

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON
TAXATION
BILL SUMMARY



MAY 1986

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JOINT STANDING COMMITTEE
BILL SUMMARIES
MAY 1986

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature, covering the Second Regular Session of the 112th Legislature. The summaries are arranged by LD number under each committee.

All Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "CA" if it is a committee amendment. If the amendment was adopted in the House, the letter H appears after the sponsor. If it was adopted in the Senate, the letter S appears.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-AM	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD
2285

AN ACT TO REMOVE MAXIMUM ANNUAL LIMITS ON THE
CAPTURED ASSESSED VALUES WITHIN TAX INCREMENT
FINANCING DISTRICTS

PL 1985
c. 650
EMERGENCY

Sponsor: MURRAY, Cashman, Jackson, Masterman
Committee Report: New draft of LD 1863

H-637 HA H S

SUMMARY: New draft of LD 1863. Original bill extended limit on permissible extent of tax increment financing. New draft clarifies and extends tax increment financing through the modification of conditions and the removal of present limitations of the financing as follows:

The new draft redefines acceptable project costs to include improvements which may be sold or leased to a commercial user and certain training costs. It specifically excludes portions of building projects which include government offices.

The new draft includes personal property taxes within the definition of tax increment.

The new draft removes the state cap on tax increment financing and changes county caps from the current \$5,000,000 to 1% of annual value of equalized taxable property in the county to a maximum of \$20,000,000 every 24 months with the exception that in any county where the value of equalized taxable property is less than \$5,000,000, the county may have an annual increased value within tax increment financing districts of \$5,000,000. The total aggregate cap for a county is set at \$50,000,000.

The new draft imposes time constraints for project costs by providing that 15% of all project costs must be completed within nine months of the designation of the district and the project must be completed within five years.

The new draft expands the use of acceptable financing instruments to include revenue bonds and notes, but limits the duration of those instruments to 20 rather than the current 30 years.

The new draft provides that for tax increment financing districts designated after December 31, 1986, only 75% of the captured assessed value is excluded from equalized just value for purposes of state aid to education.