**An Act To Ease the Property Tax Burden by Authorizing Municipalities To Require Payments in Lieu of Taxes from Certain Exempt Organizations**

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

**Sec.** **1. 36 MRSA §652-A** is enacted to read:

**§****652-A.** **Impact fee for municipal services**

Unless a property owner that is exempt from taxation under section 652 has an agreement with the municipality where the property is located to make payments in lieu of taxes, the municipality, pursuant to an ordinance adopted by the legislative body of the municipality, may impose an impact fee on the property owner to cover the cost of municipal services provided to the property. The impact fee may not be less than 50% of the amount of tax that would be assessed on the property if it were not exempt and may not be imposed if the organization that owns the property has an annual budget of less than $50,000. Before imposing an impact fee on a property owner, the municipality shall attempt to reach an agreement that the property owner will make payments in lieu of taxes. The impact fee may be imposed only if an agreement to make payments in lieu of taxes cannot be reached within 120 days of when the municipality first attempts to reach an agreement.

**SUMMARY**

This bill permits municipalities to adopt an ordinance to impose an impact fee on certain property that is exempt from property tax unless the owner of the property has entered into an agreement to make payments in lieu of taxes. An impact fee may not be imposed if the owner of the property has an annual budget of less than $50,000.