

MAINE STATE LEGISLATURE

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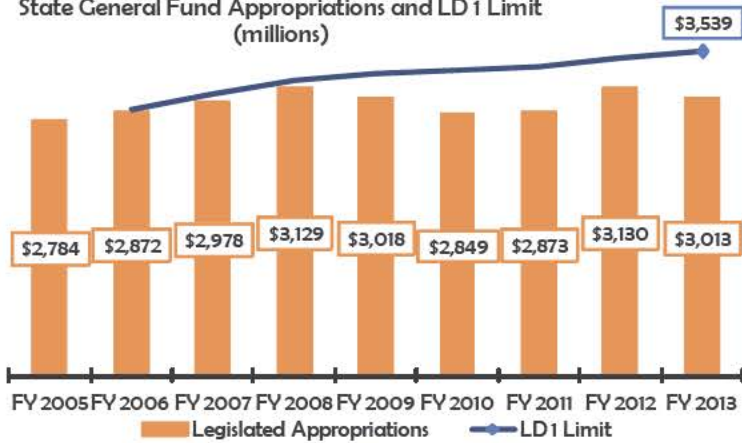
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LD 1 TAX LEVY LIMIT PROGRESS REPORT 2012

In 2005, Maine passed "LD 1," a law that placed limits on the growth of government at all levels, increased targeted property tax relief through the Homestead Exemption and "Circuit Breaker" programs, and increased state spending on K-12 schools. Each year, the Governor's Office of Policy and Management publishes a report on the progress made by state, county, and municipal governments, and K-12 schools, in reaching LD 1's tax burden reduction goal. This report was previously issued by the State Planning Office. This brochure highlights results from OPM's 2012 LD 1 Progress Report. The full report is available at <http://www.maine.gov/tools/whatsnew/attach.php?id=480934&an=1>.

How did the state perform?

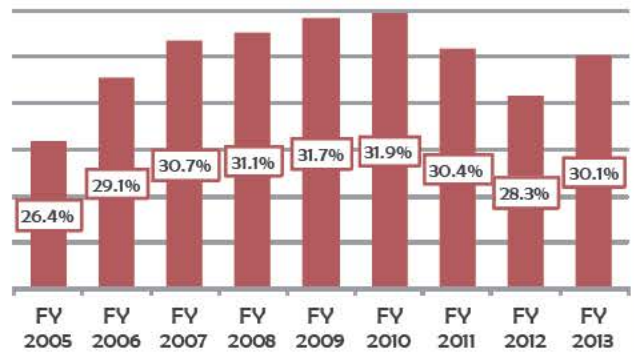
State General Fund Appropriations and LD 1 Limit (millions)



The State's General Fund appropriations have remained below the LD 1 limit in every year since LD 1 took effect. Total appropriations for the 2013 fiscal year were \$526 million (15%) below the limit.

LD 1 exempted increases in state funding for local schools. Since FY2005, GPA for K-12 schools has grown by \$172 million, or 23%. It accounts for 30% of the State's total FY2013 General Fund appropriations.

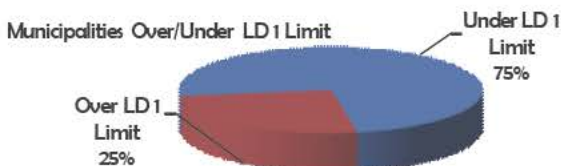
General Purpose Aid to Local Schools as Percentage of Total General Fund Appropriations



How did municipalities perform? Whither property taxes?

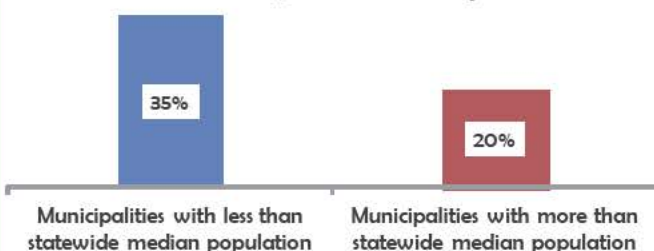
For the eighth year in a row, municipalities held property taxes raised for municipal services below the LD 1 limit. In 2012 the aggregate property tax levy was 11.1% below the aggregate limit.

