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Legislative Document

No. 581

H.P. 405

House of Representatives, February 26, 2015

An Act To Clarify the Municipal Development District Law

(EMERGENCY)

Reference to the Committee on Environment and Natural Resources suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative SIROCKI of Scarborough. Cosponsored by Representative: O'CONNOR of Berwick.

1 Emergency preamble. Whereas, acts and resolves of the Legislature do not 2 become effective until 90 days after adjournment unless enacted as emergencies; and 3 Whereas, many municipalities in the State have areas within their corporate limits 4 that can be classified as underutilized and have a significantly lower property value; and 5 Whereas, this legislation proposes to assist businesses relocating to these areas through credit enhancement agreements, and to enable this economic viability restoration 6 7 plan this legislation needs to take effect as soon as possible; and 8 Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as 9 10 immediately necessary for the preservation of the public peace, health and safety; now, therefore, 11 12 Be it enacted by the People of the State of Maine as follows: Sec. 1. 30-A MRSA §5222, sub-§1-B is enacted to read: 13 14 1-B. Blighted area. "Blighted area" means an area within the corporate limits of a municipality that has been designated by the municipality's comprehensive plan as being 15 underutilized and within which property values on an equal acreage basis are at least 75% 16 below the surrounding areas due to the condition of the properties located in that area. 17 Sec. 2. 30-A MRSA §5222, sub-§3-A is enacted to read: 18 19 3-A. Credit enhancement agreement. "Credit enhancement agreement" means an agreement to rebate a portion of a tax increment to a property owner within a 20 21 development district. 22 Sec. 3. 30-A MRSA §5224-A is enacted to read: 23 §5224-A. Use of credit enhancement agreements 24 1. Use of credit enhancement agreements. Credit enhancement agreements may be used to assist businesses locating in blighted areas when the number of persons 25 employed full-time in any such business increases by at least 50% and the increased 26 27 employment results from positions that are created by the business in the State. Rebates 28 may not be paid pursuant to a credit enhancement agreement until the business certifies to 29 the municipality that the 50% increase has occurred. Rebates may not be paid 30 retroactively. 31 2. Businesses without nonmanagement employees. If a business locating in a blighted area has no nonmanagement employees, a rebate may not be paid pursuant to a 32 33 credit enhancement agreement until the business creates at least 10 full-time positions per \$1,000,000 of the increased assessed value. The business may not count for the purposes 34 35 of certification under subsection 1 any employees moved from another employment location of the same business that is located within 50 miles of the development district in 36

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order to qualify for a rebate.

Sec. 4. 30-A MRSA §5226, sub-§1, as amended by PL 2011, c. 101, §16, is further amended to read:

1. Notice and hearing. Before designating a development district or adopting a development program, the municipal or plantation legislative body or the municipal or plantation legislative body's designee must hold at least one public hearing. Notice of the hearing must be published at least 40 20 days before the hearing in a newspaper of general circulation within the municipality or plantation. Notice of the hearing must also be mailed by the municipality or plantation to all property owners whose outermost property lines are within 1,000 feet of any part of the proposed development district and to any other parties that the municipality or plantation knows or has reason to know will be directly or potentially affected by the proposed development district. The same notice must be posted prominently on the home page of any publicly accessible website of the municipality or plantation.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

16 SUMMARY

This bill defines the terms "blighted area" and "credit enhancement agreement" in the municipal development district laws and provides a mechanism for the use of credit enhancement agreements in blighted areas. It also requires greater advance notice of public hearings on development districts and broadens the range of parties entitled to receive direct notice of such hearings.