

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 746

H.P. 550

House of Representatives, March 7, 1995

**An Act to Amend the Law Relating to Municipal Service Fees and to
Modify the Reimbursement Policy for Hospitals to Recover Service Fees
Paid.**

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 STONE of Bangor.
Cosponsored by Representative: RICHARDSON of Portland.

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

2
3 **Sec. 1. 22 MRSA §396-D, sub-§9, ¶H,** as amended by PL 1991, c.
4 591, Pt. Q, §2, is further amended to read:

6 H. In determining payment year financial requirements, the
7 commission shall include an adjustment for the hospital's
8 assessment under Title 36, section 652, subsection 1,
9 paragraph L and section 2801-A.

10 **Sec. 2. 36 MRSA §652, sub-§1, ¶L,** as enacted by PL 1977, c.
11 487, is amended to read:

12 L. Service charges.

13 (1) The owners of certain institutional and
14 organizational real property, which is otherwise exempt
15 from state or municipal taxation, may be subject to
16 service charges when these charges are calculated
17 according to the municipality's actual cost of
18 providing ~~municipal~~ services to that real property and
19 to the persons who use that property. These Municipal
20 services shall include, without limitation for which a
21 service charge may be levied under this paragraph are
22 limited to the following:

23 (a) Fire protection, including public fire
24 protection service charges paid by the
25 municipality to a local water utility or water
26 district;

27 (b) Police protection; and

28 ~~(c) -- Road maintenance and construction, -- traffic~~
29 ~~control, -- snow and ice removal;~~

30 (d) Water and sewer service; provided by the
31 municipality and not recovered through water and
32 sewer rates, fees or charges pursuant to Title
33 30-A, section 5405.

34 ~~(e) -- Sanitation services; and~~

35 ~~(f) -- Any services other than education and welfare.~~

36 (2) The establishment of service charges is not
37 mandatory, but rather is at the discretion of the
38 municipality in which the exempt property is located.
39 ~~The municipal legislative body shall determine those~~
40 ~~institutions and organizations on which service~~ Service

2 charges ~~are to~~ may be levied by ~~charging for services~~
3 ~~on any or all of~~ under this paragraph on the following
4 ~~classifications~~ types of tax exempt real property:

5 (a) ~~Residential properties~~ Properties currently
6 totally exempt from property taxation, ~~yet used to~~
7 ~~provide rental income~~ that generate revenues for
8 the owner or occupant through charges or fees for
9 rent, or through charges or fees for goods sold or
10 services provided at the property location
11 concerned. This classification shall does not
12 include student housing or parsonages. Properties
13 that generate revenues for the owner or occupant
14 solely through voluntary contributions from
15 private individuals are not subject to service
16 charges under this paragraph.

17 If a municipality levies service charges in any of the
18 classifications of this subparagraph, that municipality
19 shall levy these service charges to all institutions
20 and organizations owning property in that
21 classification.

22 (3) With respect to the determination of service
23 charges, appeals shall must be made in accordance with
24 an appeals process to be provided for by municipal
25 ordinance.

26 (4) The collection of unpaid service charges shall ~~be~~
27 is carried out in the same manner as provided in Title
28 38, section 1208.

29 (5) Municipalities shall use the revenues accrued from
30 service charges to fund, as much as possible, the costs
31 of those services.

32 (6) The total service charges levied by a municipality
33 on any institution and or organization under this
34 section shall may not exceed 2% 3% of the gross annual
35 revenues of the institution or organization. For this
36 purpose "gross annual revenues" does not include
37 voluntary contributions received by the institution or
38 organization from private individuals. To qualify for
39 this limitation the institution or organization shall
40 file with the municipality an audit of the revenues of
41 the institution or organization for the institution's
42 or organization's fiscal year immediately ~~prior to~~
43 preceding the municipal fiscal year for which the
44 service charge is levied. The municipal officers shall

2 abate the service charge amount that is in excess of 2%
3% of the gross annual revenues.

4 (7) Municipalities shall adopt any necessary
5 ordinances to carry out the provisions of this
6 paragraph regarding service charges.

8 (8) Nonprofit corporations and charitable trusts, the
9 purposes or powers of which include retaining or
10 protecting the natural, scenic or open space values of
11 real property; assuring the availability of real
12 property for recreational or open space use; protecting
13 natural resources; or maintaining or enhancing air or
14 water quality are not subject to service charges
15 imposed under this section.

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STATEMENT OF FACT

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This bill changes from 2% to 3% of gross annual revenue the
total service charge that may be levied by a municipality on an
institution or organization.

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The bill also excludes from service charges voluntary
contributions received by the institution or organization from
private individuals.

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The bill also requires that in determining payment year
financial requirements the Maine Health Care Finance Commission
must include an adjustment for municipal service charges assessed
against a hospital.

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