

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1166

H.P. 834

House of Representatives, April 12, 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 DORE of Auburn.

Cosponsored by Representative LAPOINTE of Auburn and Representative OLIVER of Portland.

STATE OF MAINE

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

**An Act to Repeal the Municipal Service Charge Limitation for
Subsidized Housing Exempt from Taxation.**



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

3 **36 MRSA §652, sub-§1, ¶L**, as amended by PL 1979, c. 467, §§2
5 to 7, is further amended to read:

7 **L. Service-charges** The following provisions concern service
9 charges.

11 (1) The owners of certain institutional and
13 organizational real property, which is otherwise exempt
15 from state or municipal taxation, may be subject to
17 service charges when these charges are calculated
19 according to the actual cost of providing municipal
21 services to that real property and to the persons who
23 use that property. These services shall include,
25 without limitation:

- 17 (a) Fire protection;
- 19 (b) Police protection;
- 21 (c) Road maintenance and construction, traffic
23 control, snow and ice removal;
- 25 (d) Water and sewer service;
- 27 (e) Sanitation services; and
- 29 (f) Any services other than education and welfare.

31 (2) The establishment of service charges is not
33 mandatory, but rather is at the discretion of the
35 municipality in which the exempt property is located.
37 The municipal legislative body shall determine those
39 institutions and organizations on which service charges
41 are to be levied by charging for services on any or all
43 of the following classifications of tax exempt real
45 property:

- 41 (a) Residential properties currently totally
43 exempt from property taxation, yet used to provide
45 rental income. This classification shall not
47 include student housing or parsonages.

45 If a municipality levies service charges in any of the
47 classifications of this subparagraph, that municipality
49 shall levy these service charges to all institutions
and organizations owning property in that
classification.

51 (3) With respect to the determination of service
charges, appeals shall be made in accordance with an

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appeals process to be provided for by municipal ordinance.

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

(5) Municipalities shall use the revenues accrued from service charges to fund, as much as possible, the costs of those services.

~~(6) The total service charges levied by a municipality on any institution and organization under this section shall not exceed 2% of the gross annual revenues of the organization. To qualify for this limitation the institution or organization shall file with the municipality an audit of the revenues of the organization for the year immediately prior to the year which the service charge is levied. The municipal officers shall abate the service charge amount that is in excess of 2% of the gross annual revenues.~~

(7) Municipalities shall adopt any necessary ordinances to carry out the provisions of this paragraph regarding service charges.

STATEMENT OF FACT

This bill repeals the provision which limits the municipal service charge in lieu of taxes to 2%.