



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1036

H.P. 770

House of Representatives, March 10, 2011

An Act To Clarify the Municipal Development District Law

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative SIROCKI of Scarborough.
Cosponsored by Representatives: FOSSEL of Alna, HARVELL of Farmington, MALABY of Hancock, O'CONNOR of Berwick, STRANG BURGESS of Cumberland.

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

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

3 **1-B. Blighted area.** "Blighted area" means an area within the corporate limits of a
4 municipality that has been designated by the municipality's comprehensive plan as being
5 underutilized and within which property values on an equal acreage basis are at least 75%
6 below the surrounding areas due to the condition of the properties located in that area.

7 **Sec. 2. 30-A MRSA §5222, sub-§3-A** is enacted to read:

8 **3-A. Credit enhancement agreement.** "Credit enhancement agreement" means an
9 agreement to rebate a portion of a tax increment to a property owner within a
10 development district.

11 **Sec. 3. 30-A MRSA §5224-A** is enacted to read:

12 **§5224-A. Use of credit enhancement agreements**

13 **1. Use of credit enhancement agreements.** Credit enhancement agreements may
14 be used to assist businesses wishing to locate in blighted areas when the number of
15 persons employed full-time in any such business increases by at least 50% and the
16 increased employment results from positions that are created by the business in the State.
17 Rebates may not be paid pursuant to a credit enhancement agreement until the business
18 certifies to the municipality that the 50% increase has occurred. Rebates may not be paid
19 retroactively.

20 **2. Businesses without nonmanagement employees.** If a business locating in a
21 blighted area has no nonmanagement employees, a rebate may not be paid pursuant to a
22 credit enhancement agreement until the business creates at least 10 full-time positions per
23 \$1,000,000 of the increased assessed value. The business may not count for the purposes
24 of certification under subsection 1 any employees moved from another employment
25 location of the same business that is located within 50 miles of the development district in
26 order to qualify for a rebate.

27 **Sec. 4. 30-A MRSA §5226, sub-§1,** as enacted by PL 2001, c. 669, §1, is
28 amended to read:

29 **1. Notice and hearing.** Before designating a development district or adopting a
30 development program, the municipal legislative body or the municipal legislative body's
31 designee must hold at least one public hearing. Notice of the hearing must be published
32 at least ~~40~~ 20 days before the hearing in a newspaper of general circulation within the
33 municipality. Notice of the hearing must also be mailed by the municipality to all
34 property owners whose outermost property lines are within 1,000 feet of any part of the
35 proposed development district and to any other parties that the municipality knows or has
36 reason to know will be directly or potentially affected by the proposed development
37 district. The same notice must be posted prominently on the front page of any publicly
38 accessible website of the municipality.

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SUMMARY

This bill defines the terms "blighted area" and "credit enhancement agreement" in the municipal development district laws and provides a mechanism for the use of credit enhancement agreements in blighted areas. It also requires greater advance notice of public hearings on development districts and broadens the range of parties entitled to receive direct notice of such hearings.