

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

---

Legislative Document

No. 728

---

S.P. 258

In Senate, March 5, 2015

**An Act To Limit the Amount of Money a Municipality May Spend  
on Education**

---

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator WOODSOME of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 20-A MRS §15688, sub-§3-A**, as amended by PL 2007, c. 668, §§36  
3 and 37, is further amended to read:

4 **3-A. School administrative unit; contribution.** For each school administrative  
5 unit, the commissioner shall annually determine the school administrative unit's required  
6 contribution, the required contribution of each municipality that is a member of the unit,  
7 if the unit has more than one member, and the State's contribution to the unit's total cost  
8 of education in accordance with the following.

9 A. For a school administrative unit composed of only one municipality, the  
10 contribution of the unit and the municipality is the ~~lesser~~ least of:

- 11 (1) The total cost described in subsection 1; ~~and~~
- 12 (2) The total of the full-value education mill rate calculated in section 15671-A,  
13 subsection 2 multiplied by the property fiscal capacity of the municipality-; and
- 14 (3) Fifty-five percent of the state valuation of all property in the municipality  
15 subject to taxation as certified by the Department of Administrative and Financial  
16 Services, Bureau of Revenue Services pursuant to Title 36, section 305,  
17 subsection 1 unless a majority of the elected municipal officials approve raising a  
18 higher amount.

19 B. ~~Except as provided in paragraph B-1, for~~ For a school administrative district,  
20 community school district or regional school unit composed of more than one  
21 municipality, each municipality's contribution to the total cost of education is the  
22 ~~lesser~~ least of:

- 23 (1) The municipality's total cost as described in subsection 2; ~~and~~
- 24 (2) The total of the full-value education mill rate calculated in section 15671-A,  
25 subsection 2 multiplied by the property fiscal capacity of the municipality-; and
- 26 (3) Fifty-five percent of the state valuation of all property in the municipality  
27 subject to taxation as certified by the Department of Administrative and Financial  
28 Services, Bureau of Revenue Services pursuant to Title 36, section 305,  
29 subsection 1 unless a majority of the elected municipal officials approve raising a  
30 higher amount.

31 C. For a school administrative district, community school district or regional school  
32 unit composed of more than one municipality, the unit's contribution to the total cost  
33 of education is the ~~lesser~~ least of:

- 34 (1) The total cost as described in subsection 1; ~~and~~
- 35 (2) The sum of the totals calculated for each member municipality pursuant to  
36 paragraph B, subparagraph (2)-; and
- 37 (3) Fifty-five percent of the state valuation of all property in each member  
38 municipality subject to taxation as certified by the Department of Administrative  
39 and Financial Services, Bureau of Revenue Services pursuant to Title 36, section

1                   305, subsection 1 unless a majority of the elected municipal officials approve  
2                   raising a higher amount.

3                   D. The state contribution to the school administrative unit's total cost of education is  
4                   the total cost of education calculated pursuant to subsection 1 less the school  
5                   administrative unit's contribution calculated pursuant to paragraph A or C, as  
6                   applicable. The state contribution is subject to reduction in accordance with section  
7                   15690, subsection 1, paragraph C.

8                   **Sec. 2. 36 MRSA §7301**, as enacted by PL 2005, c. 2, Pt. H, §2, is amended to  
9                   read:

10                   **§7301. Tax burden reduction goals and policies**

11                   It is the goal and policy of the State that by 2015 the State's total state and local tax  
12                   burden be ranked in the middle 1/3 of all states, as determined by the United States  
13                   Census Bureau's most recent tax burden analysis, adjusted by the assessor to reflect the  
14                   State's unique expenditure tax relief programs.

15                   It is the goal and policy of the State that additional state funds provided to  
16                   municipalities through increases in the state share of education funding under the  
17                   essential programs and services funding model must, to the greatest possible extent, be  
18                   available for statewide property tax reduction.

19                   Notwithstanding any other provision of law, it is the goal and policy of the State that,  
20                   for tax years beginning on or after January 1, 2016, the amount of property taxes  
21                   distributed by a municipality for education under the essential programs and services  
22                   funding model, pursuant to Title 20-A, chapter 606-B, not exceed 55% of the state  
23                   valuation of the municipality's property subject to the valuation filed with the Secretary of  
24                   State pursuant to section 305, subsection 1.

25                   **SUMMARY**

26                   This bill provides that, beginning with the 2016 tax year, it is the goal and policy of  
27                   the State that the amount of property taxes distributed by a municipality for education  
28                   under the Essential Programs and Services Funding Act may not exceed 55% of the state  
29                   valuation of the municipality's property subject to the valuation filed with the Secretary of  
30                   State. The bill also provides that a municipality is not required to pay more than 55% of  
31                   the funds raised by local property taxes for the municipality's required contribution to the  
32                   school administrative unit's total cost of education unless a majority of the elected  
33                   officials of the municipality approve raising and expending funds appropriated through  
34                   local taxation for educational purposes that exceed 55% of the state valuation of the  
35                   municipality's property.