

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1657

H. P. 1403

House of Representatives, April 13, 1977

On motion of Mr. Carey of Waterville, referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Greenlaw of Stonington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Permit Municipalities to Levy and Collect Service Charges for Certain Municipal Services from Tax Exempt Residential Property Used to Provide Rental Income.

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 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 establishment of service charges is not mandatory, but rather is at the discretion of the municipality in which the exempt property is

located. The municipal legislative body shall determine those institutions and organizations on which service charges are to be levied by charging for services on any or all of the following classifications of tax exempt real property:

- (a) Residential properties currently exempt from property taxation, yet used to provide rental income.

If a municipality levies service charges in any of the classifications of this subparagraph, that municipality shall levy these service charges to all institutions and organizations owning property 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 shall use the revenues accrued from service charges to fund, as much as possible, the costs of those services.

- (6) The total service charges levied by a municipality on any institution and organization under this section shall not exceed 2% of the gross annual revenues of the organization. To qualify for this limitation the institution or organization shall file with the municipality an audit of the revenues of the organization for the year immediately prior to the year which the service charge is levied. The municipal officers shall abate the service charge amount that is in excess of 2% of the gross annual revenues.

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

STATEMENT OF FACT

The purpose of this bill is to give municipalities the option of establishing service charges for tax exempt residential property used to provide rental income.