

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2415

H.P. 1762 House of Representatives, March 2, 1988
Reported by Representative MICHAUD for the Maine
Commission on Land Conservation and Economic Development
pursuant to Public Law 1987, Chapter 514.

Reference to the Committee on Economic Development
suggested and printing ordered under Joint Rule 18.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

1 **AN ACT Enabling Municipalities to**
2 **Establish Municipal Investment and**
3 **Land Banks Funded by a Local Option**
4 **Real Estate Transfer Tax.**
5

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

8 36 MRSA c. 712-A is enacted to read:

1 municipality from the tax authorized by this chapter
2 shall be deposited in a municipal investment and land
3 bank account and may be used only for the purposes
4 permitted under this chapter.

5 8. Failure to pay the tax. Failure to pay the
6 tax provided by this chapter shall be subject to a
7 penalty, in addition to the tax, equal to the amount
8 of the tax and interest at the rate determined
9 pursuant to section 186. Penalties and interest due
10 under this chapter shall be paid to the municipality
11 in which the tax is due. Penalties and interest may
12 be recovered by the municipality in a civil suit.

13 §4662. Municipal investment and land bank

14 A municipality imposing a local real estate
15 transfer tax shall establish a municipal investment
16 and land bank and shall previously have adopted a
17 comprehensive plan pursuant to the requirements of
18 Title 30, chapter 239, subchapter VI.

19 1. Referendum. The municipal investment and land
20 bank must be approved by referendum according to the
21 provisions of Title 30, section 2061. It may be
22 approved as part of the referendum adopting a local
23 real estate transfer tax or as a separate measure.

24 2. Administration. The referendum shall provide
25 that the municipal investment and land bank be
26 administered by a commission and shall specify number,
27 qualifications, terms of office and powers and duties
28 of commission members.

29 3. Limitation. Funds in a municipal investment
30 and land bank are restricted to the following uses:

31 A. Acquisition or management of interests in land
32 within the municipality for the purposes of:

33 (1) Preserving it in an undeveloped state;

34 (2) Conserving natural or scenic resources
35 or preserving wildlife habitat; or

1 (3) Maintaining or improving recreational
2 opportunities within the municipality; or

3 B. Capital investments for the development of
4 affordable housing for municipal residents. The
5 term "affordable housing" means decent, safe and
6 sanitary dwellings, apartments or other living
7 acomodations for households making 80% of the
8 median household income as determined by the
9 Department of Economic and Community Development;

10 C. Creation of new or expansion of existing
11 public facilities to accomodate growth. Public
12 facilities may include, without limitation, sewage
13 and treatment facilities, municipal water
14 facilities, solid waste facilities, fire
15 protection facilities, roads and traffic control
16 devices, parks and other open space or
17 recreational areas and any other facility which
18 benefits the public; and

19 D. Any other purposes which are incidental to the
20 purposes permitted by this section, including
21 administrative costs and the costs of employing
22 staff, but not including costs of maintaining or
23 improving recreation or open space land.

24 STATEMENT OF FACT

25 This bill is the majority recommendation of the
26 Maine Commission on Land Conservation and Economic
27 Development as a result of its study of growth
28 management problems in the State.

29 The bill permits a municipality to impose a local
30 real estate transfer tax for the purpose of funding a
31 municipal investment and land bank. The municipality
32 would have to have adopted a comprehensive plan under
33 the relevent provisions of the Maine Revised Statutes,

1 Title 30. The municipality would also be required to
2 hold a referendum on imposition of the tax. The tax
3 would be limited to 0.4% of the taxable base of
4 property transferred within the municipality to be
5 paid 1/2 by the transferor and 1/2 by the transferee.
6 The first \$77,000 of the value of primary residences
7 would be exempt from the tax. The tax would be
8 collected by the county registers of deeds at the same
9 time as the state real estate transfer tax.

10 Revenues obtained through a local real estate
11 transfer tax would be restricted to the acquisition or
12 management of land for the purposes of preserving
13 undeveloped land, conserving natural or scenic
14 resources or wildlife habitat, maintaining or
15 improving recreational opportunities, providing
16 affordable housing, making needed investments in local
17 infrastructure or other incidental purposes, including
18 administrative costs, but not land maintenance.

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