

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 581

H.P. 405

House of Representatives, February 26, 2015

An Act To Clarify the Municipal Development District Law

(EMERGENCY)

Reference to the Committee on Environment and Natural Resources suggested and ordered printed.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative SIROCKI of Scarborough.
Cosponsored by Representative: O'CONNOR of Berwick.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** many municipalities in the State have areas within their corporate limits
4 that can be classified as underutilized and have a significantly lower property value; and

5 **Whereas,** this legislation proposes to assist businesses relocating to these areas
6 through credit enhancement agreements, and to enable this economic viability restoration
7 plan this legislation needs to take effect as soon as possible; and

8 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
9 the meaning of the Constitution of Maine and require the following legislation as
10 immediately necessary for the preservation of the public peace, health and safety; now,
11 therefore,

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

13 **Sec. 1. 30-A MRSA §5222, sub-§1-B** is enacted to read:

14 **1-B. Blighted area.** "Blighted area" means an area within the corporate limits of a
15 municipality that has been designated by the municipality's comprehensive plan as being
16 underutilized and within which property values on an equal acreage basis are at least 75%
17 below the surrounding areas due to the condition of the properties located in that area.

18 **Sec. 2. 30-A MRSA §5222, sub-§3-A** is enacted to read:

19 **3-A. Credit enhancement agreement.** "Credit enhancement agreement" means an
20 agreement to rebate a portion of a tax increment to a property owner within a
21 development district.

22 **Sec. 3. 30-A MRSA §5224-A** is enacted to read:

23 **§5224-A. Use of credit enhancement agreements**

24 **1. Use of credit enhancement agreements.** Credit enhancement agreements may
25 be used to assist businesses locating in blighted areas when the number of persons
26 employed full-time in any such business increases by at least 50% and the increased
27 employment results from positions that are created by the business in the State. Rebates
28 may not be paid pursuant to a credit enhancement agreement until the business certifies to
29 the municipality that the 50% increase has occurred. Rebates may not be paid
30 retroactively.

31 **2. Businesses without nonmanagement employees.** If a business locating in a
32 blighted area has no nonmanagement employees, a rebate may not be paid pursuant to a
33 credit enhancement agreement until the business creates at least 10 full-time positions per
34 \$1,000,000 of the increased assessed value. The business may not count for the purposes
35 of certification under subsection 1 any employees moved from another employment
36 location of the same business that is located within 50 miles of the development district in
37 order to qualify for a rebate.

