

MAINE STATE LEGISLATURE

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R.S.

MAJORITY

L.D. 1392

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TAXATION

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 511, L.D. 1392, Bill, "An Act To Promote Economic Development and Reduce Reliance on Automobiles through Transit-oriented Tax Increment Financing Districts"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 30-A MRSA §5221, sub-§2, ¶A, as amended by PL 2007, c. 413, §1, is further amended to read:

A. To provide impetus for industrial, commercial, transit-oriented or arts district development, or any combination;

Sec. 2. 30-A MRSA §5222, sub-§19 is enacted to read:

19. Transit. "Transit" means transportation systems in which people are conveyed by means other than their own vehicles, including, but not limited to, bus systems, street cars, light rail and other rail systems.

Sec. 3. 30-A MRSA §5222, sub-§20 is enacted to read:

20. Transit facility. "Transit facility" means a place providing access to transit services, including, but not limited to, bus stops, bus stations, interchanges on a highway used by one or more transit providers, ferry landings, train stations, shuttle terminals and bus rapid transit stops.

Sec. 4. 30-A MRSA §5222, sub-§21 is enacted to read:

21. Transit-oriented development. "Transit-oriented development" means a type of development that links land use with transit facilities to support and be supported by a transit system. It combines housing with complementary public uses such as jobs, retail or services establishments that are located in transit-served nodes or corridors. Transit-oriented development is intended through location and design to rely on transit as one of the means of meeting the transportation needs of residents, customers and occupants as demonstrated through such factors as transit facility proximity, mixed uses, off-street

COMMITTEE AMENDMENT

R. of S.

1 parking space ratio less than industry standards, architectural accommodation for transit
2 and marketing that highlights transit.

3 **Sec. 5. 30-A MRSA §5222, sub-§22** is enacted to read:

4 **22. Transit-oriented development area.** "Transit-oriented development area"
5 means an area of any shape such that no part of the perimeter is more than 1/4 mile from
6 an existing or planned transit facility.

7 **Sec. 6. 30-A MRSA §5222, sub-§23** is enacted to read:

8 **23. Transit-oriented development corridor.** "Transit-oriented development
9 corridor" means a strip of land of any length and up to 500 feet on either side of a
10 roadway serving as a principal transit route.

11 **Sec. 7. 30-A MRSA §5222, sub-§24** is enacted to read:

12 **24. Transit-oriented development district.** "Transit-oriented development district"
13 means a tax increment financing district consisting of a transit-oriented development area
14 or a transit-oriented development corridor.

15 **Sec. 8. 30-A MRSA §5223, sub-§3**, as amended by PL 2007, c. 693, §3 and
16 affected by §37, is further amended to read:

17 **3. Conditions for approval.** Designation of a development district is subject to the
18 following conditions.

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

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

24 B. The total area of a single development district may not exceed 2% of the total
25 acreage of the municipality. The total area of all development districts may not
26 exceed 5% of the total acreage of the municipality.

27 C. The original assessed value of a proposed tax increment financing district plus the
28 original assessed value of all existing tax increment financing districts within the
29 municipality may not exceed 5% of the total value of taxable property within the
30 municipality as of April 1st preceding the date of the commissioner's approval of the
31 designation of the proposed tax increment financing district.

32 Excluded from the calculation in this paragraph is any district excluded from the
33 calculation under former section 5253, subsection 1, paragraph C and any district
34 designated on or after the effective date of this chapter that meets the following
35 criteria:

- 36 (1) The development program contains project costs, authorized by section 5225,
37 subsection 1, paragraph A, that exceed \$10,000,000;
- 38 (2) The geographic area consists entirely of contiguous property owned by a
39 single taxpayer;

1 (3) The assessed value exceeds 10% of the total value of taxable property within
2 the municipality; and

3 (4) The development program does not contain project costs authorized by
4 section 5225, subsection 1, paragraph C.

5 For the purpose of this paragraph, "contiguous property" includes a parcel or parcels
6 of land divided by a road, power line or right-of-way.

7 D. The aggregate value of municipal general obligation indebtedness financed by the
8 proceeds from tax increment financing districts within any county may not exceed
9 \$50,000,000 adjusted by a factor equal to the percentage change in the United States
10 Bureau of Labor Statistics Consumer Price Index, United States City Average from
11 January 1, 1996 to the date of calculation.

12 (1) The commissioner may adopt rules necessary to allocate or apportion the
13 designation of captured assessed value of property within proposed tax increment
14 financing districts to permit compliance with the condition in this paragraph.
15 Rules adopted pursuant to this paragraph are routine technical rules as defined in
16 Title 5, chapter 375, subchapter 2-A.

17 (2) The acquisition, construction and installment of all real and personal property
18 improvements, buildings, structures, fixtures and equipment included within the
19 development program and financed through municipal bonded indebtedness must
20 be completed within 5 years of the commissioner's approval of the designation of
21 the tax increment financing district.

22 The conditions in paragraphs A to D do not apply to approved downtown tax increment
23 financing districts, tax increment financing districts included within Pine Tree
24 Development Zones designated and approved under subchapter 3 or tax increment
25 financing districts that consist solely of one or more community wind power generation
26 facilities owned by a community wind power generator that has been certified by the
27 Public Utilities Commission pursuant to Title 35-A, section 3403, subsection 3 or transit-
28 oriented development districts.

