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No. 855

S.P. 259

In Senate, March 3, 2011

An Act To Treat Plantations in the Same Manner as Towns for Purposes of Tax Increment Financing

Reference to the Committee on Taxation suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator THOMAS of Somerset.

Cosponsored by Senators: COLLINS of York, MARTIN of Kennebec, SHERMAN of Aroostook, WHITTEMORE of Somerset, Representatives: COTTA of China, CRAY of Palmyra, GIFFORD of Lincoln, HARVELL of Farmington.

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

2 **Sec. 1. 30-A MRSA §5221, sub-§1**, as enacted by PL 2001, c. 669, §1, is
3 amended to read:

4 **1. Legislative finding.** The Legislature finds that there is a need for new
5 development in areas of municipalities and plantations to:

- 6 A. Provide new employment opportunities;
- 7 B. Improve and broaden the tax base; and
- 8 C. Improve the general economy of the State.

9 **Sec. 2. 30-A MRSA §5221, sub-§2**, as amended by PL 2009, c. 314, §1, is
10 further amended to read:

11 **2. Authorization.** For the reasons set out in subsection 1, municipalities and
12 plantations may develop a program for improving a district of the municipality or
13 plantation:

- 14 A. To provide impetus for industrial, commercial, transit-oriented or arts district
15 development, or any combination;
- 16 B. To increase employment; and
- 17 C. To provide the facilities outlined in the development program adopted by the
18 legislative body of the municipality or plantation.

19 **Sec. 3. 30-A MRSA §5222, sub-§1-A**, as enacted by PL 2007, c. 413, §2, is
20 amended to read:

21 **1-A. Arts district.** "Arts district" means a specified area within the corporate limits
22 of a municipality or plantation that has been designated by the municipality or plantation
23 for the purpose of providing employment and cultural opportunities through the
24 development of arts opportunities, including, but not limited to, museums, galleries, arts
25 education, art studios, performing arts venues and associated businesses.

26 **Sec. 4. 30-A MRSA §5222, sub-§4**, as enacted by PL 2001, c. 669, §1, is
27 amended to read:

28 **4. Current assessed value.** "Current assessed value" means the assessed value of
29 the district certified by the municipal or plantation assessor as of April 1st of each year
30 that the development district remains in effect.

31 **Sec. 5. 30-A MRSA §5222, sub-§6**, as enacted by PL 2001, c. 669, §1, is
32 amended to read:

33 **6. Development district.** "Development district" means a specified area within the
34 corporate limits of a municipality or plantation that has been designated as provided
35 under sections 5223 and 5226 and that is to be developed under a development program.

1 **Sec. 6. 30-A MRSA §5222, sub-§15**, as enacted by PL 2001, c. 669, §1, is
2 amended to read:

3 **15. Tax increment.** "Tax increment" means real and personal property taxes
4 assessed by a municipality or plantation, in excess of any state, county or special district
5 tax, upon the increased assessed value of property in the development district.

6 **Sec. 7. 30-A MRSA §5222, sub-§17**, as enacted by PL 2001, c. 669, §1, is
7 amended to read:

8 **17. Tax shifts.** "Tax shifts" means the effect on a municipality's or plantation's state
9 revenue sharing, education subsidies and county tax obligations that results from the
10 designation of a tax increment financing district and the capture of increased assessed
11 value.

12 **Sec. 8. 30-A MRSA §5223**, as amended by PL 2009, c. 627, §1, is further
13 amended to read:

14 **§5223. Development districts**

15 **1. Creation.** A municipal or plantation legislative body may designate a
16 development district within the boundaries of the municipality or plantation in
17 accordance with the requirements of this chapter. If the municipality has a charter, the
18 designation of a development district may not be in conflict with the provisions of the
19 municipal charter.

