

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 787

H.P. 538

House of Representatives, February 28, 2013

An Act To Encourage Municipal Infrastructure Improvement

Reference to the Committee on State and Local Government suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CASAVANT of Biddeford.
Cosponsored by Representatives: BEAUDOIN of Biddeford, DeCHANT of Bath,
EVANGELOS of Friendship, RUSSELL of Portland, Senator: DUTREMBLE of York.

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

2 **Sec. 1. 20-A MRSA §1301, sub-§1, ¶D**, as enacted by PL 1993, c. 696, §1, is
3 repealed.

4 **Sec. 2. 20-A MRSA §1704, sub-§1**, as amended by PL 2005, c. 2, Pt. D, §15 and
5 affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

6 **1. Formula.** A community school district shall share its costs among the member
7 municipalities on the basis of:

8 A. The number of resident pupils in each municipality;

9 B. The fiscal capacity of each member municipality as defined in section 15672,
10 subsection 23;

11 C. Any combination of paragraphs A and B;

12 D. Any other formula authorized by the Legislature; or

13 E. Any other factor or combination of factors that may, but need not, include
14 paragraphs A and B.

15 ~~Notwithstanding paragraphs A to D, Title 30-A, chapter 208-A or any other provision of~~
16 ~~law, the state valuation used to calculate the shared cost for each municipality in a~~
17 ~~community school district with a municipal incentive development zone must include the~~
18 ~~increase in equalized just value of all industrial and commercial property located in the~~
19 ~~zone over the assessed value.~~

20 **Sec. 3. 30-A MRSA §5281, sub-§§1-A to 1-C** are enacted to read:

21 **1-A. Infrastructure improvement plan.** "Infrastructure improvement plan" means
22 a plan to make improvements in infrastructure, including municipal infrastructure, in a
23 municipal incentive development zone developed by a municipality under section 5283
24 for the purpose of providing an incentive for investment in commercial and industrial
25 property in a municipality.

26 **1-B. Municipal infrastructure.** "Municipal infrastructure" means land and
27 improvements to land that provide facilities for the provision of municipal services,
28 including, but not limited to, general government, education, recreation, waste
29 management and public safety, or that facilitate the provision of municipal services
30 through improvements such as transportation, utilities and lighting.

31 **1-C. Municipal tax-exempt property.** "Municipal tax-exempt property" means
32 property owned by a municipality and used for governmental purposes that is exempt
33 from taxation under Title 36, section 651, including, but not limited to, municipal
34 buildings, schools, recreation centers, athletic fields, swimming pools and public safety
35 facilities.

36 **Sec. 4. 30-A MRSA §5282**, as enacted by PL 1993, c. 696, §3, is amended to
37 read:

1 **§5282. Municipal incentive development zones**

2 Municipal incentive development zones may be established to assist municipalities in
3 encouraging private and public investment in industrial and commercial projects through
4 the provision of ~~public~~ municipal infrastructure necessary for improvements.
5 Improvements and investments must provide new employment opportunities, improve
6 and broaden the tax base, improve municipal infrastructure and improve the general
7 economy of the State.

8 **Sec. 5. 30-A MRSA §5283, sub-§1, ¶¶A and C**, as enacted by PL 1993, c. 696,
9 §3, are amended to read:

10 A. The municipal legislative body may establish a municipal incentive development
11 ~~zones~~ zone within the boundaries of the municipality by majority vote at a duly called
12 meeting:

13 (1) To establish the zone;

14 (2) To adopt a description of the physical boundaries of the zone;

15 (3) To adopt an infrastructure improvement plan for the zone. The infrastructure
16 improvement plan must describe the ~~public~~ municipal infrastructure
17 improvements to be constructed by the municipality in the municipal incentive
18 development zone, including the nature of the improvements, the time, place and
19 manner of installation of improvements, the plans for operation of improvements
20 and a description of how the proposed improvements are expected to encourage
21 private and public sector capital investment in commercial and industrial property
22 or municipal tax-exempt property in the zone and otherwise benefit the public;
23 and

24 (4) To authorize the infrastructure improvements described in the plan.
25 Evidence of authorization must be included in the plan.

26 C. Prior to final approval of a municipal incentive development zone, the
27 Commissioner of Economic and Community Development must certify that the
28 ~~public municipal infrastructure~~ improvements proposed by the municipality are likely
29 to result in private or public sector capital investment in commercial and industrial
30 property or municipal tax-exempt property within the zone. The Commissioner of
31 Economic and Community Development may develop a nonexclusive list of
32 qualifying improvements by rule.

33 **Sec. 6. 30-A MRSA §5283, sub-§3, ¶¶C and D**, as enacted by PL 1993, c. 696,
34 §3, are amended to read:

35 C. The area within any municipal incentive development zone must be directly
36 benefitted by the ~~public~~ municipal infrastructure improvements proposed to be made
37 by the municipality according to the infrastructure improvement plan; and

38 D. The municipal infrastructure improvements proposed to be made by the
39 municipality in the municipal incentive development zone and described in the
40 infrastructure improvement plan must primarily benefit or encourage private or

1 public investment in commercial and industrial property or municipal tax-exempt
2 property.

3 **Sec. 7. 30-A MRSA §5285**, as enacted by PL 1993, c. 696, §3, is amended to
4 read:

5 **§5285. Agreements between municipalities**

6 Municipalities may jointly create municipal incentive development zones that
7 encompass property located within the boundaries of the municipalities. The
8 municipalities may enter into agreements with each other allocating the economic or
9 public benefit resulting from the creation of the zones.

10 **SUMMARY**

11 This bill expands the permissible uses for municipal incentive development zones to
12 include municipal infrastructure improvements, including improvements to municipal
13 tax-exempt property. The bill also provides that increases in the equalized just value of
14 industrial and commercial property within a municipal incentive development zone will
15 not be included in the just value of the municipality for the purposes of education
16 funding.