

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON  
TAXATION  
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
JUNE 1987

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. The summaries are arranged by LD number under each committee.

All Adopted 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 "COMMITTEE" if it is a committee amendment.

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

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

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-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

due to the local sales and use tax and certify how much should be returned to each municipality. The Treasurer of State shall pay that amount to the municipalities each month.

The municipality must use the additional revenue to reduce the property tax burden in that municipality.

**LD** AN ACT TO PROVIDE MUNICIPALITIES WITH THE OPTION ONTP  
**1085** OF ASSESSING SERVICE CHARGES ON TAX-EXEMPT  
PROPERTY

Sponsor: INGRAHAM, Brannigan, Nadeau, G. G., Zirnkilton  
Committee Report: ONTP (Majority)  
OTP (Minority)

SUMMARY: This bill is a recommendation of the majority of the Speaker's Select Committee on Tax Reform. Its purpose is to provide some relief from the burden of property taxes in municipalities with large amounts of tax exempt property by permitting municipalities the option of imposing service charges on that property. Municipalities that do not wish to impose service charges are not required to do so, and service charges may be imposed only after approval by a majority of voters at a referendum.

Service charges must be calculated according to the cost of providing the services and may cover any of the following services:

1. Fire protection;
2. Police protection;
3. Road maintenance and construction, traffic control, snow and ice removal, sidewalks and street lights; and
4. Sanitation service.

Municipalities choosing to impose service charges must adopt an ordinance which ensures that the following requirements are met.

1. The institution or organization must receive the service for which it is charged.
2. The service charge must reasonably reflect the value of that service.
3. A service charge imposed on any classification of tax exempt property shall be imposed on all institutions owning property in that classification.