

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1162

H. P. 982

House of Representatives, March 14, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Gillis of Calais.

Cosponsors: Mr. Leonard of Woolwich and Mr. Brenerman of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Allow Municipalities the Option of Charging Reasonable Service Charges on Certain Tax Exempt Property.

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

Sec. 1. 36 MRSA § 652, sub-§ 1, ¶ L, sub-¶ (1), last sentence, as enacted by PL 1977, c. 487, is amended to read:

These Excepting education and welfare, these services shall include, without limitation:

Sec. 2. 36 MRSA § 652, sub-§ 1, ¶ L, sub-¶ (1), div. (c), (d), (e) and (f), as enacted by PL 1977, c. 487, are repealed and the following enacted in their place:

(c) Road maintenance and construction, traffic control, snow and ice removal, sidewalks and streetlights;

(d) Water and sewer service; and

(e) Sanitation services.

Sec. 3. 36 MRSA § 652, sub-§ 1, ¶ L, sub-¶ (2), as enacted by PL 1977, c. 487, is repealed and the following enacted in its place:

(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 classifications of tax exempt real property listed in this section, excluding paragraph G, and in section 656, except real property owned by the State or by the United States Government.

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.

Sec. 3. 36 MRSA § 652, sub-§ 1, ¶ L, sub-¶ (2-A) is enacted to read:

(2-A) A municipality whose governing body decides to do so may hold a referendum on whether or not service charges shall be levied on tax exempt property, other than state or federal property, which is listed in this section and in sections 656 and which is located within the municipality. The referendum shall be held at a municipal election called under Title 30, chapter 207, or other applicable law for calling an election in that municipality. The municipality shall cause the required ballots to be prepared, on which shall be placed the following question for each classification of tax exempt property: "Shall (name of municipality) impose a service charge on (classification of tax exempt property) for fire protection, police protection, road maintenance and construction, traffic control, snow and ice removal, sidewalks, street lighting, water and sewer service and sanitation services?" The voters shall indicate by a cross or check mark placed against the words "Yes" or "No" their opinion of the question. If a majority of the legal voters voting at that referendum are in favor of imposing a service charge for one or more classifications of tax exempt property, the municipal officers of that municipality shall adopt, after notice and hearing, an ordinance to impose, beginning the next January 1st, the service charges approved. 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.

Sec. 4. 36 MRSA § 652, sub-§ 1, ¶ L, sub-¶ (6), as enacted by PL 1977, c. 487, is repealed and the following enacted in its place:

(6) The total service charges levied by a municipality on any institution or organization under this section during the first full year of imposition shall not exceed 25% of the actual cost of providing to that institution or organization the services listed in subparagraph (1); during the 2nd full year, 50% of that cost; during the 3rd full year, 75% of that cost; and thereafter, 100% of that cost. Service charges shall not be calculated solely on the basis of the valuation of the tax exempt property.

STATEMENT OF FACT

This bill permits municipalities to levy service charges on any or all classes of exempt property listed in Title 36, sections 652 and 656, for the following classes of service: Fire protection, police protection, road maintenance and construction, traffic control, snow and ice removal, sidewalks, streetlights, water and sewer service, and sanitation service.

The bill also provides that the governing body of a municipality may send the question of levying service charges out to a referendum; however, if a referendum is favorable to imposing a service charge for one or more classifications of tax exempt property, the governing body shall adopt that result into ordinance. Also, if a referendum is chosen, the resulting service charges shall be levied on all exempt real property listed in the classification.

The bill also provides that imposition of service charges shall be by steps: 25% of the full cost of service during the first full calendar year, 50% during the 2nd; 75% during the 3rd and 100% during all full calendar years thereafter.