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

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

Sec. 1. 36 MRSA §508, sub-§1, as enacted by PL 2007, c. 627, §12, is repealed and the following enacted in its place:

1. Imposition. A municipality may impose service charges on the owner of:

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

B. Real property that is exempt from taxation under section 652, subsection 1, paragraphs A, B, E, F, H, J or K that is owned by, rented to or occupied by a person or entity that receives more than \$150,000 in gross annual revenues.

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

SUMMARY

This bill authorizes municipalities to impose service charges on owners of certain real property that is currently exempt from property tax if those owners or other users of the property receive more than \$150,000 in gross annual revenue.