20 **2. Considerations for approval.** Before designating a development district within
21 the boundaries of a municipality or plantation, or before establishing a development
22 program for a designated development district, the legislative body of a municipality or
23 plantation must consider whether the proposed district or program will contribute to the
24 economic growth or well-being of the municipality or plantation or to the betterment of
25 the health, welfare or safety of the inhabitants of the municipality or plantation.
26 Interested parties must be given a reasonable opportunity to present testimony concerning
27 the proposed district or program at the hearing provided for in section 5226, subsection 1.
28 If an interested party claims at the public hearing that the proposed district or program
29 will result in a substantial detriment to that party's existing business in the municipality or
30 plantation and produces substantial evidence to that effect, the legislative body must
31 consider that evidence. When considering that evidence, the legislative body also shall
32 consider whether any adverse economic effect of the proposed district or program on that
33 interested party's existing business in the municipality or plantation is outweighed by the
34 contribution made by the district or program to the economic growth or well-being of the
35 municipality or plantation or to the betterment of the health, welfare or safety of the
36 inhabitants of the municipality or plantation.

37 **3. Conditions for approval.** Designation of a development district is subject to the
38 following conditions.

39 A. At least 25%, by area, of the real property within a development district must
40 meet at least one of the following criteria:

- 1 (1) Must be a blighted area;
2 (2) Must be in need of rehabilitation, redevelopment or conservation work; or
3 (3) Must be suitable for commercial or arts district uses.

4 B. The total area of a single development district may not exceed 2% of the total
5 acreage of the municipality or plantation. The total area of all development districts
6 may not exceed 5% of the total acreage of the municipality or plantation.

7 C. The original assessed value of a proposed tax increment financing district plus the
8 original assessed value of all existing tax increment financing districts within the
9 municipality or plantation may not exceed 5% of the total value of taxable property
10 within the municipality or plantation as of April 1st preceding the date of the
11 commissioner's approval of the designation of the proposed tax increment financing
12 district.

13 Excluded from the calculation in this paragraph is any district excluded from the
14 calculation under former section 5253, subsection 1, paragraph C and any district
15 designated on or after the effective date of this chapter that meets the following
16 criteria:

- 17 (1) The development program contains project costs, authorized by section 5225,
18 subsection 1, paragraph A, that exceed \$10,000,000;
19 (2) The geographic area consists entirely of contiguous property owned by a
20 single taxpayer;
21 (3) The assessed value exceeds 10% of the total value of taxable property within
22 the municipality or plantation; and
23 (4) The development program does not contain project costs authorized by
24 section 5225, subsection 1, paragraph C.

25 For the purpose of this paragraph, "contiguous property" includes a parcel or parcels
26 of land divided by a road, power line or right-of-way.

27 D. The aggregate value of municipal and plantation general obligation indebtedness
28 financed by the proceeds from tax increment financing districts within any county
29 may not exceed \$50,000,000 adjusted by a factor equal to the percentage change in
30 the United States Bureau of Labor Statistics Consumer Price Index, United States
31 City Average from January 1, 1996 to the date of calculation.

32 (1) The commissioner may adopt rules necessary to allocate or apportion the
33 designation of captured assessed value of property within proposed tax increment
34 financing districts to permit compliance with the condition in this paragraph.
35 Rules adopted pursuant to this paragraph are routine technical rules as defined in
36 Title 5, chapter 375, subchapter 2-A.

37 (2) The acquisition, construction and installment of all real and personal property
38 improvements, buildings, structures, fixtures and equipment included within the
39 development program and financed through municipal or plantation bonded
40 indebtedness must be completed within 5 years of the commissioner's approval of
41 the designation of the tax increment financing district.

1 The conditions in paragraphs A to D do not apply to approved downtown tax increment
2 financing districts, tax increment financing districts that consist solely of one or more
3 community wind power generation facilities owned by a community wind power
4 generator that has been certified by the Public Utilities Commission pursuant to Title
5 35-A, section 3403, subsection 3 or transit-oriented development districts.

6 **4. Powers of municipality or plantation.** Within development districts and
7 consistent with the development program, the municipality or plantation may acquire,
8 construct, reconstruct, improve, preserve, alter, extend, operate or maintain property or
9 promote development intended to meet the objectives of the development program.
10 Pursuant to the development program, the municipality or plantation may acquire
11 property, land or easements through negotiation or by using eminent domain powers in
12 the manner authorized for community development programs under section 5204. The
13 municipality's or plantation's legislative body may adopt ordinances regulating traffic in
14 and access to any facilities constructed within the development district. The municipality
15 or plantation may install public improvements.

