

## District defends tax exempt status

By Rebecca Lamet  
Staff Writer

KENNEBUNK — The Kennebunk, Kennebunkport and Wells Water District is holding to its position as a tax exempt entity and refusing to pay Sanford for tax bills of around \$6,500 that have been issued to the District since 2002.

Superintendent of the Water District

Norman Labbe said that their refusal to pay is a matter of principle.

"It is not the particular amount of money that is the issue," said Labbe who explained that in the scheme of things, \$6,500 is not out of their financial reach. "It's the issue of taxation that is at stake."

Sanford Town Manager Mark Green has been working with the Sanford Council on

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## Water

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this issue and they believe that because the Water District does not serve their town, their quasi-municipal tax exempt status does not carry to property over the Sanford line.

The town and the Water District are keeping an open dialogue.

"We get along fine with the town and have worked well with the Airport Commission," said Labbe.

The Water District went through the abatement and appeals process and their contention has reached the Superior Court, although it has not been heard yet.

Green said that Sanford has been cognizant of the importance of maintaining a healthy watershed even before the Water District purchased the property. In a letter to Labbe, Green outlined Sanford's reasons for holding to the collection of the Water District's taxes. He found that there are many instances statewide where water districts pay taxes to host communities.

"The town of Sanford pays property taxes to the Town of Shapleigh for dams and land Sanford owns," wrote Green. "Sanford taxpayers receive no benefit from the cost of maintaining this dam but we pay our taxes without protest."

Another example is Kittery, who pays taxes to the town of York and Portland Water District who pays taxes to the Town of Standish.

Labbe likened the Water District's tax exempt status to that of a non-profit like the Land for Maine's Future or the Nature Conservancy.

Labbe said that in 1921 when the county charter was written it clarified the water district's status as a tax exempt entity stating explicitly that they should be tax exempt for everything they own surrounding the Branch Brook and Merriland River.

"It makes no sense to pay a tax bill if we are tax exempt," said Labbe.

For Sanford, the land that is owned by the Water District is important because it is within the town's growth area. "A substantial part of the Airport lies within the Branch Brook Watershed," wrote Green.

Green further said that Sanford is a service center for other surrounding towns including Kennebunk, Kennebunkport and Wells.

Labbe said that the prospect of paying the tax bills is not acceptable, "once you crack the door open, there is no going back."

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