

TAXATION COMMITTEE

jsj 4/20/2021 4:42 PM

130th LEGISLATURE

1st REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY22	FY23
659	1016	4/14		Tuell	An Act To Ease the Property Tax Burden by Authorizing Municipalities To Require Payments in Lieu of Taxes from Certain Exempt Organizations	<p>This bill <u>permits municipalities to</u> adopt an ordinance to <u>impose an impact fee</u> on property that is exempt from property tax under 36 MRSA §652 <u>unless the owner</u> of the property has <u>agreed to make payments in lieu of taxes</u>. <u>Purpose of fee is to recover cost of municipal services</u> provided to the property.</p> <p>An <u>impact fee may NOT be</u>:</p> <ol style="list-style-type: none"> 1. <u>Less than 50% of amount of tax that would be assessed</u> on the property 2. <u>imposed if the owner of the property has an annual budget of less than \$50,000</u>. <p><u>Municipality must attempt to negotiate a PILOT</u> before assessing an impact fee.</p> <p>CURRENT LAW: <u>Property exempt under 36 MRSA §652</u></p> <ol style="list-style-type: none"> 1. Benevolent and charitable institutions 2. Literary and scientific institutions 3. Certain veterans' organization (e.g. VFW, American Legion) 4. Chambers of Commerce or Boards of Trade 5. Houses of religious worship/parsonages 6. Hospitals, HMOs blood banks <p>Potential ambiguity in language.</p> <p>Potential Constitutional issues</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs: can be absorbed</p>	

¹ . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

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953	1463	4/14		Deschambault	An Act To Improve Affordable Housing Options and Services To Address Homelessness	<p>This bill <u>permits TIF funds</u> to be used by a municipality</p> <ol style="list-style-type: none"> 1. to <u>cover costs associated with the development of affordable housing in and outside development districts,</u> 2. for the use in <u>supporting housing services for persons who are homeless.</u> <p>for the purpose of providing an incentive for development within the municipality.</p> <p>The bill also <u>corrects a conflict</u> in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1, paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by incorporating the changes made by both laws.</p> <p><u>Sponsor proposed amendment (as revised):</u> Contains clarifications of use of TIF funds for affordable housing.</p>			
1129	228	4/14		Matlack	An Act Relating to the Valuation of Retail Sales Facilities	<p>This bill provides that, in <u>establishing the just value of retail sales facilities,</u></p> <ol style="list-style-type: none"> 1. Consideration must be given to <u>3 recognized approaches to valuation of commercial property</u> <ol style="list-style-type: none"> A. cost less depreciation B. income C. comparable sales <p style="text-align: center;">and</p> 2. The assessor must <u>consider the value of reasonably similar properties</u> with regard to age, condition, use, type of construction, location, design, physical features and economic characteristics. 			

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1132	1418	4/14		Morales	An Act To Encourage the Renovation of Available Housing Stock	<p>This bill establishes an expedited process for a <u>municipality to acquire clear title to abandoned property subject to a tax lien.</u></p> <p>The bill also <u>directs the Maine State Housing Authority to develop a program to purchase tax-acquired properties that have been renovated and to make them available for rent or for sale to first-time home buyers.</u></p> <p>Sponsor provided proposed amendment at PH:</p> <ol style="list-style-type: none"> 1. Substitutes a <u>different process for identification of abandoned property</u> (Municipal code enforcement officer certifies) 2. Substitutes a <u>different process for MeSHA involvement in property becoming available for affordable housing.</u> 		MRS preliminary fiscal impact Admin costs: can be absorbed	
1174	698	4/14		Ordway	An Act To Allow Municipalities To Send Separate Tax Bills for Municipal, County and School Taxes	<p>This bill <u>permits municipalities to issue separate property tax bills for the portion of their tax commitments attributable to:</u></p> <ol style="list-style-type: none"> 1. <u>education funding</u> and 2. the portion attributable to <u>county taxes and all other municipal costs.</u> <p>CURRENT LAW: Permits municipal tax bills to identify</p> <ol style="list-style-type: none"> 1. % distributed to <ol style="list-style-type: none"> A. education B. local govt C. county govt D. state govt 2. Outstanding municipal <u>bonded indebtedness</u> 3. <u>Due date and interest</u> of delinquent taxes 		Fiscal note No fiscal impact because local option.	
1247	755	4/14		Dill	An Act To Place a Moratorium on Property Revaluations for Tax Purposes during a State of Emergency	<p>This bill <u>requires a municipality or state department or agency to temporarily halt a property revaluation required by state law during a state of emergency and to resume the revaluation upon the termination of the emergency.</u></p> <p>MRS raises administrative issues, interpretation issues, and potential constitutional issues</p>			

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1337	103	4/14		Kessler	An Act To Increase Affordable Housing and Reduce Property Taxes through an Impact Fee on Vacant Residences	<p>This bill <u>creates a residential vacancy impact fee for certain vacant residential property.</u></p> <p>Property is "vacant" if it has not been occupied by a permanent resident at least 180 days during the previous calendar year.</p> <p>Vacancy fee is 0.5% of the equalized value of the <u>residential property</u> (excluding land value) each year</p> <p>The <u>revenue from the impact fee</u> after reduction for administrative costs, is <u>distributed</u>:</p> <ol style="list-style-type: none"> 1. 50% to the HOME fund to be used to <u>fund affordable housing activities</u> and 2. 50% to the Local Government Fund to be used to <u>reimburse municipalities for the Maine residents homestead property tax exemption</u> (usual revenue sharing distribution formula -- not directly tied to homestead exemption). <p><u>MRS is required to submit a report</u> to the TAX Committee by 12/1 after the first full year after imposition of a vacancy impact fee identifying <u>experience with the impact fee</u></p> <p>STA, MeSHA and State Treasurer required to submit <u>data reports to OPEGA.</u></p> <p>The bill also <u>requires the impact fee to be evaluated</u> by the Office of Program Evaluation and Government Accountability in the same manner as are tax expenditures and identifies policy objective and performance measures.</p> <p><u>OPEGA notes</u> that the impact fee is not a tax expenditure and different procedure should be followed.</p> <p>MRS raises concerns about administrative responsibilities, drafting concerns, state mandate requirements and constitutional concerns.</p>			