16 **Sec. 9. 30-A MRSA §5224, sub-§1,** as enacted by PL 2001, c. 669, §1, is
17 amended to read:

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

25 **Sec. 10. 30-A MRSA §5224, sub-§2, ¶I,** as enacted by PL 2001, c. 669, §1, is
26 amended to read:

27 I. All documentation submitted to or prepared by the municipality or plantation
28 under section 5223, subsection 2.

29 **Sec. 11. 30-A MRSA §5224, sub-§5,** as enacted by PL 2001, c. 669, §1, is
30 amended to read:

31 **5. Limitation.** For tax increment financing districts, the municipality or plantation
32 may expend the tax increments received for any development program only in accordance
33 with the financial plan.

34 **Sec. 12. 30-A MRSA §5225, sub-§1, ¶A,** as corrected by RR 2009, c. 1, §22, is
35 amended to read:

36 A. Costs of improvements made within the tax increment financing district,
37 including, but not limited to:

38 (1) Capital costs, including, but not limited to:

39 (a) The acquisition or construction of land, improvements, public ways,
40 buildings, structures, fixtures and equipment for public, arts district, new or

- 1 existing recreational trail, commercial or transit-oriented development district
2 use.
- 3 (i) Eligible transit-oriented development district capital costs include but
4 are not limited to: transit vehicles such as buses, ferries, vans, rail
5 conveyances and related equipment; bus shelters and other transit-related
6 structures; benches, signs and other transit-related infrastructure; bicycle
7 lane construction and other bicycle-related improvements; pedestrian
8 improvements such as crosswalks, crosswalk signals and warning
9 systems and crosswalk curb treatments; and the nonresidential
10 commercial portions of transit-oriented development projects;
- 11 (ii) Eligible recreational trail-related development district capital costs
12 include but are not limited to new or existing trails, including bridges that
13 are part of the trail corridor, used all or in part for all-terrain vehicles,
14 snowmobiles, hiking, bicycling, cross-country skiing or other related
15 multiple uses, signs, crosswalks, signals and warning systems and other
16 related improvements.
- 17 (iii) Eligible development district capital costs for public ways include
18 but are not limited to scenic turnouts, signs, railing and other related
19 improvements;
- 20 (b) The demolition, alteration, remodeling, repair or reconstruction of
21 existing buildings, structures and fixtures;
- 22 (c) Site preparation and finishing work; and
- 23 (d) All fees and expenses that are eligible to be included in the capital cost of
24 such improvements, including, but not limited to, licensing and permitting
25 expenses and planning, engineering, architectural, testing, legal and
26 accounting expenses;
- 27 (2) Financing costs, including, but not limited to, closing costs, issuance costs
28 and interest paid to holders of evidences of indebtedness issued to pay for project
29 costs and any premium paid over the principal amount of that indebtedness
30 because of the redemption of the obligations before maturity;
- 31 (3) Real property assembly costs;
- 32 (4) Professional service costs, including, but not limited to, licensing,
33 architectural, planning, engineering and legal expenses;
- 34 (5) Administrative costs, including, but not limited to, reasonable charges for the
35 time spent by municipal or plantation employees in connection with the
36 implementation of a development program;
- 37 (6) Relocation costs, including, but not limited to, relocation payments made
38 following condemnation;
- 39 (7) Organizational costs relating to the establishment of the district, including,
40 but not limited to, the costs of conducting environmental impact and other studies
41 and the costs of informing the public about the creation of development districts
42 and the implementation of project plans; and

1 (8) In the case of transit-oriented development districts, ongoing costs of adding
2 to an existing transit system or creating a new transit service and limited strictly
3 to transit operator salaries, transit vehicle fuel and transit vehicle parts
4 replacements;

5 **Sec. 13. 30-A MRSA §5225, sub-§1, ¶B**, as enacted by PL 2001, c. 669, §1, is
6 amended to read:

