

MAINE STATE LEGISLATURE

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New Draft of H. P. 1886, L. D. 2064
(New Title)
FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 2299

H. P. 2179

House of Representatives, March 10, 1976

Reported by Minority from Committee on Taxation and printed under
Joint Rules No. 18.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SIX

**AN ACT to Permit Municipalities to Levy and Collect Service Charges for
Certain Municipal Services from Certain Tax Exempt Institutions and
Organizations.**

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

36. MRSA § 652, sub-§ 1, ¶ L is enacted to read:

L. Service charges.

(1) The owners of certain institutional and organizational real property which is otherwise exempt from state or municipal taxation may be subject, under this section, to service charges when these charges are calculated according to the actual cost of providing municipal services to that real property and to the persons who use that property. These services shall include, without limitation:

- (a) Fire protection;
- (b) Police protection;
- (c) Road maintenance and construction, traffic control, snow and ice removal;
- (d) Water and sewer service;
- (e) Sanitation services; and
- (f) Any services other than education and welfare.

(2) The municipal legislative body shall determine those institutions and organizations on which service charges may be levied by selection from any or all of the following 3 classifications of tax exempt real property:

(a) The real estate and personal property owned and occupied or used solely for their own purposes by posts of the American Legion, Veterans of Foreign Wars, American Veterans of World War II, Grand Army of the Republic, Spanish War Veterans, Disabled American Veterans and Navy Clubs of the U. S. A.;

(b) The real estate and personal property owned and occupied or used solely for their own purposes by chambers of commerce or boards of trade in this State;

(c) Real estate and personal property owned by or held in trust for fraternal organizations, except college fraternities, operating under the lodge system which shall be used solely by fraternal organizations for meetings, ceremonials, religious or moralistic instruction, including all facilities appurtenant to this use and used in connection therewith. If any building shall not be used in its entirety for these purposes, but shall be used in part for these purposes, and in part for any other purpose, exemption shall be of the part used for these purposes.

If a municipality levies service charges in any of the classifications of this subparagraph, that municipality must levy these service charges to all institutions and organizations in that classification.

(3) With respect to the determination of service charges, appeals shall be made in accordance with an appeals process to be provided for by municipal ordinance.

(4) The collection of unpaid service charges shall be carried out in the same manner as provided in Title 38, section 1208.

(5) Municipalities must use the revenues accrued from service charges to fund as much as possible the costs of those services.

(6) Municipalities shall adopt any necessary ordinances to carry out the provisions of this paragraph regarding service charges.

STATEMENT OF FACT

The purpose of this New Draft is to:

1. Restrict the option of localities to levy service charges by limiting the localities' choices to only those organizations included in Title 36, section 652, subsection 1, paragraphs E, F and H. These paragraphs include fraternal organizations such as veterans groups, chambers of commerce and lodges. Thus, organizations such as churches or hospitals no longer would be affected by this bill; and

2. Improve the definition of service charges and the administrative means by which a locality would exercise its option if it chose to do so.