

**§5203. Municipal powers**

**1. Appropriations.** A municipality may raise or appropriate money and may accept and appropriate state or federal grants to provide decent housing and a suitable living environment and to expand economic opportunities under a duly approved and adopted community development program. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**2. Community development program.** The municipal officers of a municipality may prepare or have prepared a community development program. Before recommending a community development program to the municipal legislative body for approval, if the program has not been prepared by the planning board, the municipal officers shall submit the program to the municipal planning board for review and recommendations as to its conformity with the comprehensive plan and any applicable zoning ordinances. The planning board shall submit its written recommendations to the municipal officers within 45 days after receiving the program for review. The municipal officers shall, after 10 days' notice, hold public hearings on the plan upon receipt of those recommendations or, if no recommendations are received within the 45-day period, then without the recommendations. After the hearings are completed, the municipal officers shall submit the program and any recommendations of the planning board to the municipal legislative body for their approval and adoption.

A. Notwithstanding any other provision of this subsection, any community development program approved by a municipal legislative body before July 1, 1975, is deemed approved and adopted under this section if the program conforms with the municipality's comprehensive plan. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]  
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**3. Development powers.** Except as provided, the municipal officers of a municipality may exercise, pursuant to a duly approved and adopted community development program, all appropriate and necessary powers to implement and complete the program, including, but not limited to:

A. Acquisition by purchase or by eminent domain of any vacant or undeveloped land and of any developed land and structures, buildings and improvements existing on the land located in designated slum or blighted areas for the purposes of the demolition and removal or rehabilitation and repair or redevelopment of property so acquired; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Loaning or granting of money or the guaranteeing of loans to encourage owners of property to voluntarily rehabilitate and repair their properties to comply with all zoning, housing, building, plumbing, electrical and other structural and constructional ordinances, regulations and standards of the municipality or State or to voluntarily demolish their properties; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Installation, construction or reconstruction of streets, utilities, parks, playgrounds and other improvements necessary for carrying out the objectives of the community development program; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Contracting with, delegating of powers to or loaning or granting of money to any other political subdivision of the State, quasi-municipal corporation or agency of the State or its political subdivisions as may be required to implement and complete all or any portion of the community development program; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106

(NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

E. The disposition of acquired property, provided that the municipality may not, within 10 years of the date of acquisition, sell undeveloped or unrehabilitated property, in whole or in part, that was acquired by eminent domain without first offering it to the prior owner, owners or their heirs, except as provided in subparagraph (1). This offer must be kept open for at least 60 days and must be at a price no more than the sum of the compensation and damages given in the eminent domain proceedings, any relocation payments or benefits and the costs of the municipality for any improvements. The offer may be limited by requiring use of the property in accordance with the community development program.

(1) When the property to be sold is one of 3 or more contiguous or abutting parcels or lots that are to be redeveloped or rehabilitated as a unit, the property may be sold without first offering it to the prior owner, owners or their heirs.

(2) Any disposition of acquired property, other than to the prior owner, owners or their heirs, must require use of the property in accordance with the community development program. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

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**4. Tax increment revenues from rehabilitated or developed property.** The legislative body of a municipality may provide that tax increment revenues from property rehabilitated or developed and subsequently sold by the municipality will be set aside annually and deposited to the credit of a sinking fund, which is pledged to and charged with the payment of the interest and principal as they fall due, and the necessary charges of paying agents for paying interest and principal of any notes, bonds or other evidences of indebtedness that were issued to fund or refund the rehabilitation or development of the property.

A. Tax increment revenues from property rehabilitated or developed shall be the real property tax revenues received, based on the amount of valuation that exceeds the valuation of the property on the April 1st immediately preceding the adoption of the municipal community development plan. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The sinking fund is a fund for the benefit of the notes, bonds or other evidences of indebtedness issued to fund or refund the rehabilitation or development of the property, and any money deposited in this fund shall be held and applied solely for that purpose. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

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#### SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,10 (AMD).

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