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Public Law
123rd Legislature
First Regular Session

Chapter 413
H.P. 863 - L.D. 1182

**An Act To Enable the Creation of Tax
Increment Financing Districts for Arts Districts**

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

Sec. 1. 30-A MRSA §5221, sub-§2, ¶A, as enacted by PL 2001, c. 669, §1, is amended to read:

A. To provide impetus for industrial ~~or~~, commercial or arts district development, or ~~both~~any combination;

Sec. 2. 30-A MRSA §5222, sub-§1-A is enacted to read:

1-A. Arts district. “Arts district” means a specified area within the corporate limits of a municipality that has been designated by the municipality for the purpose of providing employment and cultural opportunities through the development of arts opportunities, including, but not limited to, museums, galleries, arts education, art studios, performing arts venues and associated businesses.

Sec. 3. 30-A MRSA §5223, sub-§3, ¶A, as enacted by PL 2001, c. 669, §1, is amended to read:

A. At least 25%, by area, of the real property within a development district must meet at least one of the following criteria:

- (1) Must be a blighted area;
- (2) Must be in need of rehabilitation, redevelopment or conservation work; or
- (3) Must be suitable for commercial or arts district uses.

Sec. 4. 30-A MRSA §5224, sub-§2, ¶C, as enacted by PL 2001, c. 669, §1, is amended to read:

C. A description of commercial facilities, arts districts, improvements or projects to be financed in whole or in part by the development program;

Sec. 5. 30-A MRSA §5225, sub-§1, ¶A, as enacted by PL 2001, c. 669, §1, is amended to read:

A. Costs of improvements made within the tax increment financing district, including, but not limited to:

(1) Capital costs, including, but not limited to:

(a) The acquisition or construction of land, improvements, buildings, structures, fixtures and equipment for public, arts district or commercial use;

(b) The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures;

(c) Site preparation and finishing work; and

(d) All fees and expenses that are eligible to be included in the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses;

(2) Financing costs, including, but not limited to, closing costs, issuance costs and interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity;

(3) Real property assembly costs;

(4) Professional service costs, including, but not limited to, licensing, architectural, planning, engineering and legal expenses;

(5) Administrative costs, including, but not limited to, reasonable charges for the time spent by municipal employees in connection with the implementation of a development program;

(6) Relocation costs, including, but not limited to, relocation payments made following condemnation; and

(7) Organizational costs relating to the establishment of the district, including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public about the creation of development districts and the implementation of project plans;

Sec. 6. 30-A MRSA §5225, sub-§1, ¶C, as enacted by PL 2001, c. 669, §1, is amended to read:

C. Costs related to economic development, environmental improvements or employment training within the municipality, including, but not limited to:

- (1) Costs of funding economic development programs or events developed by the municipality or funding the marketing of the municipality as a business or arts location;
- (2) Costs of funding environmental improvement projects developed by the municipality for commercial or arts district use or related to ~~commercial~~such activities;
- (3) Funding to establish permanent economic development revolving loan funds or investment funds;
- (4) Costs of services to provide skills development and training for residents of the municipality. These costs may not exceed 20% of the total project costs and must be designated as training funds in the development program; and
- (5) Quality child care costs, including finance costs and construction, staffing, training, certification and accreditation costs related to child care; and

Effective September 20, 2007