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Maine Considers a Property Tax on Some Nonprofits.

AUGUSTA, Me. — Nonprofit organizations across the country are closely watching Maine as it considers becoming the first state to impose property taxes on hospitals, private colleges and summer camps under a plan put forth by Gov. Paul LePage.

Mr. LePage's proposal has sparked a fiery debate over what impact nonprofits have on their communities and whether they should have to cover the costs for municipal services they receive.

David L. Thompson, vice president of public policy for the National Council of Nonprofits, said all states exempted nonprofits from property taxes, either through laws or their constitutions.

Mr. LePage, a Republican, has called nonprofits "takers, not givers," and argues that they need to contribute for services like the police, firefighters and snow removal. His proposal, which is part of his \$6.3 billion budget plan, would require organizations to pay taxes to municipalities if their properties were worth more than \$500,000. They would pay taxes only on the property value over that threshold and get a 50 percent discount on the rate.

In Maine, hospitals, colleges and other groups that are lobbying heavily against the proposal warn that it would force them to raise costs or eliminate jobs.

The Good Shepherd Food Bank estimates it would owe \$24,500 annually to the City of Auburn under the governor's plan. A spokeswoman, Clara Whitney, said it also would mean providing 100,000 fewer meals every year.

Some nonprofits already provide payments to Maine municipalities in lieu of taxes, but those payments fall well short of covering the services those organizations receive, said Jonathan LaBonte, director of the governor's Office of Policy and Management.

"The governor put this in the budget to start the conversation," said Mr. LaBonte, who also is the mayor of Auburn. "If municipalities have another approach, the governor has kept that door open."

By THE ASSOCIATED PRESS

MARCH 7, 2015