

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
107TH LEGISLATURE (Filing No. H-899)  
FIRST SPECIAL SESSION

HOUSE AMENDMENT "C" to H.P. 1873, L.D. 2031, Bill, "AN ACT to Repeal and Replace the Present School Finance Law."

Amend said Bill in section 1 by striking out all of the first paragraph of that part designated "§3741." and inserting in place thereof the following:

'It is the intent of the Legislature to limit the burden of basic education costs in public schools which are borne by the property tax to no more than 50% of the basic education appropriation and to provide at least 50% of the basic education appropriation from state general fund revenue sources other than the property tax.'

Further amend said Bill in section 1 by striking out all of the 2nd paragraph of that part designated "§3741."

Further amend said Bill in section 1 by inserting at the end of that part designated "§3746." the following:

'9. Reduction in allotment. The allocation determined pursuant to this section for each municipality or district shall be reduced by the amount of revenue that can be raised in the municipality or the municipalities constituting the district if a tax were assessed and collected at the rate of 13.25 mills applied to the municipality's state valuation adjusted to 100% in effect for the year in which the allocation is made.'

Any unit which raises less than its allocation as determined in this section and assesses and collects a tax of less than 13.25 mills shall have its allocation reduced by the same percentage that its assessed tax rate is less than the 13.25 mill tax rate. No municipality within an administrative unit shall be required to raise more than its portion of the unit's allocation. When any municipality within an administrative unit assesses and collects a tax of 13.25 mills and raises less than its portion of the unit's allocation, the commissioner shall adjust the allocation to the unit to reflect an amount which is equivalent to the difference between the amount raised with the 13.25 mill tax rate and the municipality's portion of the unit's allocation. For any municipality within an administrative unit, its portion of the unit's allocation shall be the same percentage of that allocation as the total resident pupils of the municipality is of the total resident pupils of the administrative unit.'

Further amend said Bill by striking out all of the amending clause of "Sec. 3." and inserting in place thereof the following:

'Sec. 3. 36 MRSA §451, as repealed and replaced by PL c. 272, §36 and as amended by PL 1975, c. 510, §45, is repealed and the following enacted in place thereof:'

Further amend said Bill in section 3 by striking out all of subsection 2 of that part designated "§451." and by re-numbering subsection 3 to be subsection 2.

Further amend said Bill in section 3 by striking out all of those parts designated "\$452." and "\$453."

Further amend said Bill by inserting before the statement of fact the following:

'FISCAL NOTE

At a tax rate of ~~13.25~~ mills this amendment requires an additional 5.4 million dollars from State General Fund revenues other than the Uniform Property Tax!

Statement of Fact

The purpose of this amendment is to provide that a municipality's state valuation will be used to determine its ability to raise money for education instead of using it as a basis for imposing a state property tax. This purpose is carried out by eliminating the uniform property tax. This amendment is not intended to change the method for determining a unit's allocation or reducing the state's share so no unit presently receiving funds should be damaged. It also does not change the commitment made in the present law to equal educational

opportunity. It does, however, return to the municipalities local control for determining the real estate property tax rate. It also equalizes differences in the different abilities of the towns to raise money by reducing a unit's education allocation by the amount of money the town could raise at a uniform rate applied to the town's state valuation.

Filed by Mr. Mackel of Wells.

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