

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1182

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H.P. 863

House of Representatives, March 7, 2007

**An Act To Enable the Creation of Tax Increment Financing  
Districts for Arts Districts**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative ADAMS of Portland.

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

2 **Sec. 1. 30-A MRSA §5221, sub-§2, ¶A**, as enacted by PL 2001, c. 669, §1, is  
3 amended to read:

4 A. To provide impetus for industrial ~~or~~, commercial or arts district development, or  
5 both any combination;

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

7 **1-A. Arts district.** “Arts district” means a specified area within the corporate limits  
8 of a municipality that has been designated by the municipality for the purpose of  
9 providing employment and cultural opportunities through the development of arts  
10 opportunities, including, but not limited to, museums, galleries, arts education, art  
11 studios, performing arts venues and associated businesses.

12 **Sec. 3. 30-A MRSA §5223, sub-§3, ¶A**, as enacted by PL 2001, c. 669, §1, is  
13 amended to read:

14 A. At least 25%, by area, of the real property within a development district must  
15 meet at least one of the following criteria:

- 16 (1) Must be a blighted area;  
17 (2) Must be in need of rehabilitation, redevelopment or conservation work; or  
18 (3) Must be suitable for commercial or arts district uses.

19 **Sec. 4. 30-A MRSA §5224, sub-§2, ¶C**, as enacted by PL 2001, c. 669, §1, is  
20 amended to read:

21 C. A description of commercial facilities, arts districts, improvements or projects to  
22 be financed in whole or in part by the development program;

23 **Sec. 5. 30-A MRSA §5225, sub-§1, ¶A**, as enacted by PL 2001, c. 669, §1, is  
24 amended to read:

25 A. Costs of improvements made within the tax increment financing district,  
26 including, but not limited to:

- 27 (1) Capital costs, including, but not limited to:
- 28 (a) The acquisition or construction of land, improvements, buildings,  
29 structures, fixtures and equipment for public, arts district or commercial use;
- 30 (b) The demolition, alteration, remodeling, repair or reconstruction of  
31 existing buildings, structures and fixtures;
- 32 (c) Site preparation and finishing work; and
- 33 (d) All fees and expenses that are eligible to be included in the capital cost  
34 of such improvements, including, but not limited to, licensing and permitting  
35 expenses and planning, engineering, architectural, testing, legal and  
36 accounting expenses;

- 1 (2) Financing costs, including, but not limited to, closing costs, issuance costs  
2 and interest paid to holders of evidences of indebtedness issued to pay for project  
3 costs and any premium paid over the principal amount of that indebtedness  
4 because of the redemption of the obligations before maturity;
- 5 (3) Real property assembly costs;
- 6 (4) Professional service costs, including, but not limited to, licensing,  
7 architectural, planning, engineering and legal expenses;
- 8 (5) Administrative costs, including, but not limited to, reasonable charges for  
9 the time spent by municipal employees in connection with the implementation of  
10 a development program;
- 11 (6) Relocation costs, including, but not limited to, relocation payments made  
12 following condemnation; and
- 13 (7) Organizational costs relating to the establishment of the district, including,  
14 but not limited to, the costs of conducting environmental impact and other studies  
15 and the costs of informing the public about the creation of development districts  
16 and the implementation of project plans;

17 **Sec. 6. 30-A MRSA §5225, sub-§1, ¶C**, as enacted by PL 2001, c. 669, §1, is  
18 amended to read:

- 19 C. Costs related to economic development, environmental improvements or  
20 employment training within the municipality, including, but not limited to:
- 21 (1) Costs of funding economic development programs or events developed by  
22 the municipality or funding the marketing of the municipality as a business or  
23 arts location;
- 24 (2) Costs of funding environmental improvement projects developed by the  
25 municipality for commercial or arts district use or related to ~~commercial~~ such  
26 activities;
- 27 (3) Funding to establish permanent economic development revolving loan funds  
28 or investment funds;
- 29 (4) Costs of services to provide skills development and training for residents of  
30 the municipality. These costs may not exceed 20% of the total project costs and  
31 must be designated as training funds in the development program; and
- 32 (5) Quality child care costs, including finance costs and construction, staffing,  
33 training, certification and accreditation costs related to child care; and

34 **SUMMARY**

35 This bill amends the tax increment financing laws to permit their application to the  
36 development of municipal arts districts.