

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 856

S.P. 318

Received by the Secretary, February 26, 1991

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot  
Cosponsored by Representative NADEAU of Saco and Representative BUTLAND of  
Cumberland.

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STATE OF MAINE

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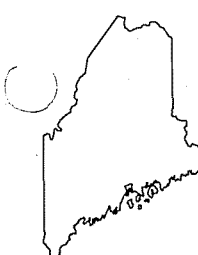
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Increase the Authority of Municipalities to Levy Service  
Charges on Certain Tax Exempt Property.**

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Printed on recycled paper



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

2  
36 MRSA §652, sub-§1 ¶L, as enacted by PL 1977, c. 487, is  
4 amended to read:

6 L. Service The following provisions concern service  
7 charges.

8  
9 (1) The owners of certain institutional and  
10 organizational real property, which is otherwise exempt  
11 from state or municipal taxation, may be subject to  
12 service charges when these charges are calculated  
13 according to the actual cost of providing municipal  
14 services to that real property and to the persons who  
15 use that property. These services shall must include,  
16 without limitation:

18 (a) Fire protection;

20 (b) Police protection;

22 (c) Road maintenance and construction, traffic  
23 control, snow and ice removal;

24 (d) Water and sewer service;

26 (e) Sanitation services; and

28 (f) Any services other than education and  
30 welfare.

32 (2) The establishment of service charges is not  
33 mandatory, but rather is at the discretion of the  
34 municipality in which the exempt property is located.  
35 The municipal legislative body shall determine those  
36 institutions and organizations on which service charges  
37 are to be levied by charging for services on any or all  
38 of the ~~following~~ classifications of tax exempt real  
39 property+ described in this section.

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

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

- 2 (3) With respect to the determination of service  
4 charges, appeals shall must be made in accordance with  
an appeals process to be provided for by municipal  
ordinance.
- 6 (4) The collection of unpaid service charges shall  
8 must be carried out in the same manner as provided in  
Title 38, section 1208.
- 10 (5) Municipalities shall use the revenues accrued from  
12 service charges to fund, as much as possible, the costs  
of those services.
- 14 (6) The total service charges levied by a municipality  
16 on any institution and organization under this section  
shall may not exceed 2% of the gross annual revenues of  
18 the organization. To qualify for this limitation the  
institution or organization shall file with the  
20 municipality an audit of the revenues of the  
organization for the year immediately prior to the year  
22 which the service charge is levied. The municipal  
officers shall abate the service charge amount that is  
24 in excess of 2% of the gross annual revenues.
- 26 (7) Municipalities shall adopt any necessary  
28 ordinances to carry out the provisions of this  
paragraph regarding service charges.

30 **STATEMENT OF FACT**

32 This bill expands the authority of municipalities to levy  
34 service charges by repealing the single classification to which  
service fees currently apply and replacing it with all the  
36 classes of property subject to exemption under the Maine Revised  
Statutes, Title 36, section 652.