



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

---

Legislative Document

No. 1795

S.P. 697

In Senate, April 24, 2025

**An Act to Change the Calculation for Municipal Service Charges for  
Tax-exempt Organizations**

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator MOORE of Washington. (BY REQUEST)  
Cosponsored by Representative TUELL of East Machias and  
Representatives: MINGO of Calais, STROUT of Harrington.

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

2 **Sec. 1. 36 MRSA §508, sub-§1**, as enacted by PL 2007, c. 627, §12, is repealed  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

4 **1. Imposition.** A municipality may impose an annual service charge on the owner of  
5 property that is totally exempt from property taxation under section 652, subsection 1. The  
6 service charge must be calculated according to the actual cost of providing municipal  
7 services to the property and to the persons who use that property, and revenues derived  
8 from the charge must be used to fund, to the extent possible, the costs of those services.  
9 The amount calculated must be based on the last year for which complete records of the  
10 services provided exist. The municipal legislative body shall identify those institutions and  
11 organizations upon which a service charge is to be levied. A municipality that imposes a  
12 service charge on an institution or organization must impose a service charge on every  
13 similarly situated institution or organization. For the purposes of this section, "municipal  
14 services" means all services provided by a municipality other than education and welfare.

15 **Sec. 2. 36 MRSA §508, sub-§2**, as enacted by PL 2007, c. 627, §12, is amended to  
16 read:

17 **2. Limitation.** The total annual service charges charge levied by a municipality on  
18 any institution or organization under this section may not exceed 2% 20% of the gross  
19 annual revenues of assessed value of the real estate held by the institution or organization  
20 in the municipality. In order to qualify for this limitation, the institution or organization  
21 must file with the municipality an audit of the revenues of the institution or organization  
22 for the year immediately prior to the year in which the service charge is levied. The  
23 municipal officers shall abate the portion of the service charge that exceeds 2% 20% of the  
24 gross annual revenues of assessed value of the real estate held by the institution or  
25 organization in the municipality.

26 **Sec. 3. Effective date.** This Act takes effect January 1, 2027.

## 27 **SUMMARY**

28 This bill expands the liability of certain tax-exempt institution and organization  
29 property owners to municipalities for service charges on that property. The limitation of  
30 the municipality's service charge authority is changed from 2% of the institution's or  
31 organization's gross revenue to 20% of the property's assessed value. These provisions take  
32 effect January 1, 2027.