

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 116

S.P. 49

In Senate, January 22, 2015

An Act To Expand the Use of Tax Increment Financing Revenue

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator CYRWAY of Kennebec.
Cosponsored by Representative LUCHINI of Ellsworth and
Senators: BAKER of Sagadahoc, BRAKEY of Androscoggin, BURNS of Washington,
SAVIELLO of Franklin, WOODSOME of York, Representatives: HUBBELL of Bar Harbor,
LONGSTAFF of Waterville, SANDERSON of Chelsea.

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

2 **Sec. 1. 30-A MRSA §5225, sub-§1, ¶C**, as amended by PL 2013, c. 184, §4, is
3 further amended to read:

4 C. Costs related to economic development, environmental improvements, fisheries
5 and wildlife or marine resources projects, recreational trails, vital public services or
6 employment training within the municipality or plantation, including, but not limited
7 to:

8 (1) Costs of funding economic development programs or events developed by
9 the municipality or plantation or funding the marketing of the municipality or
10 plantation as a business or arts location;

11 (2) Costs of funding environmental improvement projects developed by the
12 municipality or plantation for commercial or arts district use or related to such
13 activities;

14 (3) Funding to establish permanent economic development revolving loan funds,
15 investment funds and grants;

16 (4) Costs of services and equipment to provide skills development and training,
17 including scholarships to in-state educational institutions or to online learning
18 entities when in-state options are not available, for jobs created or retained in the
19 municipality or plantation. These costs must be designated as training funds in
20 the development program;

21 (5) Quality child care costs, including finance costs and construction, staffing,
22 training, certification and accreditation costs related to child care;

23 (6) Costs associated with new or existing recreational trails determined by the
24 department to have significant potential to promote economic development,
25 including, but not limited to, costs for multiple projects and project phases that
26 may include planning, design, construction, maintenance, grooming and
27 improvements with respect to new or existing recreational trails, which may
28 include bridges that are part of the trail corridor, used all or in part for all-terrain
29 vehicles, snowmobiles, hiking, bicycling, cross-country skiing or other related
30 multiple uses;

31 (7) Costs associated with a new or expanded transit service, limited to:

32 (a) Transit service capital costs, including but not limited to: transit vehicles
33 such as buses, ferries, vans, rail conveyances and related equipment; bus
34 shelters and other transit-related structures; and benches, signs and other
35 transit-related infrastructure; and

36 (b) In the case of transit-oriented development districts, ongoing costs of
37 adding to an existing transit system or creating a new transit service and
38 limited strictly to transit operator salaries, transit vehicle fuel and transit
39 vehicle parts replacements; ~~and~~

40 (8) Costs associated with the development of fisheries and wildlife or marine
41 resources projects; and

1 (9) Costs of vital public services as long as:

2 (a) Not more than 50% of the tax increment revenue is used to pay the costs
3 of providing vital public services; and

4 (b) The costs of vital public services are paid for during no more than 2
5 fiscal years of the municipality or plantation during the duration of the tax
6 increment financing district and its development program.

7 For purposes of this paragraph, "vital public services" means fire and rescue, law
8 enforcement and waste disposal services and local road improvements; and

9 **SUMMARY**

10 This bill allows a municipality or plantation that forms a tax increment financing
11 district to use the revenue generated by that district to pay for the costs of vital public
12 services, as long as the costs of the services do not exceed 50% of the tax increment
13 revenue and the costs are not paid for more than 2 fiscal years during the life of the tax
14 increment financing district and its development program. Vital public services are fire
15 and rescue, law enforcement and waste disposal services and local road improvements.