7 B. Costs of improvements that are made outside the tax increment financing district
8 but are directly related to or are made necessary by the establishment or operation of
9 the district, including, but not limited to:

10 (1) That portion of the costs reasonably related to the construction, alteration or
11 expansion of any facilities not located within the district that are required due to
12 improvements or activities within the district, including, but not limited to,
13 sewage treatment plants, water treatment plants or other environmental protection
14 devices; storm or sanitary sewer lines; water lines; electrical lines; improvements
15 to fire stations; and amenities on streets;

16 (2) Costs of public safety improvements made necessary by the establishment of
17 the district; and

18 (3) Costs of funding to mitigate any adverse impact of the district upon the
19 municipality or plantation and its constituents. This funding may be used for
20 public facilities and improvements if:

21 (a) The public facilities or improvements are located in a downtown tax
22 increment financing district; and

23 (b) The entire tax increment from the downtown tax increment financing
24 district is committed to the development program of the tax increment
25 financing district;

26 **Sec. 14. 30-A MRSA §5225, sub-§1, ¶C**, as amended by PL 2009, c. 314, §11,
27 is further amended to read:

28 C. Costs related to economic development, environmental improvements or
29 employment training within the municipality or plantation, including, but not limited
30 to:

31 (1) Costs of funding economic development programs or events developed by
32 the municipality or plantation or funding the marketing of the municipality or
33 plantation as a business or arts location;

34 (2) Costs of funding environmental improvement projects developed by the
35 municipality or plantation for commercial or arts district use or related to such
36 activities;

37 (3) Funding to establish permanent economic development revolving loan funds
38 or investment funds;

39 (4) Costs of services to provide skills development and training for residents of
40 the municipality or plantation. These costs may not exceed 20% of the total

1 project costs and must be designated as training funds in the development
2 program;

3 (5) Quality child care costs, including finance costs and construction, staffing,
4 training, certification and accreditation costs related to child care;

5 (6) Costs relating to planning, design, construction, maintenance, grooming and
6 improvements to new or existing recreational trails determined by the department
7 to have significant potential to promote economic development, including bridges
8 that are part of the trail corridor, used all or in part for all-terrain vehicles,
9 snowmobiles, hiking, bicycling, cross-country skiing or other related multiple
10 uses; and

11 (7) Costs associated with a new or expanded transit service, limited to:

12 (a) Transit service capital costs, including but not limited to: transit vehicles
13 such as buses, ferries, vans, rail conveyances and related equipment; bus
14 shelters and other transit-related structures; and benches, signs and other
15 transit-related infrastructure; and

16 (b) In the case of transit-oriented development districts, ongoing costs of
17 adding to an existing transit system or creating a new transit service and
18 limited strictly to transit operator salaries, transit vehicle fuel and transit
19 vehicle parts replacements; and

20 **Sec. 15. 30-A MRSA §5225, sub-§1, ¶D**, as amended by PL 2009, c. 126, §1, is
21 further amended to read:

22 D. Costs of constructing or improving facilities or buildings leased by State
23 Government or a municipal or plantation government that are located in approved
24 downtown tax increment financing districts.

25 **Sec. 16. 30-A MRSA §5226, sub-§1**, as enacted by PL 2001, c. 669, §1, is
26 amended to read:

27 **1. Notice and hearing.** Before designating a development district or adopting a
28 development program, the municipal or plantation legislative body or the municipal or
29 plantation legislative body's designee must hold at least one public hearing. Notice of the
30 hearing must be published at least 10 days before the hearing in a newspaper of general
31 circulation within the municipality or plantation.

32 **Sec. 17. 30-A MRSA §5226, sub-§3**, as enacted by PL 2001, c. 669, §1, is
33 amended to read:

34 **3. Effective date.** A designation of a tax increment financing district is effective
35 upon approval by the commissioner. A designation of a development district other than a
36 tax increment financing district is effective upon approval by the municipal or plantation
37 legislative body.

38 **Sec. 18. 30-A MRSA §5226, sub-§4**, as enacted by PL 2001, c. 669, §1, is
39 amended to read:

1 **4. Administration of district.** The legislative body of a municipality or plantation
2 may create a department, designate an existing department, office, agency, municipal
3 housing or redevelopment authority or enter into a contractual arrangement with a private
4 entity to administer activities authorized under this chapter.

