

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 659

H.P. 486

House of Representatives, March 3, 2021

**An Act To Ease the Property Tax Burden by Authorizing
Municipalities To Require Payments in Lieu of Taxes from Certain
Exempt Organizations**

Received by the Clerk of the House on March 1, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative TUELL of East Machias.
Cosponsored by Senator MOORE of Washington and
Representatives: PICKETT of Dixfield, RUDNICKI of Fairfield, STANLEY of Medway.

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

2 **Sec. 1. 36 MRSA §652-A** is enacted to read:

3 **§652-A. Impact fee for municipal services**

4 Unless a property owner that is exempt from taxation under section 652 has an
5 agreement with the municipality where the property is located to make payments in lieu of
6 taxes, the municipality, pursuant to an ordinance adopted by the legislative body of the
7 municipality, may impose an impact fee on the property owner to cover the cost of
8 municipal services provided to the property. The impact fee may not be less than 50% of
9 the amount of tax that would be assessed on the property if it were not exempt and may not
10 be imposed if the organization that owns the property has an annual budget of less than
11 \$50,000. Before imposing an impact fee on a property owner, the municipality shall
12 attempt to reach an agreement that the property owner will make payments in lieu of taxes.
13 The impact fee may be imposed only if an agreement to make payments in lieu of taxes
14 cannot be reached within 120 days of when the municipality first attempts to reach an
15 agreement.

16 **SUMMARY**

17 This bill permits municipalities to adopt an ordinance to impose an impact fee on
18 certain property that is exempt from property tax unless the owner of the property has
19 entered into an agreement to make payments in lieu of taxes. An impact fee may not be
20 imposed if the owner of the property has an annual budget of less than \$50,000.