

TOWN OF HAMPDEN
SERVICE CHARGE ORDINANCE

Adopted: May 18, 1992

Attest: _____
Town Clerk

Sec. 1. Authority. This Ordinance is enacted to pursuant to 30-A M.R.S.A. § 3001 36 M.R.S.A §652 (1) (L).

Sec. 2. Purpose. The purpose of this Ordinance is to establish an annual service charge to recover the cost of providing municipal services, other than education and general assistance, to owners and/or occupants of certain institutional and organizational real property which is otherwise exempt from state or municipal taxation.

Sec. 3. Creation of Service Charge. An annual service charge is hereby established effective with the municipal fiscal year commencing on July 1, 1992. The service charge shall be levied by the municipal officers against all residential property owned by an organization or institution if the property is otherwise totally exempt from property taxation and is used to provide rental income. The service charge shall not apply to student housing or parsonages.

Sec. 4. Calculation of Service Charge. The service charge shall be calculated according to the actual cost of providing municipal services to the property in question and the persons who use that property. Municipal services shall include, without limitation, the following: fire protection, police protection, road maintenance and construction, traffic control, snow and ice removal, sanitation services, and any other services. For the purpose of this Ordinance, municipal services shall not include education and general assistance. Sewer service is billed at the metered rate for all users regardless of tax exemption status. The service charge benchmark for each property shall be determined in accordance with the following formula.

$$\frac{B}{V} \times JV = SC$$

where:

B = Budget for current fiscal year for municipal services, except education and general assistance

V = Total taxable valuation of municipality for the current fiscal year

JV = Just value of property in question

SC = Service Charge of property in question

The assessor shall provide the municipal officers with the following information at the time of the annual tax commitment: (1) list of property to which a service charge is applicable under this ordinance., (2) total taxable valuation of the municipality for the current fiscal year, and (3) the just value of the properties in question. The Town Manager shall provide the municipal officers with the amount of the budget for municipal services for the current fiscal year, along with a proposed service charge for each tax exempt property based on the foregoing formula. Once the initial service charge is established, the same charge will be assessed for four ensuing years. On the fifth year, the service charge will be reestablished based upon the foregoing formula.

Sec. 5. Levy of Service Charge. The municipal officers shall levy the annual service charge on the tax exempt property subject to a service charge under this Ordinance and shall establish a due date for payment of the same. The Treasurer shall send a statement to every affected property owner setting forth the amount of the service charge levied on the subject property.

Sec. 6. Limitation on Service Charge. The total service charges levied by the municipal officers under this Ordinance against any institution or organization shall not exceed 2% of the gross annual rental income of that institution or organization. Provided, however, that in order to qualify for the foregoing limitation, the institution or organization shall file with the municipal officers an audit of rental income of the institution or organization for its last fiscal year for which the service charge was levied. The municipal officers shall abate the service charge amount that is in excess of 2% of the gross rental income .

Se. 7. Collection. Unpaid service charges shall be collected in any manner available to the municipality, including, with limitation, the procedure provided in 38 M. R. S. A. § 1208, as may be amended from time to time.

Sec. 8. Use of Revenues. Revenues accrued from service charges shall be used, as much as possible, to fund the cost of providing the municipal services which were considered in calculating the service charges.

Sec. 9. Appeals. Any institution or organization may challenge the decision of the municipal officers to levy a particular service charge or the amount of a particular service charge by filing an appeal with the Board of Assessment Review. Such appeals shall be filed in writing with Town Clark within 60 days of the date on which notice is provided to the institution or organization by the Treasurer under

Sec. 5 above indicating the amount of the service charge levied by the municipal officers. The Board of Assessment Review shall conduct a public hearing on the appeal and shall issue a written decision thereon within 60 days of the date the appeal was filed with the Town Clerk. Failure to issue a decision on an appeal within 60 days of the date the application was filed shall be deemed to be a denial thereof. The appeal shall be processed in accordance with all applicable laws or ordinances, and such rules of procedure as may be established by or for the Board of Assessment Review. Any decision by the Board may be appealed to Superior Court by an aggrieved party pursuant to rule 80B of the Maine Rules of Civil Procedure.

Sec. 10. Severability. Should any provisions of this Ordinance be declared invalid by the Courts, such decision shall not invalidate any other provision of this Ordinance.

Adopted By Hampden Town Council on May 18, 1992.

Amended by Hampden Town Council on November 1, 2021; Effective December 1, 2021

Amended by Hampden Town Council on June 22, 2022; Effective July 22, 2022