5 **Sec. 19. 30-A MRSA §5226, sub-§5,** as enacted by PL 2001, c. 669, §1, is
6 amended to read:

7 **5. Amendments.** A municipality or plantation may amend a designated
8 development district or an adopted development program only after meeting the
9 requirements of this section for designation of a development district or adoption of a
10 development program. A municipality or plantation may not amend the designation of a
11 development district if the amendment would result in the district's being out of
12 compliance with any of the conditions in section 5223, subsection 3.

13 **Sec. 20. 30-A MRSA §5227,** as enacted by PL 2001, c. 669, §1, is amended to
14 read:

15 **§5227. Tax increment financing**

16 **1. Designation of captured assessed value.** A municipality or plantation may retain
17 all or part of the tax increment revenues generated from the increased assessed value of a
18 tax increment financing district for the purpose of financing the development program.
19 The amount of tax increment revenues to be retained is determined by designating the
20 captured assessed value. When a development program for a tax increment financing
21 district is adopted, the municipal or plantation legislative body shall adopt a statement of
22 the percentage of increased assessed value to be retained as captured assessed value in
23 accordance with the development program. The statement of percentage may establish a
24 specific percentage or percentages or may describe a method or formula for determination
25 of the percentage. The municipal assessor or plantation assessor shall certify the amount
26 of the captured assessed value to the municipality or plantation each year.

27 **2. Certification of assessed value.** On or after formation of a tax increment
28 financing district, the assessor of the municipality or plantation in which it is located shall
29 certify the original assessed value of the taxable property within the boundaries of the tax
30 increment financing district. Each year after the designation of a tax increment financing
31 district, the municipal assessor or plantation assessor shall certify the amount by which
32 the assessed value has increased or decreased from the original value.

33 Nothing in this subsection allows or sanctions unequal apportionment or assessment of
34 the taxes to be paid on real property in the State. An owner of real property within the tax
35 increment financing district shall pay real property taxes apportioned equally with
36 property taxes paid elsewhere in the municipality or plantation.

37 **3. Development program fund; tax increment revenues.** If a municipality or
38 plantation has designated captured assessed value under subsection 1, the municipality or
39 plantation shall:

40 A. Establish a development program fund that consists of the following:

1 (1) A project cost account that is pledged to and charged with the payment of
2 project costs that are outlined in the financial plan and are paid in a manner other
3 than as described in subparagraph (2); and

4 (2) In instances of municipal or plantation indebtedness, a development sinking
5 fund account that is pledged to and charged with the payment of the interest and
6 principal as the interest and principal fall due and the necessary charges of paying
7 interest and principal on any notes, bonds or other evidences of indebtedness that
8 were issued to fund or refund the cost of the development program fund;

9 B. Annually set aside all tax increment revenues on captured assessed values and
10 deposit all such revenues to the appropriate development program fund account
11 established under paragraph A in the following order of priority:

12 (1) To the development sinking fund account, an amount sufficient, together
13 with estimated future revenues to be deposited to the account and earnings on the
14 amount, to satisfy all annual debt service on bonds and notes issued under section
15 5231 and the financial plan; and

16 (2) To the project cost account, an amount sufficient, together with estimated
17 future revenues to be deposited to the account and earnings on the amount, to
18 satisfy all annual project costs to be paid from the account;

19 C. Make transfers between development program fund accounts established under
20 paragraph A as required, provided that the transfers do not result in a balance in the
21 development sinking fund account that is insufficient to cover the annual obligations
22 of that account; and

23 D. Annually return to the municipal or plantation general fund any tax increment
24 revenues remaining in the development sinking fund account established under
25 paragraph A in excess of those estimated to be required to satisfy the obligations of
26 the development sinking fund account after taking into account any transfers made
27 under paragraph C. The municipality or plantation, at any time during the term of the
28 district, by vote of the municipal or plantation officers, may return to the municipal or
29 plantation general fund any tax increment revenues remaining in the project cost
30 account established under paragraph A in excess of those estimated to be required to
31 satisfy the obligations of the development project cost account after taking into
32 account any transfer made under paragraph C. In either case, the corresponding
33 amount of local valuation may not be included as part of the captured assessed value
34 as specified by the municipality or plantation.

