

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 83

S.P. 54

In Senate, January 17, 1995

An Act to Clarify the Property Tax Laws Related to Property Tax Exemptions Benefitting Nonresidents.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator CLEVELAND of Androscoggin.

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

2
3 **Sec. 1. 36 MRSA §652, sub-§1, ¶A**, as amended by PL 1993, c.
4 286, §1 and affected by §2, is further amended to read:

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

14 (1) Any such institution that is in fact conducted or
15 operated principally for the benefit of persons who are
16 not residents of Maine is entitled to an exemption not
17 to exceed \$50,000 of current just value only when the
18 total amount of any stipends or charges that it makes
19 or takes during any tax year, as defined by section
20 502, for its services, benefits or advantages divided
21 by the total number of persons receiving such services,
22 benefits or advantages during the same tax year does
23 not result in an average rate in excess of \$30 per week
24 when said weekly rate is computed by dividing the
25 average yearly charge per person by the total number of
26 weeks in a tax year during which such institution is in
27 fact conducted or operated principally for the benefit
28 of persons who are not residents of Maine. No such
29 institution that is in fact conducted or operated
30 principally for the benefit of persons who are not
31 residents of Maine and makes charges that result in an
32 average weekly rate per person, as computed under this
33 subparagraph, in excess of \$30 may be entitled to tax
34 exemption. This subparagraph does not apply to
35 institutions incorporated as nonprofit corporations for
36 the sole purpose of conducting medical research. An
37 institution is conducted or operated principally for
38 the benefit of persons who are not residents of Maine
39 if more than 1/2 of the total of its stipends or
40 charges are paid by persons who are not residents of
41 Maine or if more than 1/2 of the hours spent
42 participating in its services, benefits or advantages
43 for which it has stipends or charges are spent by
44 persons who are not residents of Maine.

46 For the purposes of this paragraph, "benevolent and
47 charitable institutions" include, but are not limited to,
48 nonprofit nursing homes and nonprofit boarding homes and
49 boarding care facilities licensed by the Department of Human
50 Services pursuant to Title 22, chapter 1665 or its successor
and nonprofit community mental health service facilities

2 licensed by the Commissioner of Mental Health and Mental
Retardation, pursuant to Title 34-B, chapter 3. For the
4 purposes of this paragraph, "nonprofit" means a facility
exempt from taxation under Section 501(c)(3) of the Code;

6

8 STATEMENT OF FACT

10 This bill clarifies, for purposes of property tax
exemptions, which institutions are conducted or operated
principally for the benefit of persons who are not residents of
12 the State.