

## OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 8, 2013  
To: Members, Joint Standing Committee on Taxation  
From: Elizabeth Cooper, Legislative Analyst

### **LD 562, An Act Related to Service Charges in Lieu of Property Taxes on Tax-exempt Property**

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**Summary:** This bill permits municipalities to impose service charges on tax-exempt property owned by nongovernmental institutions and organizations other than educational institutions, houses of worship and parsonages. Service charges must be calculated to cover the cost of services provided and be based on the square footage of building space occupied by the institution or organization unless the municipality determines that a different measure more accurately represents the cost of services for which the charge is imposed. Service charges may be imposed to cover the cost of any services provided by the municipality to the property other than education or general assistance. The bill repeals an existing service charge law that applies to a limited class of property that would be covered under this bill.

**Public Hearing:** *Testimony was taken on LD 562 and LD 936 together; a list of those testifying is attached to this analysis sheet.*

#### Proponents

- The sponsor presented the bill and provided written testimony.
- Senator Katz, a cosponsor, testified in support of the bill and provided written testimony. Other testimony in support of the bill was provided by municipal officials and Maine Municipal Association; written testimony was provided by Maine Service Centers Coalition

#### Opposed

- There was substantial testimony opposing the bill from representatives of veterans organizations, fraternal organizations, Maine Association of Nonprofits, the Roman Catholic Diocese of Portland, Maine Hospital Association, Maine Independent Colleges Association, Community Housing of Maine, several community non-profits and camps.

NFNA - None

**Fiscal Information:** The preliminary fiscal impact statement was not available at the time this analysis sheet was finalized. The most current fiscal information can be found online at: [www.mainelegislature.org/LawMakerWeb/search.asp](http://www.mainelegislature.org/LawMakerWeb/search.asp).