35 **Sec. 21. 30-A MRSA §5228**, as enacted by PL 2001, c. 669, §1, is amended to
36 read:

37 **§5228. Assessments**

38 **1. Assessments.** A municipality or plantation may estimate and make the following
39 assessments:

40 A. A development assessment upon lots or property within the development district.
41 The assessment must be made upon lots or property that have been benefited by
42 improvements constructed or created under the development program and may not

1 exceed a just and equitable proportionate share of the cost of the improvement. All
2 revenues from assessments under this paragraph are paid into the appropriate
3 development fund program account established under section 5227, subsection 3;

4 B. A maintenance assessment upon all lots or property within the development
5 district. The assessment must be assessed equally and uniformly on all lots or
6 property receiving benefits from the development program and the continued
7 operation of the public facilities. The total maintenance assessments may not exceed
8 the cost of maintenance and operation of the public facilities within the district. The
9 cost of maintenance and operation must be in addition to the cost of maintenance and
10 operation already being performed by the municipality or plantation within the
11 district when the development district was adopted; and

12 C. An implementation assessment upon all lots or property within the development
13 district. The assessment must be assessed equally and uniformly on all lots or
14 property receiving benefits from the development program. The implementation
15 assessments may be used to fund activities that, in the opinion of the municipal or
16 plantation legislative body, are reasonably necessary to achieve the purposes of the
17 development program. The activities funded by implementation assessments must be
18 in addition to those already conducted within the district by the municipality or
19 plantation when the development district was adopted.

20 **2. Notice and hearing.** Before estimating and making an assessment under
21 subsection 1, the municipality or plantation must give notice and hold a hearing. Notice
22 of the hearing must be published at least 10 days before the hearing in a newspaper of
23 general circulation within the municipality or plantation. The notice must include:

- 24 A. The date, time and place of hearing;
- 25 B. The boundaries of the development district by legal description;
- 26 C. A statement that all interested persons owning real estate or taxable property
27 located within the district will be given an opportunity to be heard at the hearing and
28 an opportunity to file objections to the amount of the assessment;
- 29 D. The maximum rate of assessments to be extended in any one year; and
- 30 E. A statement indicating that a proposed list of properties to be assessed and the
31 estimated assessments against those properties is available at the city or town office
32 or at the office of the assessor.

33 The notice may include a maximum number of years the assessments will be levied.

34 **3. Apportionment formula.** A municipality or plantation may adopt ordinances
35 apportioning the value of improvements within a development district according to a
36 formula that reflects actual benefits that accrue to the various properties because of the
37 development and maintenance.

38 **4. Increase of assessments and extension of time limits.** A municipality or
39 plantation may increase assessments or extend the specified period after notice and
40 hearing as required under subsection 2.

1 **5. Collection.** Assessments made under this section must be collected in the same
2 manner as municipal or plantation taxes. The constable or municipal tax collector or
3 plantation assessor has all the authority and powers by law to collect the assessments. If
4 any property owner fails to pay any assessment or part of an assessment on or before the
5 dates required, the municipality or plantation has all the authority and powers to collect
6 the delinquent assessments vested in the municipality or plantation by law to collect
7 delinquent municipal or plantation taxes.

8 **Sec. 22. 30-A MRS §5229**, as enacted by PL 2001, c. 669, §1, is amended to
9 read:

10 **§5229. Rules**

11 The commissioner may adopt rules necessary to carry out the duties imposed by this
12 chapter and to ensure municipal or plantation compliance with this subchapter following
13 designation of a tax increment financing district. Rules adopted pursuant to this section
14 are routine technical rules as defined in Title 5, chapter 375, subchapter ~~II-A~~ 2-A.

