

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1909

H. P. 1482

House of Representatives, May 4, 1973

Reported by Minority 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 Certain Property and Excise Tax Exemptions.

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

Sec. 1. R. S., T. 36, § 656, sub-§ 1, ¶ B, repealed. Paragraph B of subsection 1 of section 656 of Title 36 of the Revised Statutes is repealed.

Sec. 2. R. S., T. 36, § 656-A, additional. Title 36 of the Revised Statutes is amended by adding a new section 656-A, to read as follows:

§ 656-A. Payments in lieu of taxes

All property exempted from taxation by section 652, subsection 1, paragraphs A, D, E, F and H, and section 656, subsection 1, paragraphs B and C, shall be required to pay, annually, to the municipality in which said property is located, a sum equal to the property's assessed valuation, multiplied by the mill rate of that municipality less the portion of that mill rate required to pay for the costs of the education system in that municipality. All property exempted from taxation by section 651, subsection 1, paragraph B, when said property is rented or leased to persons, individuals or corporations or when said property is used for residential housing for a state employee, the state shall be required to pay annually an amount in lieu of taxation. An amount equal to the property's assessed valuation, multiplied by the mill rate of the municipality, shall be paid to the municipality in which said property is located.

Sec. 3. R. S., T. 36, § 1483, sub-§ 7, repealed. Subsection 7 of section 1483 of Title 36 of the Revised Statutes is repealed.

Sec. 4. R. S., T. 36, § 652-A, additional. Title 36 of the Revised Statutes is amended by adding a new section 652-A, to read as follows:

§ 652-A. Exempt organizations to list property; assessors determination of eligibility

1. List of property. Any corporation, institution, organization, association or group claiming exemption under section 652 shall, before April 1st of each year, file with the assessors of the municipality in which the property is located a true and perfect list of all its property within said municipality, together with an affidavit as required by this section and any additional information which the assessors may reasonably require.

A. Affidavit. The affidavit shall show :

- (1) The purpose for which the corporation, institution, organization, association or group was organized ; and
- (2) A description of the property claimed exempt ; and
- (3) That the property claimed exempt is owned and occupied exclusively or owned and used solely for the purposes of the corporation, institution, organization, association or group, or is otherwise exempt from taxation under section 652 ; and
- (4) In the instance of a claim of exemption under section 652, subsection 1, paragraphs A or B, that the corporation, institution, organization, association or group is exempt from taxation by the Federal Government.

B. Financial statement. The affidavit shall be accompanied by a certified copy of the financial statement showing income and expenses of the corporation, institution, organization, association or group during the preceding fiscal year.

C. Signing. All documents required to be filed by this section shall be signed under oath by the executive officers of such corporation, institution, organization, association or group.

2. Assessors determination of eligibilty. Upon receipt of the affidavits and statements, the assessors shall review the same and may institute an independent audit or verification of the operations of the corporation, institution, organization, association or group to ascertain whether their property or any part thereof should be exempt from taxation under section 652. In this connection, the assessors shall consider, among other matters, whether :

A. The services and expenses of the corporation, institution, organization, association or group, including salaries, are excessive, based upon like services and salaries in comparable public institutions ; and

B. The operations of the corporation, institution, organization, association or group, either directly or indirectly, materially enhance the private gain of any individual or individuals ; and

C. The property on which exemption is claimed is used for and in the actual operation of the corporation, institution, organization, association or group and does not exceed an amount of property reasonably necessary to

the accomplishment of the purpose of such corporation, institution, organization, association or group.

3. **Procedural noncompliance.** If any corporation, institution, organization, association or group claiming any exemption under section 652 fails to follow the required procedure under this section, or fails to provide the assessors with additional information reasonably requested, the exemption is deemed waived by the corporation, institution, organization, association or group.

4. **Appeals.** Any corporation, institution, organization, association, group or person aggrieved by a ruling of the assessors made pursuant to this section shall have the same right of appeal under the same procedure afforded individual taxpayers.

Sec. 5. Effective date. The effective date of this Act, to provide for ample time to budget, shall be July 1, 1975.