

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

New Draft of: H. P. 684, L. D. 891

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1791

H. P. 1433

House of Representatives, April 11, 1973

Reported by Mr. Merrill from the Committee on Taxation and printed under Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Municipal Tax Base Sharing.

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

R. S., T. 30, § 240-B, additional. Title 30 of the Revised Statutes is amended by adding a new chapter 240-B to read as follows:

**CHAPTER 240-B
TAX BASE SHARING**

§ 4996. Purpose

It is the purpose of this chapter to increase the likelihood of orderly development and to provide an incentive for coordinated multi-community economic development by permitting 2 or more communities to share their tax base.

§ 4997. Tax base sharing agreement

1. **Agreement.** Any 2 or more municipalities may, by a vote of their legislative bodies, enter into an agreement to share all or a specific part of the commercial, industrial or residential assessed valuation located within their respective communities.

2. **Specifications.** Any such agreement shall specify:

A. A duration to be not less than 5 years;

B. A description of the tax base that is to be shared, expressed in terms of type of property or location of property;

C. The formula for sharing the property taxes generated through taxation of the valuation that is to be shared;

D. Any other necessary and proper matters.

3. Administration. The shared valuation shall be assessed in the municipality in which the property is located. It shall be taxed at the rate applicable in that municipality. The tax so assessed shall be collected by the municipality in which the property is located and the share of such tax, as specified in the tax base sharing agreement, shall be remitted within 15 days after collection to the other municipality or municipalities on the basis of the terms of the agreement to which they are parties.

§ 4998. Filing of agreement

Prior to its entry into force, any agreement made pursuant to this chapter shall be filed with the clerk of each municipality and with the Secretary of State.

STATEMENT OF FACT

The purpose of this bill is to enable legislation that will permit 2 or more communities to enter into agreements to share the growth of their commercial and industrial tax base. The statement of purpose outlined in the bill outlines some of the potential advantages.