L.D. 791

DATE: 5·31·05 (Filing No. S-299)

TAXATION

Reported by:

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STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 258, L.D. 791, Bill, "An Act Concerning the Taxation of Buildings in Which Nonprofit Organizations Are Housed"

Amend the bill by striking out the title and substituting the following:

'An Act Concerning the Taxation of Property Owned by Certain Veterans' Organizations'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'**Sec. 1. 36 MRSA §652, sub-§1, ¶E,** as amended by PL 1979, c. 467, §4, is further amended to read:

E. The real estate and personal property owned ~~and~~, occupied and used for their own purposes by posts of the American Legion, Veterans of Foreign Wars, American Veterans ~~of World War II~~, Grand Army of the Republic, Sons of Union Veterans of the Civil War, Spanish War Veterans, Disabled American Veterans and Navy Clubs of the U.S.A.~~, which shall be~~ that are used solely by those organizations for meetings, ceremonials or instruction or to further the charitable activities of the organization, including all facilities appurtenant to such use and used in connection therewith. ~~If any building shall not be used in its entirety for those purposes, but shall be used in part for those purposes and in part for any other purpose, exemption shall only be of the part used for those purposes.~~ If an organization is not the sole occupant of the property, the exemption granted

R.d.S.

under this paragraph applies only to that portion of the property owned, occupied and used by the organization for its purposes.

Further conditions to the right of exemption are that:

(1) ~~No~~ A director, trustee, officer or employee of any organization claiming exemption ~~shall~~ may not receive directly or indirectly any pecuniary profit from the operation thereof, excepting reasonable compensation for services in effecting its purposes or as a proper beneficiary of its purposes;

(2) All profits derived from the operation thereof and the proceeds from the sale of its property are devoted exclusively to the purposes for which it is organized; and

(3) The institution, organization or corporation claiming exemption under this subsection shall file with the tax assessors upon their request a report for its preceding fiscal year in such detail as the tax assessors may reasonably require.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Veterans Organization Tax Reimbursement (new)

Initiative: Provides funds to reimburse municipalities for 50% of the estimated revenue loss.

GENERAL FUND	**2005-06**	**2006-07**
All Other	$0	$318,750
GENERAL FUND TOTAL	$0	$318,750'

SUMMARY

This amendment strikes and replaces the bill, changes the title of the bill and expands the property tax exemption for veterans organizations to apply to property owned, occupied and used by those organizations to further charitable purposes. If a portion of the property is used solely for purposes not related to the veterans' organization, that portion is subject to property tax. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
(See attached)

Approved: 05/24/05 mac

122nd MAINE LEGISLATURE

LD 791 **LR 1944(02)**

An Act Concerning the Taxation of Buildings in Which Nonprofit Organizations Are Housed

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	$0	$318,750	$334,688	$351,422
Appropriations/Allocations				
General Fund	$0	$318,750	$334,688	$351,422

Fiscal Detail and Notes

This bill includes a General Fund appropriation of $318,750 in fiscal year 2006-07 for Maine Revenue Services to reimburse municipalities for 50% of the estimated revenue loss associated with this expanded exemption.