

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 607

H.P. 441

House of Representatives, February 22, 1995

An Act to Give Increased Local Control in Fiscal Matters by Allowing Municipalities the Option of Charging Minimum User Fees on Certain Tax-exempt Property.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative RICHARDSON of Portland.
Cosponsored by Representatives: DAGGETT of Augusta, ETNIER of Harpswell, JONES of Bar Harbor, MAYO of Bath, MORRISON of Bangor, SAXL of Bangor, SHIAH of Bowdoinham, STONE of Bangor, TRIPP of Topsham, Senators: GOLDTHWAIT of Hancock, RUHLIN of Penobscot.

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

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Sec. 1. 36 MRSA §652-A is enacted to read:

§652-A. User fees in lieu of taxes

A municipality may charge user fees on tax-exempt property using municipal services subject to the following conditions.

1. Calculation. The user fees must be calculated according to the cost of providing municipal services to that real property and to the persons who use that property.

2. Services included. A municipality may elect to levy user fees for one or more of the following services:

A. Fire protection;

B. Police protection;

C. Road maintenance and construction, traffic control, snow and ice removal, sidewalks and street lights; and

D. Sanitation services.

3. Types of property covered. If a municipality elects to charge user fees under this section, the municipal legislative body shall determine those institutions and organizations on which it proposes to levy user fees. A user fee may be levied on any or all of the classifications of tax-exempt real property listed in section 651 or 652.

4. Referendum. The municipal legislative body shall hold a referendum in which the voters approve user fees on tax-exempt property that is listed in subsection 3 and that is located within the municipality. The referendum must be held at a municipal election called under Title 30-A, chapter 121, subchapter II, or other applicable laws for calling an election in that municipality. The municipality shall cause the required ballots to be prepared. The ballots must contain the following question for each classification of tax-exempt property: "Shall (name of municipality) levy a user fee on (classification of tax-exempt property) for (the applicable services)?" The voters shall indicate by a cross or check mark placed against the words "Yes" or "No" their opinion of the question. If a majority of the legal voters voting at that referendum are in favor of levying a user fee for one or more classifications of tax-exempt property, the municipal officers of that municipality shall adopt, after notice and hearing, an ordinance to levy the user fee approved, beginning the next fiscal year.

2 5. Appeals. The municipality shall establish by municipal
3 ordinance an appeals process.

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5 6. Collection. Unpaid user fees may be collected by the
6 municipality in the same manner as provided in Title 38, section
7 1208.

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9 7. Use of fees. Municipalities shall use the revenues
10 accrued from user fees to fund, as much as possible, the cost of
11 the services for which the fees were charged.

12 8. Ordinances. Municipalities shall adopt any necessary
13 ordinances to carry out the provisions of this section. Any user
14 fee levied under this section must comply with the following.

15 A. The institution or organization must receive the service
16 for which it is charged.

17 B. The user fee must reasonably reflect the value of that
18 service.

19 C. A user fee levied on any classification of tax-exempt
20 property must be levied on all institutions owning property
21 in that classification.

22 9. Maximum fee. The total amount of user fees levied on
23 property under this section may not exceed 10% of the amount that
24 would have been assessed on the property under this Part if the
25 property were not exempt.

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28 **STATEMENT OF FACT**

29 This bill allows municipalities the option of imposing a
30 user fee on certain types of tax-exempt property. Municipalities
31 that do not wish to impose a user fee are not required to do so,
32 and a user fee may be levied only after approval by a majority of
33 voters at a referendum.

34 The user fee may be levied for fire protection; police
35 protection; road maintenance and construction, traffic control,
36 snow and ice removal, sidewalks and street lights; and sanitation
37 service. The fee must reflect the actual cost of the service.

38 Any user fee levied in accordance with this bill must comply
39 with the following guidelines.

40 1. The institution or organization must receive the service
41 for which it is charged.

2 2. The user fee must reasonably reflect the value of that
service.

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6 3. A user fee levied on any classification of tax-exempt
property must be levied on all institutions owning property in
that classification.

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10 4. The total amount of user fees may not exceed 10% of the
amount that would have been assessed on the property if it were
not exempt from property tax.

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