# MAINE STATE LEGISLATURE

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#### FIRST REGULAR SESSION

## ONE HUNDRED AND THIRTEENTH LEGISLATURE

# Legislative Document

NO. 1085

H.P. 811 House of Representatives, April 2, 1987 Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative INGRAHAM of Houlton.
Cosponsored by Senator BRANNIGAN of Cumberland,
Representatives NADEAU of Lewiston and ZIRNKILTON of Mount
Desert.

## STATE OF MAINE

# ·IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Provide Municipalities with to Option of Assessing Service Charges on Tax-exempt Property.				
5 6	Be it enacted by the People of the State of Maine as follows:			
7	36 MRSA §652-A is enacted to read:			
8	§652-A. Local option service charges			
9 10 11	1. Imposition. Municipalities may choose to impose service charges on the owners of certain institutional and organizational real property which is otherwise exempt from state or municipal taxation.			
.3 .4	2. Calculations. These charges shall be calculated according to the cost of providing municipal			

- services to that real property and to the persons who
  use that property.
- 3 3. Eligible services. A municipality may elect to impose a service charge for one or more of the following services:
  - A. Fire protection;
- 7 B. Police protection;

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- C. Road maintenance and construction, traffic control, snow and ice removal, sidewalks and street lights; or
- D. Sanitation services.
- 4. Eligible property. The municipal legislative body may impose service charges on any of the classifications of tax-exempt real property listed in section 652. If a municipality imposes service charges in any of those classifications, that municipality shall impose these service charges on all institutions and organizations owning property in that classification.
- Referendum. The municipal legislative body shall hold a referendum on whether service charges shall be imposed on certain tax-exempt property 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 the 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 (classification of tax-exempt property) for (the applicable services)?" The voters shall indicate by a cross or check mark placed against the word "Yes" "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 tice and hearing, an ordinance to impose the service charges approved, beginning the next fiscal year.

	1	<ol><li>Appeal. With respect to the determination of</li></ol>
	2	service charges, appeals shall be made in accordance
	3 4	with an appeals process to be provided for by munici-
	pal ordinance.	
1	5	<ol><li>Collection. The collection of unpaid service</li></ol>
	6	charges shall be carried out in the same manner as
	7	provided in Title 38, section 1208.
	8	8. Ordinance. Municipalities shall adopt any
	9	necessary ordinances to carry out the provisions of
	10	this section regarding service charges. Any service
	11	charge imposed in accordance with this section shall
	12	comply with the following standards.
	13	A. The institution or organization must receive
	14	the service for which it is charged.
	15	B. The service charge must reasonably reflect
	16	B. The service charge must reasonably reflect the value of that service.
	10	the value of that service.
	17	C. A service charge imposed on any classifica-
	18	tion of tax-exempt property shall be imposed on
	19	all institutions owning property in that classi-
)	20	fication.
	21	STATEMENT OF FACT
	22	This bill is a recommendation of the majority of
	23	the Speaker's Select Committee on Tax Reform. Its
	24	purpose is to provide some relief from the burden of
	25	property taxes in municipalities with large amounts
	26	of tax-exempt property by permitting municipalities
	27	the option of imposing service charges on that prop-
	28	erty. Municipalities that do not wish to impose ser-
	29	vice charges are not required to do so, and service
	30	charges may be imposed only after approval by a ma-
	31	jority of voters at a referendum.
	32	Service charges must be calculated according to
	33	the cost of providing the services and may cover any
	34	of the following services:

Fire protection;

	 e production,		
3	maintenance and and ice removal,	-	

4. Sanitation service.

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2. Police protection:

- Municipalities choosing to impose service charges
  must adopt an ordinance which ensures that the following requirements are met.
- 9 1. The institution or organization must receive 10 the service for which it is charged.
- 11 2. The service charge must reasonably reflect 12 the value of that service.
- 3. A service charge imposed on any classification of tax-exempt property shall be imposed on all institutions owning property in that classification.
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