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Legislative Document

No. 936

H.P. 660

House of Representatives, March 7, 2013

**An Act To Authorize Municipalities To Impose Service Charges on
Tax-exempt Property Owned by Certain Nonprofit Organizations**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CHASE of Wells.
Cosponsored by Senator THIBODEAU of Waldo and
Representatives: GOODE of Bangor, HARVELL of Farmington, KESCHL of Belgrade,
KNIGHT of Livermore Falls, SHAW of Standish, WOOD of Sabattus.

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

2 **Sec. 1. 36 MRSA §508, sub-§1**, as enacted by PL 2007, c. 627, §12, is repealed
3 and the following enacted in its place:

4 **1. Imposition.** A municipality may impose service charges, by vote at a special or
5 general election for the municipality, on the owner of:

6 A. Residential property, other than student housing or parsonages, that is totally
7 exempt from taxation under section 652 and that is used to provide rental income;

8 B. Real property that is exempt from taxation under section 652, subsection 1,
9 paragraph A, except nonprofit nursing homes licensed by the Department of Health
10 and Human Services pursuant to Title 22, chapter 405, nonprofit residential care
11 facilities licensed by the Department of Health and Human Services pursuant to Title
12 22, chapter 1663 and nonprofit community mental health service facilities licensed by
13 the Commissioner of Health and Human Services pursuant to Title 34-B, section
14 1203-A; and

15 C. Real property that is exempt from taxation under section 652, subsection 1,
16 paragraphs B, F, H and J.

17 Service charges must be calculated according to the actual cost of providing municipal
18 services to that real property and to the persons who use that property, and revenues
19 derived from the charges must be used to fund, to the extent possible, the costs of those
20 services. The municipal legislative body shall identify those institutions and
21 organizations upon which service charges are to be levied.

22 A municipality that imposes service charges on any institution or organization must
23 impose those service charges on every similarly situated institution or organization. For
24 the purposes of this section, "municipal services" means all services provided by a
25 municipality other than education and welfare.

26 **SUMMARY**

27 This bill authorizes municipalities to impose service charges on owners of certain real
28 property that is currently exempt from property tax.