

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 489

6
7 H.P. 369

House of Representatives, February 8, 1985

8 On motion of Representative Higgins of Portland, referred to the
9 Committee on Taxation. Sent up for concurrence and ordered printed.
Ordered sent forthwith.

10 EDWIN H. PERT, Clerk

Presented by Representative Manning of Portland.

11 Cosponsored by Representative Murray of Bangor.

12 STATE OF MAINE
13

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

17 AN ACT to Allow Municipalities the Option of
18 Charging Reasonable Service Charges 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24 c. 467, §§2 to 7, is repealed and the following en-
25 acted 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 oth-
30 erwise exempt from state or municipal taxa-
31 tion, may be subject to service charges when
32 these charges are calculated according to
33 the cost of providing municipal services to
34 that real property and to the persons who
35 use that property.

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

4 (a) Fire protection;

5 (b) Police protection;

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

9 (d) Sanitation services.

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

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

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

1 by a cross or check mark placed against the
2 words "Yes" or "No" their opinion of the
3 question. If a majority of the legal voters
4 voting at that referendum are in favor of
5 levying a service charge for one or more
6 classifications of tax exempt property, the
7 municipal officers of that municipality
8 shall adopt, after notice and hearing, an
9 ordinance to levy the service charges ap-
10 proved, beginning the next fiscal year.

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

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

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

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

29 (a) The institution or organization
30 must receive the service for which it
31 is charged.

32 (b) The service charge must reasonably
33 reflect the value of that service.

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

1 STATEMENT OF FACT

2 This bill allows municipalities the option of im-
3 posing 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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