

LD 562, An Act Related to Service Charges in Lieu of Property Taxes on Tax-exempt Property – sponsored by Rep Wilson & LD 936, An Act To Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations – sponsored by Rep Chase

	Current law	LD 562	LD 936
Optional for Municipality	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes
Authorization	<ul style="list-style-type: none"> • Legislative body decides 	<ul style="list-style-type: none"> • Legislative body decides 	<ul style="list-style-type: none"> • Vote at special or general election of municipality
Imposition of service charge	<ul style="list-style-type: none"> • May impose service charge on owners of property that totally exempt from property tax under 652 and identified in statute 	<ul style="list-style-type: none"> • May impose service charges on property that is exempt from taxation under section 652 unless specifically exempted under new provision in bill (section 509) 	<ul style="list-style-type: none"> • May impose service charge on owners of property that totally exempt from property tax and identified in statute
Equal Application	<ul style="list-style-type: none"> • Must impose charges on every similarly organization. 	<ul style="list-style-type: none"> • Must impose those service charges on every similarly situated institution or organization. 	<ul style="list-style-type: none"> • Must impose those service charges on every similarly situated institution or organization..
Calculation of charges	<ul style="list-style-type: none"> • Charges must be based on actual costs of municipal services • No methodology for determining actual costs 	<ul style="list-style-type: none"> • Charges must be based on actual costs of municipal services (not defined). • Provides methodology for determining actual costs based on square footage unless municipality determines a better method 	<ul style="list-style-type: none"> • Charges must be based on actual costs of municipal services • No methodology for determining actual costs
Services charges may be imposed upon	<ul style="list-style-type: none"> • Residential property, other than student housing or parsonages, that is <i>totally exempt</i> from taxation under section 652 and <i>that is used to provide rental income.</i> 	<ul style="list-style-type: none"> • Benevolent and charitable organizations (A) • Scientific and literary institutions <u>except</u> educational institutions (B) • Veterans organizations (E) • Boards of trade and chamber of commerce (F) • Fraternal organizations (H) • An organization leasing/providing use of property to another organization (J) • Hospitals (K) 	<ul style="list-style-type: none"> • Benevolent and charitable organizations <u>except</u> nonprofit nursing homes licensed, residential care facilities and mental health facilities licensed by DHHS • Scientific and literary institutions except educational institution’s (B) • Boards of trade and chamber of commerce (F) • Fraternal organizations (H) • An organization leasing/providing use of property to another organization (J)