A. c. 239, sub-c. III-B, creates a property tax exemption or credit. That statutory scheme, as it operates at present and as it would operate if amended by L.D. 1999, simply allows a municipality to dedicate an identifiable portion of its property tax revenues to the payment of a specific municipal debt. In short, the municipality does not suffer any property tax revenue loss, nor do any property owners receive an exemption or credit.

I hope this information is helpful.

Sincerely,

*Stephen L. Diamond*  
STEPHEN L. DIAMOND  
Deputy Attorney General

SLD/ec

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<sup>1</sup>/ L.D. 1999 is entitled "AN ACT to Allow for Industrial Development Improvements Utilizing Tax Increment Financing."