

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
106TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1773, L. D. 2245, Bill, "AN ACT to Correct the Administration and Collection of Real Property Taxes for Education Purposes."

Amend said Bill by striking out all of the next to the last paragraph before the Statement of Fact and inserting in place thereof the following:

'Said municipal treasurer shall pay to the treasurer of the School Administrative District or community school district in quarterly installments that portion of the tax levied under section 451 of public school education costs which is not in excess of the allocation to the unit as computed under Title 20, section 3713. That portion of the tax levied under section 451 which is based upon a percentage of public school education costs which exceeds the allocation of the unit as computed under Title 20, section 3713 shall be retained by the municipality and may be used for municipal purposes upon proper authorization by the municipality, provided that said excess portion of the tax levied under section 451 shall not be expended by the unit to increase the amount expended for school education costs beyond the maximum permissible allocation to the unit as computed under Title 20, section 3713.'

Statement of Fact

This amendment amends 36 M. R. S. A. section 453 so that if a municipality raises more than its allocation through the uniform property tax, it does not pay the excess to the Treasurer of State but retains it for other municipal use. Under the Bill, the excess retained by a municipality cannot be used for educational purposes thereby insuring equal educational opportunity by preventing one unit from spending disproportionately more per

(Filing No. H-736)

pupil than another. A unit may spend more than its allocation as provided in chapter 556. This bill does not change those provisions. If this Bill is enacted it means that per pupil expenditures will be equalized as intended by chapter 556 but will not require one municipality to subsidize another through the property tax. One of the inequities of chapter 556 is that a town with a high state valuation does not necessarily have residents with income who can pay the increased property tax to subsidize other municipalities.

Reported by the Minority of the Committee on Taxation.

Reproduced and distributed under the direction of the Clerk of the House.

3/7/74

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