25% of municipalities surpassed their LD 1 limit.

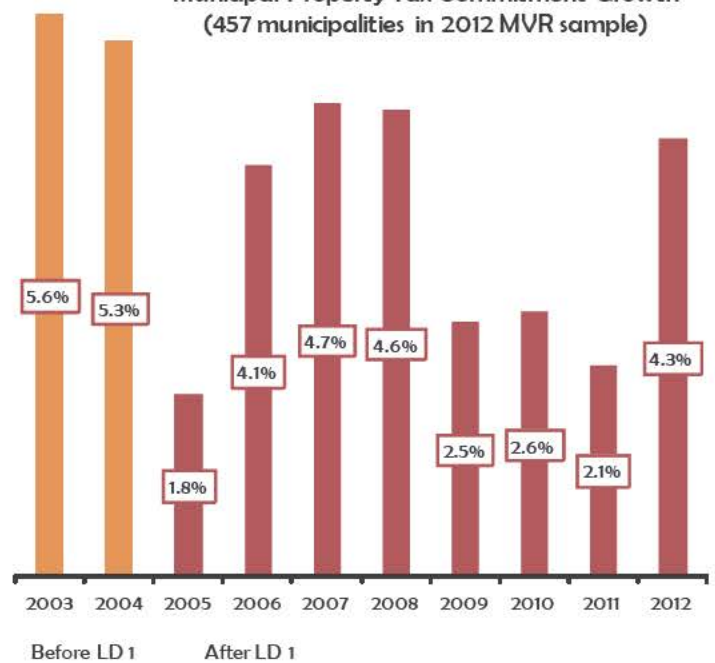


Large municipalities were less likely to surpass their LD 1 limit.

Percent of Small and Large Municipalities Exceeding Their LD 1 Tax Levy Limit



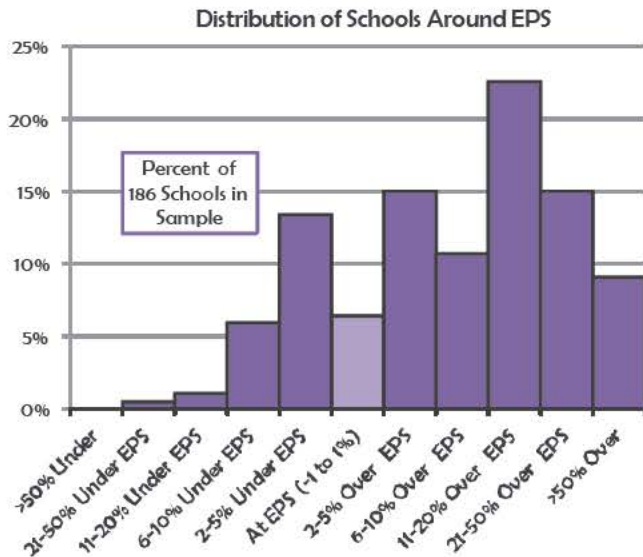
Municipal Property Tax Commitment Growth (457 municipalities in 2012 MVR sample)



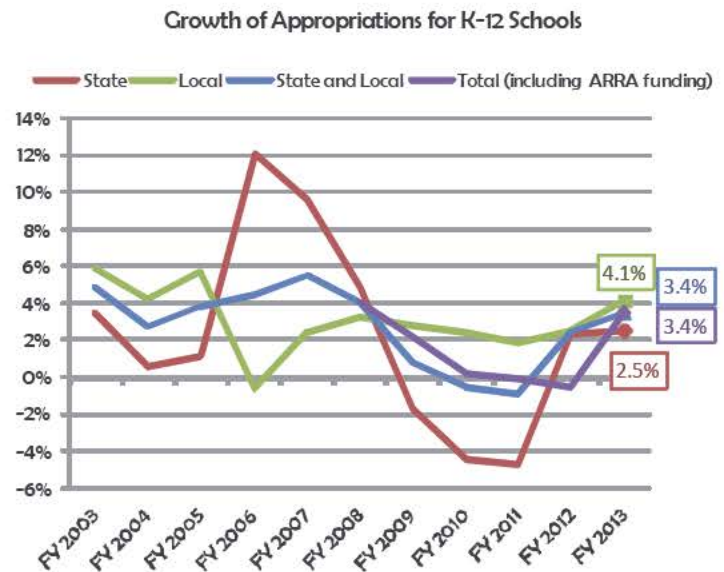
Total property taxes raised for the 2012 property tax year grew by 4.3%.

