

STATE OF MAINE HOUSE OF REPRESENTATIVES 107TH LEGISLATURE FIRST SPECIAL SESSION

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(Filing No. H-888)

HOUSE AMENDMENT " <sup>H</sup>" to H.P. 2020, L.D. 2196, Bill, "AN ACT to Revise the Laws Relating to Funding of Public Schools."

Amend said Bill in section 1 in that part designated "<u>§3742.</u>" by striking out in the last line of the first paragraph the underlined word "uniform"

Further amend said Bill in section 1 in that part designated "\$3742." by striking out all of the 2nd underlined paragraph.

Further amend said Bill in section 1 in that part designated "\$3748." by adding at the end the following:

'12. Allocation determined pursuant to this section for each municipality or district. 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 13.5 mills applied to the municipality's state valuation adjusted to 100% in effect for the year in which the allocation is made. If a municipality or the municipalities constituting a district do not raise and appropriate a sum equal to what would be generated by the rate described in the preceding sentence, then upon written petition of 25 or more parents of students in attendance at the unit's school to the State Board of Education alleging that that municipality or district is not providing a suitable elementary and secondary education program, the State Board of Education shall conduct an investigation whether to determine/the unit is providing a suitable education program

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when compared to other units of similar size. If, after notice to the unit with an opportunity for a hearing, the State Board of Education determines that the unit is not providing suitable educational programs, the State Board of Education may compel the municipality or municipalities constituting a district to raise and appropriate sufficient sums for a suitable elementary and secondary education not to exceed that which would be generated at a tax rate as described in the first sentence of this section. The State Board of Education is authorized to promulgate reasonable, procedural rules and regulations to implement the disposition of any petition filed under this section.'

Further amend said Bill by striking out all of the first 3 lines of section 4 and inserting in place thereof the following: <u>Sec. 4. 36 MRSA §451</u>, as repealed and replaced by PL 1975, 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 4 by striking out all of subsection 2 of that part designated "<u>451.</u>" and by renumbering subsection 3 to be subsection 2.

Further amend said Bill in section 4 by striking out all of those parts designated "§452." and "§453."

## HOUSE AMENDMENT to H.P. 2020, L.D. 2196

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## Fiscal Note

This amendment will be an additional cost to the State of \$5,452,130 at 13.5 mills.

## Statement of Fact

The purpose of this amendment is to amend the Education Finance Act so 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 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. Greenlaw of Stonington.

Reproduced and distributed under the direction of the Clerk of the House. 2/10/76

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