

MAINE STATE LEGISLATURE

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Legislative Document

No. 208

H.P. 179

House of Representatives, January 16, 2007

An Act To Eliminate Tax Increment Financing for Retail Businesses

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SIMPSON of Auburn.
Cosponsored by Senator STRIMLING of Cumberland and
Representatives: HARLOW of Portland, WOODBURY of Yarmouth, Senator: MILLS of
Somerset.

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

2 **Sec. 1. 30-A MRSA §5222, sub-§14-A** is enacted to read:

3 **14-A. Retail business.** "Retail business" means a business that serves customers
4 who are physically present at the location for the purpose of selecting and purchasing
5 goods at retail or for renting tangible personal property. "Retail business" does not
6 include a warehouse or a call center facility.

7 **Sec. 2. 30-A MRSA §5224, sub-§1,** as enacted by PL 2001, c. 669, §1, is
8 amended to read:

9 **1. Adoption.** The legislative body of a municipality shall adopt a development
10 program for each development district. The development program must be adopted at the
11 same time as is the district, as part of the district adoption proceedings or, if at a different
12 time, in the same manner as adoption of the district, with the same notice and hearing
13 requirements of section 5226. Before adopting a development program, the municipal
14 legislative body shall consider the factors and evidence specified in subsection 2-A and
15 section 5223, subsection 2.

16 **Sec. 3. 30-A MRSA §5224, sub-§2-A** is enacted to read:

17 **2-A. Exceptions.** Beginning October 1, 2007, the legislative body of a municipality
18 may not adopt a development program for the primary purpose of the establishment or
19 expansion of a retail business or businesses.

20 **Sec. 4. 30-A MRSA §5225, sub-§2,** as enacted by PL 2001, c. 669, §1, is
21 amended to read:

22 **2. Unauthorized project costs.** Except as provided in subsection 1, paragraph D,
23 the commissioner may not approve as a project cost the cost of facilities, buildings or
24 portions of buildings used predominantly for the general conduct of government or for
25 public recreational purposes, including, but not limited to, city halls and other
26 headquarters of government where the governing body meets regularly, courthouses,
27 jails, police stations and other state and local government office buildings, recreation
28 centers, athletic fields and swimming pools. Beginning October 1, 2007, the
29 commissioner may not approve project costs that primarily benefit a retail business.

30

SUMMARY

31 This bill provides that tax increment financing may not be used for a development
32 program with the primary purpose of the establishment or expansion of a retail business
33 or businesses. The bill also provides that project costs within a tax increment financing
34 district may not include costs that primarily benefit a retail business.