

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

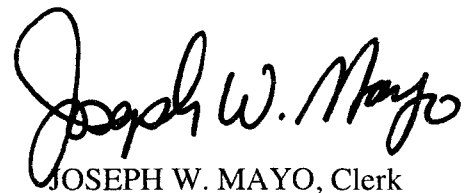
No. 1123

H.P. 800

House of Representatives, February 9, 1999

An Act to Set Fees for Services for Tax-exempt Property in Municipalities.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative McNEIL of Rockland.
Cosponsored by Representatives: COLLINS of Wells, GLYNN of South Portland, LEMONT
of Kittery, MENDROS of Lewiston.

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

2 **Sec. 1. 36 MRSA §652, sub-§1, ¶L**, as enacted by PL 1977, c.
4 487, is amended to read:

6 L. Service charges.

8 (1) The owners of certain institutional and
10 organizational real property, ~~which that~~ is otherwise
12 exempt from state or municipal taxation, may be subject
14 to service charges when these charges are calculated
16 according to the actual cost of providing municipal
18 services to that real property and to the persons who
20 use that property. These services shall include,
22 without limitation:

16 (a) Fire protection;

18 (b) Police protection;

20 (c) Road maintenance and construction, traffic
22 control, snow and ice removal;

24 (d) Water and sewer service;

26 (e) Sanitation services; and

28 (f) Any services other than education and welfare.

30 (2) The establishment of service charges is not
32 mandatory, but rather is at the discretion of the
34 municipality in which the exempt property is located.
36 The municipal legislative body shall determine those
38 institutions and organizations on which service charges
are to be levied by charging for services on any or all
of the following classifications of tax exempt real
property:

38 (a) Residential properties currently totally
40 exempt from property taxation, yet used to provide
42 rental income. This classification shall does not
include student housing or parsonages, ~~;~~ and

44 **(b) All other property currently totally exempt**
46 **from property taxation other than that owned or**
occupied by religious institutions or governmental
48 **entities.**

50 If a municipality levies service charges in any of the
classifications of this subparagraph, that municipality
shall levy these service charges to all institutions

2 and organizations owning property in that
classification.

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

8 (4) The collection of unpaid service charges shall
10 must be carried out in the same manner as provided in
Title 36, section 1208.

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

16 (6) The total service charges levied by a municipality
18 on any institution and organization under this section
shall may not exceed 2% of the gross annual revenues of
20 the organization. To qualify for this limitation the
institution or organization shall file with the
22 municipality an audit of the revenues of the
organization for the year immediately prior to the year
24 for which the service charge is levied. The municipal
officers shall abate the service charge amount that is
26 in excess of 2% of the gross annual revenues.

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

32 **SUMMARY**

34 This bill allows municipalities to impose service charges
36 for tax-exempt property owned or occupied by entities other than
religious institutions and governmental entities.