

**§5227. Tax increment financing**

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

[PL 2011, c. 101, §20 (AMD).]

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

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

[PL 2011, c. 101, §20 (AMD).]

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

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

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

(2) In instances of municipal or plantation indebtedness, a development sinking fund account that is pledged to and charged with the payment of the interest and principal as the interest and principal fall due and the necessary charges of paying interest and principal on any notes, bonds or other evidences of indebtedness that were issued to fund or refund the cost of the development program fund; [PL 2011, c. 101, §20 (AMD).]

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

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

(2) To the project cost account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual project costs to be paid from the account; [PL 2001, c. 669, §1 (NEW).]

C. Make transfers between development program fund accounts established under paragraph A as required, provided that the transfers do not result in a balance in the development sinking fund account that is insufficient to cover the annual obligations of that account; and [PL 2001, c. 669, §1 (NEW).]

D. Annually return to the municipal or plantation general fund any tax increment revenues remaining in the development sinking fund account established under paragraph A in excess of those estimated to be required to satisfy the obligations of the development sinking fund account after taking into account any transfers made under paragraph C. The municipality or plantation, at any time, by vote of the municipal or plantation officers, may return to the municipal or plantation general fund any tax increment revenues remaining in the project cost account established under paragraph A in excess of those estimated to be required to satisfy the obligations of the development project cost account after taking into account any transfer made under paragraph C. In either case, the corresponding amount of local valuation may not be included as part of the captured assessed value as specified by the municipality or plantation. [PL 2019, c. 607, Pt. A, §1 (AMD).]

[PL 2019, c. 607, Pt. A, §1 (AMD).]

**4. Remaining funds.** This subsection governs remaining tax increment funds.

A. Any tax increment revenues remaining in the development sinking fund account established under subsection 3, paragraph A on the date the development district ends may be retained in the development sinking fund account and used only to pay debt service on bonds and notes issued under section 5231 and the financial plan. [PL 2023, c. 203, §1 (NEW).]

B. Any tax increment revenues remaining in the project cost account established under subsection 3, paragraph A on the date the development district ends may be retained in the project cost account for a period of 3 years from the date the development district ends and used only to pay approved project costs that are described in the development program. [PL 2023, c. 203, §1 (NEW).]

C. Any tax increment revenues remaining in the development sinking fund account or the project cost account established under subsection 3, paragraph A after the expiration of the time periods described in paragraphs A and B must be returned to the municipal or plantation general fund and a corresponding tax shift adjustment must be implemented with the Department of Administrative and Financial Services, Bureau of Revenue Services. [PL 2023, c. 203, §1 (NEW).]

[PL 2023, c. 203, §1 (NEW).]

#### SECTION HISTORY

PL 2001, c. 669, §1 (NEW). PL 2011, c. 101, §20 (AMD). PL 2019, c. 607, Pt. A, §1 (AMD). PL 2023, c. 203, §1 (AMD).

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