

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

**SECOND SPECIAL SESSION**

December 12, 1991 to January 7, 1992

**SECOND REGULAR SESSION**

January 8, 1992 to March 31, 1992

THE GENERAL EFFECTIVE DATE FOR  
SECOND REGULAR SESSION  
NON-EMERGENCY LAWS IS  
JUNE 30, 1992

PUBLISHED BY THE REVISOR OF STATUTES  
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 163-A, SUBSECTION 4.

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J.S. McCarthy Company  
Augusta, Maine  
1992

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**PUBLIC LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED AT THE**  
**SECOND REGULAR SESSION**

**of the**  
**ONE HUNDRED AND FIFTEENTH LEGISLATURE**

**1991**

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**CHAPTER 855****S.P. 969 - L.D. 2449****An Act Concerning the Maine Municipal and Rural Electrification Cooperative Agency****Be it enacted by the People of the State of Maine as follows:****Sec. 1.** PL 1991, c. 622, Pt. S, §36 is repealed.**Sec. 2. Retroactivity.** This Act applies retroactively to December 23, 1991.

See title page for effective date.

**CHAPTER 856****S.P. 974 - L.D. 2460****An Act to Encourage the Development of Business and Infrastructure through the Extension of State Tax Increment Financing****Be it enacted by the People of the State of Maine as follows:****Sec. 1. 30-A MRSA §5252, sub-§1-A,** as enacted by PL 1991, c. 606, Pt. A, §2 and affected by §4, is repealed.**Sec. 2. 30-A MRSA §5252, sub-§§1-B and 2-A** are enacted to read:**1-B. Base period.** "Base period" means the 3 calendar years preceding the calendar year in which an application for approval of a state tax increment financing district is submitted to the Commissioner of Economic and Community Development by a municipality.**2-A. Designated business.** "Designated business" means a business located within the boundaries of a development district and designated by the municipality as a "designated business" for purposes of state tax increment financing.**Sec. 3. 30-A MRSA §5252, sub-§8-A,** as enacted by PL 1991, c. 606, Pt. A, §2 and affected by §4, is repealed.**Sec. 4. 30-A MRSA §5254, sub-§3, ¶B,** as amended by PL 1991, c. 431, §8, is further amended to read:

B. Annually set aside all tax increment revenues on retained captured assessed values and all state tax increment revenues payable to the municipality for public purposes and deposit all tax increment such revenues to the appropriate develop-

ment program fund account in the following priority:

(1) To the development sinking fund account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual debt service on bonds and notes issued under section 5257 and the financial plan; and

(2) To the project cost account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual project costs to be paid from the account;

**Sec. 5. 30-A MRSA §5254-A,** as enacted by PL 1991, c. 606, Pt. A, §3 and affected by §4, is amended to read:**§5254-A. State tax increment financing****1. Eligibility.** Any tax increment financing district, created designated by a municipality and duly approved by the State, in which Commissioner of Economic and Community Development under section 5253, subsection 1, paragraph F provided captured assessed value within the district is created after the effective date of this section July 30, 1991, is eligible to be approved as a state tax increment financing district. Municipalities must demonstrate that without the approval as a state tax increment financing district the project will not go forward, and as a result will not generate new sales tax revenues or create new jobs that will result in new individual income taxes. Upon determination by the designating authority that these conditions have been met, the designating authority shall approve the municipal creation of the state tax increment financing district.**1-A. Procedure for establishing state tax increment financing district.** A municipality desiring to establish a state tax increment financing district must apply to the Commissioner of Economic and Community Development for approval of the proposed state tax increment financing district. The procedure for application is as follows.**A.** The proposed state tax increment financing district must be approved locally by vote of the municipal officers of the municipality within which the proposed district will be located. Before approving a state tax increment financing district, the municipal officers shall hold at least one public hearing. Notice of the hearing must be published at least 10 days before the hearing in a newspaper of general circulation within the county in which the municipality is located.**B.** The municipal officers shall adopt for the proposed state tax increment financing district a de-