

Town of Orrington, Maine Tax Increment Financing (TIF) Guidelines

Tax Increment Financing (TIF) is designed to encourage industrial, commercial, or retail development; increase employment opportunities; and broaden the tax base in the Town of Orrington.

The following guidelines shall govern the Board of Selectmen's review of proposals for tax increment financing. Notwithstanding compliance with the provisions set forth below, the recommendation of a TIF Agreement shall be made by the Board of Selectmen on a case-by-case basis. These guidelines do not create a right or entitlement in any applicant and TIF is not a right under Maine law.

Policy Guidelines

1. A TIF Agreement shall be in the form of a credit enhancement agreement in order to minimize risk to the residents of Orrington. General obligation bonds will not be issued.
2. TIF shall be a cooperative effort. Private investors and companies are required to demonstrate a need for tax increment financing and provide all necessary documentation for the application. The applicant shall be responsible for all costs associated with the TIF application including legal fees and costs incurred by the Town. If the project comes to fruition, applicant may reimburse the Town from increased assessed value in the first year.
3. The project shall create increased assessed value (since March 31st of the preceding tax year) of at least \$500,000. The Selectmen may consider significant job creation or prior investment as reasons for an exception to this requirement.
4. The term of a TIF agreement shall be negotiated between the applicant and the Selectmen. The Town seeks to limit the duration of tax recapture to applicants to ten (10) years.
5. The Selectmen's Economic Advisory Committee (SEAC) shall conduct initial review of proposed TIF projects and make recommendations to the Board of Selectmen. If recommended to proceed, the Board of Selectmen shall engage an attorney to complete the application. Before recommending a TIF to the Town, the Board of Selectmen shall conduct a public hearing.
6. A TIF Agreement may provide for an annual administrative fee of up to 2% deducted from the applicant's tax recapture for the duration of the agreement.
7. The Town encourages the use of TIF for recapture of real property taxes, and discourages recapture of personal property taxes.
8. The tax recapture for an applicant shall not exceed 50% over the duration of the TIF Agreement.