How did K-12 schools perform?

In FY 2013 (the 2012-13 school year), 76% of schools exceeded 100% of EPS and 58% exceeded 105% of EPS. The percentage of schools exceeding 100% of EPS increased slightly from last year and 21% of this year's sample of schools were under 100% of EPS.



Total appropriations for K-12 schools grew 3.4% in FY 2013, following a drop in FY 2012 caused by the expiration of ARRA funding in June 2011.

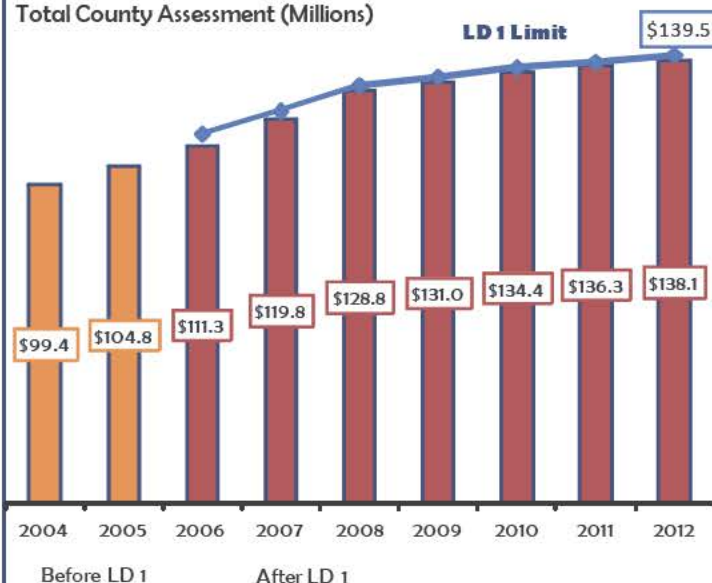


The LD 1 limit for schools is 100% of EPS, but some school units might be exceeding 100% of EPS by small margins in order to provide programs and some services not deemed essential in the EPS calculation, such as extracurricular activities, AP classes, unique onetime costs for facilities improvements, and even in some cases local tax dollar support for school lunch programs.

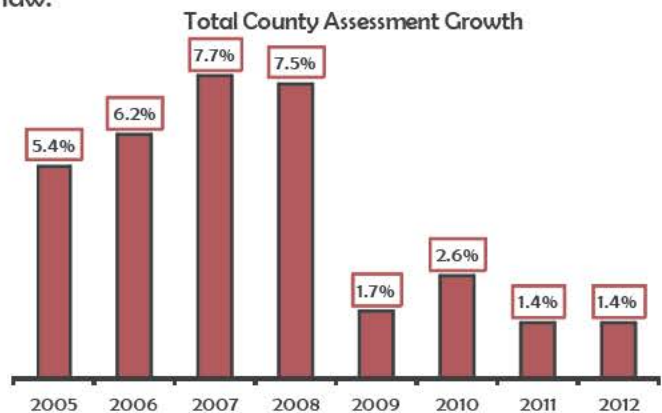
How did counties perform?

For the seventh year in a row, statewide county assessments were below their combined limit. In 2012, they were 1% below their combined limit.

Total County Assessment (Millions)



Total assessments grew by 1.4% from 2011, well below the 5.4% growth rate seen in 2005, before LD 1 became law.



Eight counties stayed within their 2012 LD 1 limits. Eight counties surpassed their LD 1 limit.

