

## CHAPTER 208-A

### MUNICIPAL INCENTIVE DEVELOPMENT ZONES

#### §5281. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1993, c. 696, §3 (NEW).]

**1. Commercial and industrial property.** "Commercial and industrial property" means real and personal property used for or in connection with an industrial, commercial or other business enterprise and includes, but is not limited to, real or personal property used, useful or intended for use in or as warehouses or other wholesale distribution facilities, factories or other manufacturing facilities, commercial business facilities, retail business facilities, service business facilities, office buildings, hotels and motels and parking garages.

[PL 1993, c. 696, §3 (NEW).]

**2. Original assessed value.** "Original assessed value" means the assessed value of all commercial and industrial property located within the municipal incentive development zone as of the date of approval of the municipal incentive development zone by the Commissioner of Economic and Community Development.

[PL 1993, c. 696, §3 (NEW).]

#### SECTION HISTORY

PL 1993, c. 696, §3 (NEW).

#### §5282. Municipal incentive development zones

Municipal incentive development zones may be established to assist municipalities in encouraging private investment in industrial and commercial projects through the provision of public infrastructure necessary for improvements. Improvements and investments must provide new employment opportunities, improve and broaden the tax base and improve the general economy of the State. [PL 1993, c. 696, §3 (NEW).]

#### SECTION HISTORY

PL 1993, c. 696, §3 (NEW).

#### §5283. Municipal incentive development zones; procedures

**1. Procedures for establishment of zones.** The municipal legislative body shall comply with the following procedures in establishing municipal incentive development zones.

A. The municipal legislative body may establish municipal incentive development zones within the boundaries of the municipality by majority vote at a duly called meeting:

(1) To establish the zone;

(2) To adopt a description of the physical boundaries of the zone;

(3) To adopt an infrastructure improvement plan for the zone. The infrastructure improvement plan must describe the public infrastructure improvements to be constructed by the municipality in the municipal incentive development zone, including the nature of the improvements, the time, place and manner of installation of improvements, the plans for operation of improvements and a description of how the proposed improvements are expected to encourage private sector capital investment in commercial and industrial property in the zone and otherwise benefit the public; and

- (4) To authorize the infrastructure improvements described in the plan. Evidence of authorization must be included in the plan. [PL 1993, c. 696, §3 (NEW).]
- B. Before establishing a municipal incentive development zone, the municipal legislative body or its designee shall do the following:
- (1) Hold at least one public hearing. Notice of the hearing must be published at least 10 days before the hearing in a newspaper of general circulation in the municipality; and
  - (2) Submit to the Commissioner of Economic and Community Development for review and approval the municipal incentive development zone established by the municipal legislative body and the applicable infrastructure improvement plan. [PL 1993, c. 696, §3 (NEW).]
- C. Prior to final approval of a municipal incentive development zone, the Commissioner of Economic and Community Development must certify that the public improvements proposed by the municipality are likely to result in private sector capital investment in commercial and industrial property within the zone. The Commissioner of Economic and Community Development may develop a nonexclusive list of qualifying improvements by rule. [PL 1993, c. 696, §3 (NEW).]  
[PL 1993, c. 696, §3 (NEW).]

**2. Effective date.** The establishment of a municipal incentive development zone is effective upon approval by the municipal legislative body and certification by the Commissioner of Economic and Community Development as provided in this section.  
[PL 1993, c. 696, §3 (NEW).]

**3. Standards for zones.** Municipal incentive development zones must meet the following requirements:

- A. The total area of all municipal incentive development zones may not exceed 10% of the total acreage of the municipality; [PL 1993, c. 696, §3 (NEW).]
- B. The aggregate value of equalized taxable property, as defined in Title 36, sections 208 and 305, of a municipal incentive development zone determined as of the date the establishment of the zone becomes effective, plus all existing municipal incentive development zones determined as of the date of establishment of each such zone became effective, may not exceed 10% of the total value of equalized taxable property within the municipality; [PL 1993, c. 696, §3 (NEW).]
- C. The area within any municipal incentive development zone must be directly benefitted by the public infrastructure improvements proposed to be made by the municipality according to the infrastructure improvement plan; and [PL 1993, c. 696, §3 (NEW).]
- D. The improvements proposed to be made by the municipality in the municipal incentive development zone and described in the infrastructure improvement plan must primarily benefit or encourage private investment in commercial and industrial property. [PL 1993, c. 696, §3 (NEW).]  
[PL 1993, c. 696, §3 (NEW).]

**4. Amendment of zones and development plans.** The boundaries of a municipal incentive development zone and the infrastructure improvement plan may be altered or amended by the municipality only in accordance with the requirements for adoption of municipal incentive development zones in this section.  
[PL 1993, c. 696, §3 (NEW).]

**5. Duration of zones.** Municipal incentive development zones have a maximum duration of 10 years.  
[PL 1993, c. 696, §3 (NEW).]

SECTION HISTORY

PL 1993, c. 696, §3 (NEW).

**§5284. Tax shifts**

The municipal assessor shall certify, as of the date of approval of the municipal incentive development zone, the assessed value of all commercial and industrial property located within the zone as of the date of approval of the zone by the Commissioner of Economic and Community Development. During the term of the zone, in making the annual determination of the equalized just value of the industrial and commercial property located within the municipal incentive development zone pursuant to Title 36, sections 208 and 305, there must be excluded from value the increase in equalized just value of all industrial and commercial property located within the zone over the original assessed value, except that the amount excluded under this section may not exceed the amount invested by a municipality in infrastructure improvements under an infrastructure improvement plan adopted pursuant to section 5283. The amount invested by a municipality in infrastructure improvements under an infrastructure improvement plan adopted pursuant to section 5283 must be determined as of the date the investment is completed. [PL 1993, c. 696, §3 (NEW).]

SECTION HISTORY

PL 1993, c. 696, §3 (NEW).

**§5285. Agreements between municipalities**

Municipalities may jointly create municipal incentive development zones that encompass property located within the boundaries of the municipalities. The municipalities may enter into agreements with each other allocating the economic benefit resulting from the creation of the zones. [PL 1993, c. 696, §3 (NEW).]

SECTION HISTORY

PL 1993, c. 696, §3 (NEW).

**§5286. Declaration of public purpose**

The actions required to assist the establishment of municipal incentive development zones, including implementation of the applicable infrastructure improvement plans, and the execution and financing of these plans, are a public purpose. [PL 1993, c. 696, §3 (NEW).]

SECTION HISTORY

PL 1993, c. 696, §3 (NEW).

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