

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Eliminate Tax Increment Financing for Retail Businesses**

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

**Sec. 1. 30-A MRSA §5222, sub-§14-A** is enacted to read:

**14-A. Retail business.** "Retail business" means a business that serves customers who are physically present at the location for the purpose of selecting and purchasing goods at retail or for renting tangible personal property. "Retail business" does not include a warehouse or a call center facility.

**Sec. 2. 30-A MRSA §5224, sub-§1**, as enacted by PL 2001, c. 669, §1, is amended to read:

**1. Adoption.** The legislative body of a municipality shall adopt a development program for each development district. The development program must be adopted at the same time as is the district, as part of the district adoption proceedings or, if at a different time, in the same manner as adoption of the district, with the same notice and hearing requirements of section 5226. Before adopting a development program, the municipal legislative body shall consider the factors and evidence specified in subsection 2-A and section 5223, subsection 2.

**Sec. 3. 30-A MRSA §5224, sub-§2-A** is enacted to read:

**2-A. Exceptions.** Beginning October 1, 2007, the legislative body of a municipality may not adopt a development program for the primary purpose of the establishment or expansion of a retail business or businesses.

**Sec. 4. 30-A MRSA §5225, sub-§2**, as enacted by PL 2001, c. 669, §1, is amended to read:

**2. Unauthorized project costs.** Except as provided in subsection 1, paragraph D, the commissioner may not approve as a project cost the cost of facilities, buildings or portions of buildings used predominantly for the general conduct of government or for public recreational purposes, including, but not limited to, city halls and other headquarters of government where the governing body meets regularly, courthouses, jails, police stations and other state and local government office buildings, recreation centers, athletic fields and swimming pools. Beginning October 1, 2007, the commissioner may not approve project costs that primarily benefit a retail business.

## **SUMMARY**

This bill provides that tax increment financing may not be used for a development program with the primary purpose of the establishment or expansion of a retail business or businesses. The bill also provides that project costs within a tax increment financing district may not include costs that primarily benefit a retail business.