

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 283

H.P. 183

House of Representatives, January 28, 2025

**An Act to Expand Local Revenues by Including Meals and Lodging
Sales Tax Revenue Under the State-Municipal Revenue Sharing
Program**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HEPLER of Woolwich.
Cosponsored by Senator TEPLER of Sagadahoc and
Representative: BUNKER of Farmington.

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

2 **Sec. 1. 30-A MRSA §5681, sub-§3**, as amended by PL 2009, c. 213, Pt. S, §3 and
3 affected by §16, is further amended to read:

4 **3. Revenue-sharing funds.** To strengthen the state-municipal fiscal relationship
5 pursuant to the findings and objectives of subsection 1, there is established the Local
6 Government Fund. To provide additional support for municipalities experiencing a higher-
7 than-average property tax burden, there is established the Disproportionate Tax Burden
8 Fund. To support municipalities that support the State's meals and lodging industries, there
9 is established the Local Government Hospitality Fund.

10 **Sec. 2. 30-A MRSA §5681, sub-§4-C** is enacted to read:

11 **4-C. Distribution of Local Government Hospitality Fund.** The Treasurer of State
12 shall transfer the balance in the Local Government Hospitality Fund on the 20th day of
13 each month. Money in the Local Government Hospitality Fund, as determined by
14 subsection 5, must be distributed to each municipality in which meals and lodging tax is
15 collected in proportion to the amount of meals and lodging tax collected by each
16 municipality.

17 **Sec. 3. 30-A MRSA §5681, sub-§5**, as amended by PL 2023, c. 412, Pt. XXX, §1
18 and affected by §15, is further amended by enacting after the first blocked paragraph a new
19 blocked paragraph to read:

20 Beginning January 1, 2026, no later than the 10th day of each month, the State Controller
21 shall transfer to the Local Government Hospitality Fund 1% of the receipts during the
22 previous month from the taxes imposed under Title 36, section 1811, subsection 1,
23 paragraph D, subparagraphs (1) and (3) and credited to the General Fund without any
24 reduction, except that the postage, state cost allocation program and programming costs of
25 administering state-municipal revenue sharing may be paid by the Local Government
26 Hospitality Fund.

27 **SUMMARY**

28 This bill creates an additional revenue-sharing resource for municipalities by
29 establishing the Local Government Hospitality Fund and distributing 1% of meals and
30 lodging sales tax revenue to the municipalities where the tax was collected in proportion to
31 the amount of meals and lodging tax collected by each municipality.