

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1561

S. P. 457

In Senate, April 7, 1975

Referred to Committee on Local and County Government. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Hichens of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Payments by the Town of York to York Harbor
Village Corporation.

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

P&SL 1901, c. 481, § 4, as last repealed and replaced by P&SL 1951, c. 30, is repealed and the following enacted in place thereof:

Sec. 4. Tax payments to York Harbor Village Corporation. The Town of York shall appropriate and pay over to the treasurer of the York Harbor Village Corporation, on or before the first day of June annually, commencing in 1975, out of the taxes collected from the inhabitants and estates of said corporation, a sum of money computed as follows:

From the annual appropriation raised by the town's taxation on the estates and from moneys collected for the excise taxes within the limits of the York Harbor Village Corporation for the previous year there shall be determined a sum of money equal to 35% thereof and said sum, so computed and determined, shall be the amount paid over to the corporation annually as provided. The remaining 65% shall be kept by the Town of York for use in the General Fund.

All moneys annually paid over to the corporation shall be used and expended for its corporate purposes and duties and the payment thereof shall relieve and discharge the town of any additional charges for town services which are to be provided and performed within the corporation and the corporation from liability for any additional charge by the town for any service, expenses or obligations which were included in the town tax levy in the current or previous year, including but not limited to, public schools, mainte-

nance of the poor, aid to dependent children, fire protection, the town dump, harbor master, public sewers and any obligation to the York Sewer District or its successors in interests.

All the authorities and duties of the selectmen or road commissioner within said corporation shall be exercised by said assessors, or they may appoint an agent to perform the duties of road commissioner. In addition to the power given by section 6, the corporation from time to time may borrow money as a temporary loan in anticipation of the receipt of any annual town appropriation or of its tax receipts and also may fund or refund, by the issuance of its bonds and notes, any obligation incurred for the purposes set forth in section 6.

STATEMENT OF FACT

The current tax sharing formula between the Town of York and the York Harbor Village Corporation is inequitable. As a result, it causes constant conflict between the 2 communities. The current formula allows the Town of York to assess and collect the taxes from all the property located in York Harbor under the formula. The gross amount of taxes collected from York Harbor property owners is totalled and those taxes are reduced by a percentage factor applied to the so-called common accounts, which includes such items as salaries, fire department, water, ambulance, schools, library, York Recreation Commission and the computer program. The common accounts are exclusively defined by York's board of selectmen and under the computation an adjusted gross amount is arrived at. What constitutes an item of common account between York and York Harbor is always at issue and the final decision rests with the selectmen of the Town of York. This results in gross inequities since, for example, York Harbor is required to pay a percentage of the salaries of the town officials of York, even though York Harbor has its own town officials. The remaining net amount is then further reduced by a percentage of 35 which the Town of York takes for any purpose they choose. After a further reduction for a sewer assessment, the final amount remaining is distributed to York Harbor. Technically, this amount is never sufficient to pay York Harbor's expenses and again, for example, the Town of York proposes to pay, on or before the year 1975, the sum of approximately \$30,000 to York Harbor. This is a reduction from \$39,000 in 1974, which amount was insufficient for York Harbor to meet its bills and, obviously, in an increasing economy, the reduced amount will be totally insufficient and if relief is not given in the taxing formula, it is entirely possible that the Town of York Harbor will have to be dissolved.

This bill is an attempt by York Harbor to suggest a reasonably workable formula to representatives of the Legislature so that York Harbor can continue to operate as an independent entity and attempt to determine its own destiny without operating under the threat of bankruptcy.

The system suggested by this legislation finds precedence in the system currently in existence between the Town of York and York Beach Village

Corporation, another village corporation existing within the confines of York. This system uses a formula whereby York Beach simply receives a flat percentage of all taxes collected within its boundaries — such a formula is equitable, easy to administer, and it avoids the perennial problems and friction between the 2 towns. It has also been suggested that it may be illegal for the Town of York to treat 2 village corporations differently and to allow an inequitable situation to exist. There has been some previous discussion about the dissolution of the village corporation or its consolidation with the Town of York and in November of 1973, the matter was put to referendum and the article failed to pass. It appears, therefore, that the people of York wish to retain York Harbor Village Corporation and this legislation is an attempt to modernize and make more equitable the financial structure upon which the village exists.