

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 690

H.P. 510

House of Representatives, March 7, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative HIGGINS of Scarborough.
Cosponsored by Senator ANDREWS of Cumberland.

STATE OF MAINE

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

**An Act to Enable Municipalities to Assess Impact Taxes on
Development.**



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

3 36 MRSA c. 712-A is enacted to read:

5 CHAPTER 712-A

7 LOCAL OPTION DEVELOPMENT TAXES

9 §4671. Municipality; raising funds

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

15 A. To relieve costs of providing municipal or other
17 services to the development or new residents, visitors or
employees brought to the municipality by development;

19 B. To provide alternative housing to low-income residents
21 directly or indirectly displaced by development;

23 C. To preserve open space, farm land or recreational
25 property which otherwise might be subject to future
27 development; or

D. For any other public purpose which is reasonably related
to the growth or development in the community.

29 §4672. Findings

31 The municipal ordinance adopting the assessment shall
33 provide the findings of the municipal legislative body regarding
35 the needs for the assessment, the definition of development
37 subject to assessment and the way in which funds raised will be
39 assessed, held and allocated to meet the needs found by the
municipality. The findings shall describe the reasonable
relationship of the assessment to the harm being protected
against and the way in which the assessment will promote the
general welfare of the municipality and its citizens.

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STATEMENT OF FACT

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45 Rapid commercial development has created a crisis in many
47 Maine communities by destroying or displacing housing of
49 low-income residents, reducing open, recreational or farm land
51 that has been essential to the health and character of the
communities, taking waterfront or other property essential to
traditional industries and by placing added burdens on municipal
services and facilities. One municipal ordinance assessing a fee
on a development has been challenged on the ground that it was

1 not authorized by state law. This bill will explicitly authorize municipalities to adopt such ordinances as they find necessary.