15 **Sec. 23. 30-A MRS §5230**, as enacted by PL 2001, c. 669, §1, is amended to
16 read:

17 **§5230. Grants**

18 A municipality or plantation may receive grants or gifts for any of the purposes of
19 this chapter. The tax increment revenues within a development district may be used as
20 the local match for certain grant programs.

21 **Sec. 24. 30-A MRS §5231**, as enacted by PL 2001, c. 669, §1, is amended to
22 read:

23 **§5231. Bond financing**

24 The legislative body of a municipality or plantation may authorize, issue and sell
25 bonds, including, but not limited to, general obligation or revenue bonds or notes, that
26 mature within 20 years from the date of issue to finance all project costs needed to carry
27 out the development program within the development district. The plantation or
28 municipal officers authorized to issue the bonds or notes may borrow money in
29 anticipation of the sale of the bonds for a period of up to 3 years by issuing temporary
30 notes and notes in renewal of the bonds. All revenues derived under section 5227 or
31 under section 5228, subsection 1 received by the municipality or plantation are pledged
32 for the payment of the activities described in the development program and used to
33 reduce or cancel the taxes that may otherwise be required to be expended for that
34 purpose. The notes, bonds or other forms of financing may not be included when
35 computing the municipality's or plantation's net debt. Nothing in this section restricts the
36 ability of the municipality or plantation to raise revenue for the payment of project costs
37 in any manner otherwise authorized by law.

38 **Sec. 25. 30-A MRS §5232**, as enacted by PL 2001, c. 669, §1, is amended to
39 read:

1 **§5232. Tax exemption**

2 All publicly owned parking structures and pedestrian skyway systems are exempt
3 from taxation by the municipality or plantation, county and State. This section does not
4 exempt any lessee or person in possession from taxes or assessments payable under Title
5 36, section 551.

6 **Sec. 26. 30-A MRSA §5233**, as enacted by PL 2001, c. 669, §1, is amended to
7 read:

8 **§5233. Advisory board**

9 The legislative body of a municipality or plantation may create an advisory board, a
10 majority of whose members must be owners or occupants of real property located in or
11 adjacent to the development district they serve. The advisory board shall advise the
12 legislative body and the designated administrative entity on the planning, construction
13 and implementation of the development program and maintenance and operation of the
14 district after the program has been completed.

15 **Sec. 27. 30-A MRSA §5234**, as enacted by PL 2001, c. 669, §1, is amended to
16 read:

17 **§5234. Special provisions**

18 Notwithstanding the provisions of section 5223, subsection 1 and any other provision
19 of law, in the case of investments exceeding \$100,000,000 in shipyard facilities in
20 districts authorized prior to June 30, 1999, revenues must be set aside and deposited by
21 the municipality or plantation to the appropriate development program fund account
22 established under section 5227, subsection 3 and expended to satisfy the obligations of
23 the accounts without the need for further action by the municipality or plantation by
24 appropriation or otherwise. Unless otherwise provided by the municipality or plantation
25 in connection with its approval of the district, tax increment revenues on all captured
26 assessed value may not be taken into account for purposes of calculating any limitation
27 on the municipality's or plantation's annual expenditures or appropriations, and the
28 payment of tax increment revenues on captured assessed value is not subject to any
29 limitation or restriction on the municipality's or plantation's authority or power to enter
30 into contracts with respect to making payments for a term equal to the term of the district.

31 **Sec. 28. 30-A MRSA §7051, sub-§9-A** is enacted to read:

32 **9-A. Development districts for municipalities and plantations.** Chapter 206,
33 subchapter 1;

34 **Sec. 29. Maine Revised Statutes headnote amended; revision clause.** In
35 the Maine Revised Statutes, Title 30-A, chapter 206, subchapter 1, in the subchapter
36 headnote, the words "municipal development districts" are amended to read
37 "development districts for municipalities and plantations" and the Revisor of Statutes
38 shall implement this revision when updating, publishing or republishing the statutes.

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SUMMARY

This bill authorizes plantations to implement tax increment financing development districts and development programs in the same manner as is currently available to municipalities under the Maine Revised Statutes, Title 30-A, chapter 206. The bill also allows authorized project costs to include certain capital costs associated with public ways and recreational trails within the tax increment financing development district.