

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1179

H.P. 878 House of Representatives, April 9, 1987
Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative CONNOLLY of Portland.
Cosponsored by Representative MAYO of Thomaston, HIGGINS
of Scarborough and Senator ESTES of York.

STATE OF MAINE

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

AN ACT to Enable Municipalities to Assess
Impact Taxes on Development.

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

36 MRSA c. 712-A is enacted to read:

CHAPTER 712-A

LOCAL OPTION DEVELOPMENT TAXES

§4671. Municipality; raising funds

1. Raising funds; purposes. A municipality may
enact an excise tax to be levied on new residential,
commercial or industrial developments to raise funds;

1 A. To relieve costs of providing municipal or
2 other services to the development or new resi-
3 dents, visitors or employees brought to the mu-
4 nicipality by development;

5 B. To provide alternative housing to low-income
6 residents directly or indirectly displaced by de-
7 velopment;

8 C. To preserve open space, farm land or recrea-
9 tional property which otherwise might be subject
10 to future development; or

11 D. For any other public purpose which is reason-
12 ably related to the growth or development in the
13 community.

14 §4672. Findings; provided

15 The municipal ordinance adopting the assessment
16 shall provide the findings of the municipal legisla-
17 tive body regarding the needs for the assessment, the
18 definition of development subject to assessment and
19 the way in which funds raised will be assessed, held
20 and allocated to meet the needs found by the munici-
21 pality. The findings shall describe the reasonable
22 relationship of the assessment to the harm being pro-
23 ected against and the way in which the assessment
24 will promote the general welfare of the municipality
25 and its citizens.

26 STATEMENT OF FACT

27 Rapid commercial development has created a crisis
28 in many Maine communities by destroying or displacing
29 housing of low-income residents, reducing open, rec-
30 reational or farm land that has been essential to the
31 health and character of the communities, taking wa-
32 terfront or other property essential to traditional
33 industries and by placing added burdens on municipal
34 services and facilities. One municipal ordinance as-
35 sessing a fee on a development has been challenged on
36 the ground that it was not authorized by state law.
37 This bill will explicitly authorize municipalities to
38 adopt such ordinances as they find necessary.

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