

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

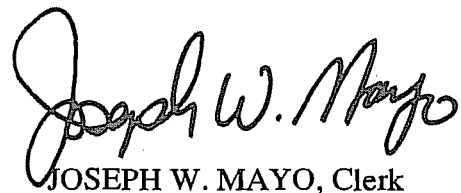
No. 969

H.P. 718

House of Representatives, March 22, 1993

An Act to Amend State Tax Increment Financing.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative NADEAU of Saco.
Cosponsored by Representatives: HOGLUND of Portland, KERR of Old Orchard Beach,
KONTOS of Windham, LORD of Waterboro, RAND of Portland, ROWE of Portland,
SIMONEAU of Thomaston, Senators: BALDACCI of Penobscot, CAREY of Kennebec,
TITCOMB of Cumberland.

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

2
4 **Sec. 1. 30-A MRSA §5252, sub-§10**, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is further amended to read:

6 **10. Tax increment financing district.** "Tax increment financing district" means a type of development district, or portion of a district, ~~which~~ that uses tax increment financing under section 5254 or section 5254-A.

10 **Sec. 2. 30-A MRSA §5254, sub-§3**, as amended by PL 1991, c. 856, §4, is further amended by amending the first paragraph to read:

14 **3. Development program fund; tax increment revenues.** If a municipality has elected to retain all or a percentage of the retained captured assessed value under subsection 1, or has established a district under section 5254-A, subsection 1, the municipality shall:

20 **Sec. 3. 30-A MRSA §5254-A, sub-§1**, as amended by PL 1991, c. 856, §5, is repealed and the following enacted in its place:

24 1. Eligibility. The following are eligible to be designated as state tax increment financing districts:

26 A. Any tax increment financing district, designated by a municipality and approved by the Commissioner of Economic and Community Development under section 5253, subsection 1, paragraph F, as long as captured assessed value within the district is created after July 30, 1991;

32 B. Municipally owned or controlled property that is not subject to local real property tax that meets all of the criteria for designation as a development district under sections 5253 and 5254, other than section 5253, subsection 1, paragraphs C and D, paragraph E, subparagraph (1) and paragraph F and section 5254, subsections 1 and 2.

38 C. A combination district consisting of both taxable and tax-exempt property. In a combination district, all provisions of sections 5253 and 5254 apply.

40 **Sec. 4. 30-A MRSA §5254-A, sub-§1-A, ¶D**, as enacted by PL 1991, c. 856, §5, is amended to read:

44 **D.** The municipality, acting through its municipal officers or their designee, shall submit an application to the Commissioner of Economic and Community Development on such

2 form or forms and with such supporting data as the
3 commissioner requires for approval of the proposed state tax
4 increment financing district, including without limitation
5 certifications by the designated businesses as to the
6 average annual number of persons employed by each designated
7 business within the boundaries of the proposed district, the
8 average total state income taxes withheld by designated
9 businesses during the base period and the average annual
10 amount of sales tax remittances paid by each designated
11 business from operations within the boundaries of the
12 proposed district during the base period. Notwithstanding
13 this paragraph, in a district consisting entirely of
14 municipally owned or controlled property that does not have
15 any designated businesses within the district at the time of
16 application, the municipality shall certify that there are
17 no such designated businesses, no persons employed and no
18 income taxes withheld or sales taxes paid from operations
19 within the boundaries of the proposed district during the
20 base period.

21 **Sec. 5. 30-A MRSA §5254-A, sub-§1-B, ¶A,** as enacted by PL
22 1991, c. 856, §5, is amended to read:

23 A. The economic development described in the development
24 program will not go forward without the approval of the
25 state tax increment financing district. This requirement
26 does not apply to the addition of state tax increment
27 financing provisions to municipal development districts
28 created prior to the effective date of this subsection nor
29 to state tax increment financing districts created under
30 subsection 1, paragraph B;

31 **Sec. 6. 30-A MRSA §5254-A, sub-§3-A,** as enacted by PL 1991, c.
32 856, §5, is amended to read:

33 **3-A. Application of payment to municipalities.** All
34 retained state tax increment revenues paid to a municipality must
35 be deposited in the appropriate development program fund
36 established in section 5254, subsection 3 and invested, used and
37 applied in the manner described in the development program, and
38 except that:

39 A. The amount of retained state tax increment revenues paid
40 to a municipality may not exceed the amount of tax increment
41 revenues generated by the municipality pursuant to section
42 5254, subsection 3 and actually required to satisfy the
43 estimated obligations of the development sinking fund
44 account; and

45 B. All retained state tax increment revenues not actually
46 required to satisfy the estimated obligations of the
47 development sinking fund account revert to the State; and
48

