

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1245

6  
7 H.P. 964

House of Representatives, March 17, 1983

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

10 EDWIN H. PERT, Clerk

Presented by Representative Murphy of Kennebunk.  
Cosponsor: Senator Najarian of Cumberland.

11  
12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Allow Municipalities the Option  
18 of Charging Reasonable Service Fees on  
19 Certain Tax Exempt Property.  
20

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

23 36 MRSA §652, sub-§1, ¶L, as amended by PL 1979,  
24 c. 467, §§2 to 7, is repealed and the following  
25 enacted in its place:

26 L. Service charges may be imposed under the fol-  
27 lowing provisions.

28 (1) The owners of certain institutional and  
29 organizational real property, which is  
30 otherwise exempt from state or municipal  
31 taxation, may be subject to service charges  
32 when these charges are calculated according  
33 to the cost of providing municipal services

1 to that real property and to the persons who  
2 use that property.

3 A municipality may elect to levy a service  
4 charge within each classification for one or  
5 more of the following services:

6 (a) Fire protection;

7 (b) Police protection;

8 (c) Road maintenance and construction,  
9 traffic control, snow and ice removal,  
10 sidewalks and street lights; and

11 (d) Sanitation services.

12 (2) The establishment of service charges is  
13 not mandatory, but is at the discretion of  
14 the municipality in which the exempt prop-  
15 erty is located. The municipal legislative  
16 body shall determine those institutions and  
17 organizations on which they propose to levy  
18 service charges. A service charge may be  
19 levied on any or all of the classifications  
20 of tax exempt real property listed in para-  
21 graphs A, B, E, F, H and J.

22 If a municipality levies service charges in  
23 any of those classifications, that munici-  
24 pality shall levy these service charges to  
25 all institutions and organizations owning  
26 property in that classification.

27 (3) The municipal legislative body shall  
28 hold a referendum on whether or not service  
29 charges shall be levied on tax exempt prop-  
30 erty which is listed in subparagraph (2) and  
31 which is located within the municipality.  
32 The referendum shall be held at a municipal  
33 election called under Title 30, chapter 207,  
34 or other applicable law for calling an elec-  
35 tion in that municipality. The municipality  
36 shall cause the required ballots to be pre-  
37 pared, on which shall be placed the follow-  
38 ing question for each classification of tax  
39 exempt property: "Shall (name of municipal-

1                   ity) levy a service charge on (classifica-  
2                   tion of tax exempt property) for (the appli-  
3                   cable services)?" The voters shall indicate  
4                   by a cross or check mark placed against the  
5                   words "Yes" or "No" their opinion of the  
6                   question. If a majority of the legal voters  
7                   voting at that referendum are in favor of  
8                   levying a service charge for one or more  
9                   classifications of tax exempt property, the  
10                   municipal officers of that municipality  
11                   shall adopt, after notice and hearing, an  
12                   ordinance to levy the service charges  
13                   approved, beginning the next fiscal year.

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

18                   (5) The collection of unpaid service  
19                   charges shall be carried out in the same  
20                   manner as provided in Title 38, section  
21                   1208.

22                   (6) Municipalities shall use the revenues  
23                   accrued from service charges to fund, as  
24                   much as possible, the cost of those ser-  
25                   vices.

26                   (7) Municipalities shall adopt any neces-  
27                   sary ordinances to carry out the provisions  
28                   of this paragraph regarding service charges.  
29                   Any service charge levied in accordance with  
30                   this paragraph shall comply with the follow-  
31                   ing standards.

32                   (a) The institution or organization  
33                   must receive the service for which it  
34                   is charged.

35                   (b) The service charge must reasonably  
36                   reflect the value of that service.

37                   (c) A service charge levied on any  
38                   classification of tax exempt property  
39                   shall be levied on all institutions  
40                   owning property in that classification.  
41

1 STATEMENT OF FACT

2 This bill allows municipalities the option of  
3 imposing a service charge on certain types of tax ex-  
4 empt property. Municipalities that do not wish to  
5 impose a service fee are not required to do so, and a  
6 service fee may be levied only after approval by a  
7 majority of voters at a referendum.

8 The service charge may be levied to reflect to  
9 the greatest extent possible the actual cost of any  
10 or all of the following services:

- 11 1. Fire protection;
- 12 2. Police protection;
- 13 3. Road maintenance and construction, traffic  
14 control, snow and ice removal, sidewalks and  
15 street lights; and
- 16 4. Sanitation service.

17 Any service charge levied in accordance with this  
18 bill would comply with the following guidelines.

- 19 1. The institution or organization must receive  
20 the service for which it is charged.
- 21 2. The service charge must reasonably reflect  
22 the value of that service.
- 23 3. A service charge levied on any classification  
24 of tax exempt property shall be levied on all insti-  
25 tutions owning property in that classification.

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