29 **Sec. 9. 30-A MRSA §5224, sub-§2, ¶C**, as amended by PL 2007, c. 413, §4, is
30 further amended to read:

31 C. A description of commercial facilities, arts districts, transit expansion,
32 improvements or projects to be financed in whole or in part by the development
33 program;

34 **Sec. 10. 30-A MRSA §5225, sub-§1, ¶A**, as amended by PL 2007, c. 413, §5, is
35 further amended to read:

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

38 (1) Capital costs, including, but not limited to:

39 (a) The acquisition or construction of land, improvements, buildings,
40 structures, fixtures and equipment for public, arts district or commercial or
41 transit-oriented development district use;

1 (i) Eligible transit-oriented development district capital costs include but
2 are not limited to: transit vehicles such as buses, ferries, vans, rail
3 conveyances and related equipment; bus shelters and other transit-related
4 structures; benches, signs and other transit-related infrastructure; bicycle
5 lane construction and other bicycle-related improvements; pedestrian
6 improvements such as crosswalks, crosswalk signals and warning
7 systems and crosswalk curb treatments; and the nonresidential
8 commercial portions of transit-oriented development projects;

9 (b) The demolition, alteration, remodeling, repair or reconstruction of
10 existing buildings, structures and fixtures;

11 (c) Site preparation and finishing work; and

12 (d) All fees and expenses that are eligible to be included in the capital cost
13 of such improvements, including, but not limited to, licensing and permitting
14 expenses and planning, engineering, architectural, testing, legal and
15 accounting expenses;

16 (2) Financing costs, including, but not limited to, closing costs, issuance costs
17 and interest paid to holders of evidences of indebtedness issued to pay for project
18 costs and any premium paid over the principal amount of that indebtedness
19 because of the redemption of the obligations before maturity;

20 (3) Real property assembly costs;

21 (4) Professional service costs, including, but not limited to, licensing,
22 architectural, planning, engineering and legal expenses;

23 (5) Administrative costs, including, but not limited to, reasonable charges for
24 the time spent by municipal employees in connection with the implementation of
25 a development program;

26 (6) Relocation costs, including, but not limited to, relocation payments made
27 following condemnation; and

28 (7) Organizational costs relating to the establishment of the district, including,
29 but not limited to, the costs of conducting environmental impact and other studies
30 and the costs of informing the public about the creation of development districts
31 and the implementation of project plans; and

32 (8) In the case of transit-oriented development districts, ongoing costs of adding
33 to an existing transit system or creating a new transit service and limited strictly
34 to transit operator salaries, transit vehicle fuel and transit vehicle parts
35 replacements;

36 **Sec. 11. 30-A MRSA §5225, sub-§1, ¶C, as amended by PL 2009, c. 85, §1, is**
37 **further amended to read:**

38 C. Costs related to economic development, environmental improvements or
39 employment training within the municipality, including, but not limited to:

P. of S.

COMMITTEE AMENDMENT "A" to S.P. 511, L.D. 1392

- 1 (1) Costs of funding economic development programs or events developed by
- 2 the municipality or funding the marketing of the municipality as a business or
- 3 arts location;
- 4 (2) Costs of funding environmental improvement projects developed by the
- 5 municipality for commercial or arts district use or related to such activities;
- 6 (3) Funding to establish permanent economic development revolving loan funds
- 7 or investment funds;
- 8 (4) Costs of services to provide skills development and training for residents of
- 9 the municipality. These costs may not exceed 20% of the total project costs and
- 10 must be designated as training funds in the development program;
- 11 (5) Quality child care costs, including finance costs and construction, staffing,
- 12 training, certification and accreditation costs related to child care; and
- 13 (6) Costs relating to planning, design, construction, maintenance, grooming and
- 14 improvements to new or existing recreational trails determined by the department
- 15 to have significant potential to promote economic development, including bridges
- 16 that are part of the trail corridor, used all or in part for all-terrain vehicles,
- 17 snowmobiles, hiking, bicycling, cross-country skiing or other related multiple
- 18 uses; and
- 19 (7) Costs associated with a new or expanded transit service, limited to:
- 20 (a) Transit service capital costs, including but not limited to: transit vehicles
- 21 such as buses, ferries, vans, rail conveyances and related equipment; bus
- 22 shelters and other transit-related structures; and benches, signs and other
- 23 transit-related infrastructure; and
- 24 (b) In the case of transit-oriented development districts, ongoing costs of
- 25 adding to an existing transit system or creating a new transit service and
- 26 limited strictly to transit operator salaries, transit vehicle fuel and transit
- 27 vehicle parts replacements; and'

SUMMARY

This amendment is the majority report of the committee. The amendment makes changes to clarify and simplify the provisions of the bill.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



124th MAINE LEGISLATURE

LD 1392

LR 346(02)

An Act To Promote Economic Development and Reduce Reliance on Automobiles through Transit-oriented Tax Increment Financing Districts

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

This bill establishes a new category of transit-oriented development districts under the tax increment financing laws. Additional costs to the Department of Economic and Community Development and Maine Revenue Services associated with conducting the required review and other administrative duties can be absorbed within existing budgeted resources.