

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 264

S.P. 84

In Senate, January 18, 2005

An Act To Repeal the Property Tax Exemption for State and Municipal Property

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator PERRY of Penobscot.

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

2
4 **Sec. 1. 36 MRSA §651, sub-§1**, as amended by PL 1981, c. 595,
§4, is further amended to read:

6 **1. Public property.**

8 A. The property of the United States so far as the taxation
10 of such property is prohibited under the Constitution and
laws of the United States;

12 ~~B. The property of the State of Maine.~~

14 B-1. Real estate owned by the Water Resources Board of the
16 State of New Hampshire and used for the preservation of
recreational facilities in this State; and

18 C. All property which that by the Articles of Separation is
exempt from taxation.

20 ~~D. The property of any public municipal corporation of this
22 State appropriated to public uses, if located within the
corporate limits and confines of such public municipal
24 corporation.~~

26 ~~E. The pipes, fixtures, hydrants, conduits, gatehouses,
pumping stations, reservoirs and dams, used only for
28 reservoir purposes, of public municipal corporations engaged
in supplying water, power or light, if located outside of
30 the limits of such public municipal corporation.~~

32 ~~F. All airports and landing fields and the structures
erected thereon or contained therein of public municipal
34 corporations whether located within or without the limits of
such public municipal corporations. Any structures or land
36 contained within such airport not used for airport or
aeronautical purposes shall not be entitled to this
38 exemption. Any public municipal corporation which is
required to pay taxes to another such corporation under this
40 paragraph with respect to any airport or landing field shall
be reimbursed by the county wherein the airport is situated.~~

42 ~~G. The pipes, fixtures, conduits, buildings, pumping
44 stations and other facilities of a public municipal
corporation used for sewage disposal, if located outside the
46 limits of such public municipal corporation.~~

48 **Sec. 2. 38 MRSA §1304-B, sub-§5**, as amended by PL 1995, c. 81,
§1, is further amended to read:

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2 **5. Public waste disposal corporations.** Notwithstanding any
4 law, charter, ordinance provision or limitation to the contrary,
6 pursuant to any interlocal agreement entered into in accordance
8 with Title 30-A, chapter 115, any 2 or more municipalities may
10 organize or cause to be organized or may participate in one or
12 more corporations organized as nonprofit corporations under Title
14 13, chapter 81, or Title 13-B for the purpose, among other
16 permissible purposes, of owning or operating any one or more
18 waste facilities described in subsection 4, paragraph A, and a
20 subscribing municipality may agree in any such interlocal
22 agreement to pay fees, assessments or other payments as described
24 in subsection 4, paragraph B, for such term of years and on such
other terms as the interlocal agreement may provide and may
pledge the full faith and credit of the municipality to the same
extent provided in subsection 4, paragraph C. ~~A corporation
described in this subsection is a public municipal corporation as
that term is used in Title 36, section 651, subsection 1,
paragraph D, and its real and personal property located in
subscribing, participating and associate member municipalities is
exempt from municipal property taxation to the extent provided by
Title 36, section 651, subsection 1, paragraph D.~~ The applicable
interlocal agreement or the articles of incorporation or bylaws
of the corporation must provide that:

26 A. The corporation must be organized and continuously
28 thereafter operated as a nonprofit corporation, no part of
the net earnings of which may inure to the benefit of any
member, director, officer or other private person;

30 B. The directors of the corporation must be elected by the
32 municipal officers of the municipalities participating in
the corporation; and

34 C. Upon dissolution or liquidation of the corporation,
36 title to all of its property vests in one or more of the
municipalities participating in the corporation.

38 Any interlocal agreement complying with the requirements of this
40 subsection and subsection 6 must be a properly authorized, legal,
valid, binding and enforceable obligation of the municipality,
42 regardless of whether the agreement was authorized, executed or
delivered prior to or after the effective date of this
44 subsection. Any corporation organized in a manner that satisfies
the requirements set forth in this subsection and subsection 6,
46 whether organized prior to or after the effective date of this
subsection, is deemed for all purposes as organized pursuant to
48 this subsection. If so provided in the applicable interlocal
agreement, any such corporation has the power, in addition to any
50 other powers that may be delegated under Title 30-A, chapter 115,
to issue, on behalf of one or more of the municipalities

2 participating in the corporation, in order to finance the
3 facilities, revenue obligation securities issued in accordance
4 with Title 10, chapter 110, subchapter IV 4, and any other bonds,
5 notes or debt obligations that municipalities are authorized to
6 issue by applicable law. For these purposes, the term "municipal
7 officers" as used in Title 10, chapter 110, subchapter IV 4,
8 means the board of directors of any corporation described in this
9 subsection. Title 10, section 1064, subsection 6, may not be
10 construed to prohibit the assignment or pledge as collateral
11 security of any contract of a municipality authorized by this
12 section or of any or all of the payments under this section,
13 regardless of whether the provisions of subsection 4, paragraph
14 C, are applicable to the contract or payments. The provisions of
15 Title 10, sections 1063 and 1064, subsection 1, paragraph A and
16 paragraph C, subparagraph (4) do not apply to revenue obligation
17 securities issued by any public waste disposal corporation
18 described in this subsection.

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SUMMARY

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This bill repeals the exemption from taxation given for property owned by the State or a municipality.