

# MAINE STATE LEGISLATURE

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TAXATION

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5 STATE OF MAINE  
6 HOUSE OF REPRESENTATIVES  
7 126TH LEGISLATURE  
8 SECOND REGULAR SESSION

9 COMMITTEE AMENDMENT "A" to H.P. 660, L.D. 936, Bill, "An Act To  
10 Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by  
11 Certain Nonprofit Organizations"

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

14 'Sec. 1. 36 MRSA §508, sub-§1, as enacted by PL 2007, c. 627, §12, is repealed  
15 and the following enacted in its place:

16 1. Imposition. By referendum vote conducted in accordance with the provisions of  
17 the municipality's charter or Title 30-A, section 2528 or 2532, even if the municipality  
18 has not accepted the provisions of section 2528, a municipality may adopt an ordinance  
19 as provided in this subsection that imposes service charges on:

20 A. Residential property, other than student housing or parsonages, that is totally  
21 exempt from taxation under section 652 and that is used to provide rental income; or

22 B. Subject to the limitations of subsection 1-A, real and personal property that is  
23 totally exempt from taxation under section 652, subsection 1, paragraph A, B, F, H or  
24 J, excluding:

25 (1) Nonprofit nursing homes exempt under paragraph A and licensed by the  
26 Department of Health and Human Services pursuant to Title 22, chapter 405,  
27 nonprofit residential care facilities licensed by the Department of Health and  
28 Human Services pursuant to Title 22, chapter 1663 and nonprofit community  
29 mental health service facilities licensed by the Commissioner of Health and  
30 Human Services pursuant to Title 34-B, section 1203-A; and

31 (2) Property exempt under section 652, subsection 1, paragraph J that is partly  
32 owned or used by an entity exempt under section 652, subsection 1, paragraph E  
33 or G.

34 Sec. 2. 36 MRSA §508, sub-§1-A is enacted to read:

COMMITTEE AMENDMENT



1           1. The property must be owned by an entity that owns exempt property in the  
2 municipality that would have a total assessed value of at least \$1,000,000 if assessed for  
3 property tax purposes and the property must be owned by, rented to or otherwise  
4 occupied by a person or entity that provides any employee or independent contractor  
5 engaged to provide professional management services with compensation, exclusive of  
6 health benefits, in excess of 4 times the median household income for the county in which  
7 the property is located;

8           2. The municipality must adopt an ordinance imposing service charges approved by  
9 the voters through a referendum process;

10           3. The municipality may not impose a service charge on individual properties  
11 without imposing service charges on all other property in that municipality that is within  
12 the same category of exempt property;

13           4. The calculation of service charges imposed by municipalities must be based on the  
14 square footage of building space that is exempt from taxation unless the municipality  
15 determines that a different measure more accurately represents the cost of services for  
16 which the service charges are imposed; and

17           5. Service charges must be reduced by any payments made or services provided to  
18 the municipality by the exempt entity in lieu of taxes.

19           The amendment provides that municipal ordinances adopted before the effective date  
20 of the legislation remain valid even if they do not comply with the new requirements.  
21 The amendment retains the requirement in current law that service charges may not  
22 exceed 2% of the entity's gross annual revenue.