

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1338

H.P. 947

House of Representatives, March 12, 2007

An Act Concerning the Taxation of Property Owned by Certain Nonprofit Organizations

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FLETCHER of Winslow.
Cosponsored by Representative: CLARK of Millinocket.

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

2 **Sec. 1. 36 MRSA §652, sub-§1, ¶H,** as amended by PL 1979, c. 467, §6, is
3 further amended to read:

4 H. Real estate and personal property owned by or held in trust for fraternal
5 organizations, except college fraternities, operating under the lodge system ~~which~~
6 ~~shall be that is~~ used solely by fraternal organizations for meetings, ceremonials, or
7 religious or moralistic instruction, including all facilities appurtenant to such use and
8 used in connection therewith. If any building ~~shall is not be~~ used in its entirety for
9 such purposes, but ~~shall be is~~ used in part for such purposes and in part for any other
10 purpose, exemption ~~shall be of is~~ for the part used for such purposes. If the part of
11 the building that is not used for the purposes of the organization is rented and the
12 income received from the rental is used exclusively for the organization's charitable
13 purposes, that part of the building is tax exempt.

14 Further conditions to the right of exemption are that:

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

19 (2) All profits derived from the operation ~~thereof of the organization~~ and the
20 proceeds from the rental or sale of its property are devoted exclusively to the
21 purposes for which it is organized; and

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

25 **SUMMARY**

26 Current law exempts from property tax real estate and property owned by a fraternal
27 organization that is used solely by the organization for the purposes for which it is
28 organized. This bill exempts real estate and property that the organization rents as long
29 as the income derived from the rental is used exclusively for the organization's charitable
30 purposes.