

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

No. 790

H.P. 586

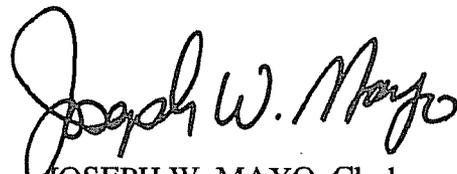
House of Representatives, March 4, 1993

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**An Act to Clarify the Tax-exempt Status of Community Mental Health Service Facilities.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative KILKELLY of Wiscasset.  
Cosponsored by Senator BEGLEY of Lincoln and  
Representatives: CARROLL of Gray, CATHCART of Orono, GRAY of Sedgwick, HOGLUND of Portland, HOLT of Bath, Senator: HANDY of Androscoggin.

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

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4       Sec. 1. 36 MRSA §652, sub-§1, ¶A, as amended by PL 1991, c.  
420, is further amended to read:

6       A. The real estate and personal property owned and occupied  
8       or used solely for their own purposes by benevolent and  
10       charitable institutions incorporated by this State, and none  
12       of these may be deprived of the right of exemption by reason  
of the source from which its funds are derived or by reason  
of limitation in the classes of persons for whose benefit  
such funds are applied.

14               (1) Any such institution which that is in fact  
16       conducted or operated principally for the benefit of  
18       persons who are not residents of Maine is entitled to  
20       an exemption not to exceed \$50,000 of current just  
22       value only when the total amount of any stipends or  
24       charges which that it makes or takes during any tax  
26       year, as defined by section 502, for its services,  
28       benefits or advantages divided by the total number of  
30       persons receiving such services, benefits or advantages  
32       during the same tax year does not result in an average  
34       rate in excess of \$30 per week when said weekly rate is  
36       computed by dividing the average yearly charge per  
person by the total number of weeks in a tax year  
during which such institution is in fact conducted or  
operated principally for the benefit of persons who are  
not residents of Maine. No such institution which that  
is in fact conducted or operated principally for the  
benefit of persons who are not residents of Maine and  
makes charges which that result in an average weekly  
rate per person, as computed under this subparagraph,  
in excess of \$30 may be entitled to tax exemption. This  
subparagraph does not apply to institutions  
incorporated as nonprofit corporations for the sole  
purpose of conducting medical research.

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40       For the purposes of this paragraph, "benevolent and  
42       charitable institutions" include, but are not limited to,  
44       nonprofit nursing homes and nonprofit boarding homes and  
46       boarding care facilities licensed by the Department of Human  
48       Services pursuant to Title 22, chapter 1665 or its successor  
and nonprofit community mental health service facilities  
licensed by the Commissioner of Mental Health and Mental  
Retardation, pursuant to Title 34-B, chapter 3. For the  
purposes of this paragraph, "nonprofit" means a facility  
exempt from taxation under Section 501 of the Code.;

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## STATEMENT OF FACT

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This bill clarifies that facilities of nonprofit community mental health service providers are exempt from taxation.