

### **§5223. Development districts**

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

[PL 2011, c. 101, §8 (AMD).]

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

[PL 2011, c. 101, §8 (AMD).]

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

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

- (1) Must be a blighted area;
- (2) Must be in need of rehabilitation, redevelopment or conservation work including a fisheries and wildlife or marine resources project; or
- (3) Must be suitable for commercial or arts district uses. For the purposes of this subparagraph, "suitable for commercial or arts district uses" includes, but is not limited to, the total acreage of a lot or parcel or portion of a lot or parcel included in a development district that is zoned for commercial or arts district uses or on which commercial or arts district uses are allowed as a conditional or grandfathered use or pursuant to contract zoning. [PL 2023, c. 377, §1 (AMD).]

B. The total area of a single development district may not exceed 2% of the total acreage of the municipality or plantation. The total area of all development districts may not exceed 5% of the total acreage of the municipality or plantation. [PL 2011, c. 101, §8 (AMD).]

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

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

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

For the purpose of this paragraph, "contiguous property" includes a parcel or parcels of land divided by a road, power line or right-of-way. [PL 2011, c. 101, §8 (AMD).]

D. [PL 2013, c. 184, §2 (RP).]

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

[PL 2023, c. 377, §1 (AMD).]

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

[PL 2011, c. 101, §8 (AMD).]

#### SECTION HISTORY

PL 2001, c. 669, §1 (NEW). PL 2003, c. 451, §NNNN1 (AMD). PL 2005, c. 646, §1 (AMD). PL 2007, c. 413, §3 (AMD). PL 2007, c. 693, §3 (AMD). PL 2007, c. 693, §37 (AFF). PL 2009, c. 314, §8 (AMD). PL 2009, c. 627, §1 (AMD). PL 2011, c. 101, §8 (AMD). PL 2011, c. 287, §1 (AMD). PL 2011, c. 675, §2 (AMD). PL 2011, c. 691, Pt. A, §31 (AMD). PL 2013, c. 184, §2 (AMD). PL 2023, c. 377, §1 (AMD).

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