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

Reference to the Committee on Taxation suggested and ordered printed.

Presented by Representative CHASE of Wells.
Cosponsored by Senator THIBODEAU of Waldo and Representatives: GOODE of Bangor, HARVELL of Farmington, KESCHL of Belgrade, KNIGHT of Livermore Falls, SHAW of Standish, WOOD of Sabattus.
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Sec. 1. 36 MRSA §508, sub-§1, as enacted by PL 2007, c. 627, §12, is repealed and the following enacted in its place: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, by vote at a special or general election for the municipality, 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;

   B. Real property that is exempt from taxation under section 652, subsection 1, paragraph A, except nonprofit nursing homes licensed by the Department of Health and Human Services pursuant to Title 22, chapter 405, nonprofit residential care facilities licensed by the Department of Health and Human Services pursuant to Title 22, chapter 1663 and nonprofit community mental health service facilities licensed by the Commissioner of Health and Human Services pursuant to Title 34-B, section 1203-A; and

   C. Real property that is exempt from taxation under section 652, subsection 1, paragraphs B, F, H and J.

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.

A municipality that imposes service charges on any institution or organization must impose those service charges on every similarly situated institution or organization. For the purposes of this section, "municipal services" means all services provided by a municipality other than education and welfare.

SUMMARY

This bill authorizes municipalities to impose service charges on owners of certain real property that is currently exempt from property tax.