

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 1557

H. P. 1263

House of Representatives, April 2, 1975

On Motion of Mr. Drigotas of Auburn referred to Committee on Taxation.  
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Najarian of Portland.

Cosponsors: Mr. LaPointe of Portland, Mr. Pelosi of Portland, Mr. Henderson of Bangor.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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AN ACT Relating to Certain Property and Excise Tax Exemptions.

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

Sec. 1. 36 MRSA § 656, sub-§ 1, ¶ B, is repealed.

Sec. 2. 36 MRSA § 656-A is enacted to read:

§ 656-A. Payments in lieu of taxes

1. Property required to make payments. All property exempted from taxation by section 651, subsection 1, paragraph B, when the property is rented or leased to persons, individuals or corporations; section 652, subsection 1 paragraphs A, D, E, F, H and K and section 656, subsection 1, paragraph C, shall be required to pay, annually to the municipality in which the 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 educational system in that municipality.

2. Exemption. However, this section shall not apply to the real and personal property leased by and occupied or used solely for its own purposes by an incorporated benevolent and charitable organization which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, as amended, and the primary purpose of which is the operation of a hospital licensed by the Department of Health and Welfare.

Sec. 3. 36 MRSA § 1483, sub-§ 7 is repealed.

Sec. 4. Effective date. To provide ample time to budget, the effective date of this Act shall be July 1, 1976.

## STATEMENT OF FACT

This bill would require payments in lieu of property and excise taxes to be made to municipalities which provide governmental services, e.x. police and fire protection, street lighting, road and sidewalk maintenance, snow plowing, rubbish and garbage disposal, etc., to tax-exempt property. Included as properties required by this bill to make annual payments in lieu of taxes are (1) state-owned property rented or leased to persons, individuals or corporations and, therefore, not used by the State; (2) property owned by charitable and benevolent institutions; (3) property owned by the American National Red Cross and its chapters in Maine; (4) property owned by posts of the American Legion, Veterans of Foreign Wars, G.A.R., Spanish War Veterans, Disabled American Veterans and Navy Clubs of the U.S.A.; (5) property owned by chambers of commerce and boards of trade; (6) property owned by fraternal organizations; and (7) privately owned airports. This bill does not require hospitals licensed by the Department of Health and Welfare to make payments in lieu of property and excise taxes.

This bill repeals the real property exemption of mines of gold, silver or baser metals and the excise tax exemption for benevolent and charitable institutions.