

MAINE STATE LEGISLATURE

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STATE OF MAINE
LEGISLATIVE RESEARCH COMMITTEE

FIRST SUMMARY REPORT
TO THE
ONE HUNDRED AND FIFTH LEGISLATURE
VOLUME ONE

JANUARY, 1971



STATE OF MAINE
LEGISLATIVE RESEARCH COMMITTEE
STATE HOUSE
AUGUSTA, MAINE 04330

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January 1, 1971

To the Members of the 105th Legislature:

By statute the Legislative Research Committee is required to make or cause to be made such studies and investigations as the Legislature directs. In addition, the Committee is empowered to and has liberally exercised its own initiative by undertaking studies of matters pertaining to important issues of public policy and questions of state-wide interest. The Committee's ultimate objective is to assist the Legislature by submitting factual information pertinent to the questions involved along with such findings and recommendations for action or nonaction as the Committee deems desirable.

The Legislative Research Committee has inquired at great length and with serious purpose into those matters referred to it and hereby has the pleasure of submitting to you the first portion of its report on activities of the past two years. This report designated as Volume I deals with eight assigned topics and contains the findings and recommendations pursuant thereto. Reports relative to other matters ordered for study by action of the Legislature or undertaken by motion will appear in subsequent publications.

On behalf of the membership, I wish to express at this time our individual and collective appreciation to many individuals, organizations and persons in the service of the State whose assistance to the Committee in its studies and deliberations has made it possible to obtain information respecting the many problems confronting the Committee and without whose cooperation conclusions could not have been reached.

The members of the Committee also wish to express their appreciation for being chosen to participate in these assignments and sincerely hope the following reports will prove of benefit to the Members of the Legislature as well as the citizens of Maine.

Respectfully submitted,

A handwritten signature in cursive script that reads "William E. Dennett".

WILLIAM E. DENNETT, Chairman
Legislative Research Committee

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STATE OF MAINE
LEGISLATIVE RESEARCH COMMITTEE

REPORT ON
MUNICIPAL-STATE REVENUE SHARING
to the
ONE HUNDRED AND FIFTH LEGISLATURE

JANUARY, 1971
Legislative Research Committee
Publication 105-2

MUNICIPAL-STATE REVENUE SHARING

WHEREAS, the cities and towns in Maine are presently dependent upon the property tax as the principal source of municipal revenue; and

WHEREAS, this source of revenue is overburdened; and

WHEREAS, the municipal financial crisis is an intergovernmental problem; and

WHEREAS, the cities and towns must look to the State for increased financial assistance; and

WHEREAS, the municipal bloc grant proposal contained in Legislative Document 1498, "An Act Establishing a State-Municipal Revenue Sharing Program" may provide a vehicle for strengthening the state-municipal fiscal relationship; now, therefore, be it

ORDERED, the Senate concurring, that the Legislative Research Committee is directed to conduct a study of the equity and funding of all state-municipal revenue sharing programs; and be it further

ORDERED, that the Committee study the impact, equity and funding of Bill, "An Act Establishing a State-Municipal Revenue Sharing Program," House Paper 1174, Legislative Document 1498, introduced at the regular session of the 104th Legislature; and be it further

ORDERED, that the State Bureau of Taxation be directed to furnish such information and assistance as the Committee deems necessary to carry out the purpose of this Order; and be it further

ORDERED, that the Committee report its findings, together with any necessary recommendations and implementing legislation at the next regular or special session of the Legislature.

HP 1284	House of Representatives	In Senate Chamber
Snow	Read and Passed	Read and Passed
Caribou	June 24, 1969	July 1, 1969
	Sent up for concurrence	In concurrence

SUBCOMMITTEE ON MUNICIPAL-STATE REVENUE SHARING

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In a diligent effort to explore all available avenues for positive legislative action in the area of state-municipal revenue sharing, the Committee held hearings on September 17, 1969, May 21st and October 22nd of 1970 along with several executive sessions pursuant to the foregoing directive. This activity does not mean to imply that the State of Maine does not recognize the concept of sharing state revenue with municipalities for it has been practiced in this State for a number of years.

At the present time the State of Maine is sharing with municipal governments a total of \$66,105,500 under the following categories:

Education	\$53,730,500
Highways	10,410,000
Environment	1,444,000
Law Enforcement	36,000
Health & Welfare	255,000
Urban Planning	130,000
Boating Facilities	100,000

The question which is presented here and also perhaps the greatest single obstacle to strengthening the state-municipal fiscal partnership, is that of determining a more equitable method or formula for the distribution of such revenue.

Due to the complexity of finding an adequate measure of wealth on which to base the formula, the variety of uncertain

solutions presented and the lack of conclusive research from those most vitally concerned such as the State Department of Education, Maine Municipal Association and Maine Teacher's Association, the Committee found that the problem relative to revenue sharing cannot be resolved at this point.

In this respect the Committee felt if it had been given the tools by which a determination could have been made they could have resolved this problem.

Therefore, the Committee recommends that existing procedures for sharing revenue be continued, at least until a clearer and more certain formula for distribution evolves.