

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1046

H. P. 857

House of Representatives, March 16, 1977

On motion of Ms. Goodwin of Bath, referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Greenlaw of Stonington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Allocate Money from Federal Antirecession Fiscal Assistance
Funds for the Expenditure of Municipal Government.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State of Maine 1976-1977 budget contained several reductions in basic fiscal assistance programs for Maine cities and towns; and

Whereas, the maintenance of these fiscal assistance programs was because of the hardships imposed upon the State Budget because of the poor health of the state economy and its effect on state revenues; and

Whereas, it is the intent of the antirecession provision of Title II of the Public Works Employment Act of 1976 to help prevent those state and local governments from taking budget-related actions which undermine the Federal Government efforts to stimulate economic recovery; and

Whereas, reduced appropriations for town road improvement and general assistance program and statutory changes in the state-municipal revenue sharing program were adopted in the final state budget; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the Federal Antirecession Fiscal Assistance Funds will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 22 MRSA § 4499, as last amended by PL 1975, c. 293, § 4, is further amended to read:

§ 4499. Costs; limit

When a municipality incurs net costs for furnishing such general relief in any fiscal year in excess of ~~.0006 .0003~~ **of multiplied by** that municipality's state valuation as determined by the State Tax Assessor in the statement filed by him as provided in Title 36, section 381, the Department of Human Services shall reimburse the municipality for 90% of the amount in excess of **such expenditures** which the department considers to be reasonable and appropriate. For the purposes of this section, the municipal officers shall submit to the Department of Human Services a monthly return on forms provided by the department stating the amount of net costs for furnishing general relief beginning at the end of the month in which the municipality's general relief expenditures exceed the ceiling formula stated in this section.

Sec. 2. Allocation of Federal Antirecession Fiscal Assistance Funds. Income from these funds shall be expended as follows:

1976-77

HUMAN SERVICES, DEPARTMENT OF

General Assistance
All Other

\$1,500,600

This will provide funds to restore the state threshold level beyond which communities receive 90% state reimbursement for general assistance expenditures. A change in the method of computing state valuation from 50% of value to 100% of value and the lack of funds to maintain the effective threshold level would be remedied through the appropriation. The municipalities would be allowed to seek retroactive reimbursement for expenditures beyond the threshold level of .0003 mill.

1976-77

TRANSPORTATION, DEPARTMENT OF

Town Road Improvement
All Other

\$965,978

This will restore \$1.5 million to the Town Road Improvement Program that received no appropriation in the fiscal year 1976-77 State Budget, but had been historically funded on an annual basis.

1976-77

TREASURER OF STATE

Local Government Fund

\$1,134,122

This appropriation to the Local Government Fund would result in the cities and towns receiving an amount equal to 4% of the total sales, corporate and personal income tax revenues, as provided in statutes prior to the fiscal year 1976-77. A reduction in the 4% state municipal revenue sharing program to 3.58% was approved for the fiscal year 1976-77 only in the State Budget.

This appropriation would be distributed under the formula and provision contained in Title 30, section 5055. The payment to the communities should be made the 20th of the month following the receipt by the Treasurer of State of the federal antirecession quarterly payment.

Sec. 3. Interest credited to the fund. Notwithstanding any other provision of law, interest earned by Title II funds shall be credited to those funds.

Sec. 4. State requirements shall be followed. Accounting and budgeting requirements of Title II funds shall conform to those applicable to the expenditure of the state's own revenue.

Sec. 5. Federal requirements shall be followed. Provisions of federal laws and regulations governing the use of these funds shall be complied with.

Sec. 6. Legislative intent. It is the intent of the Legislature that these funds shall be used for restoration of the program cuts in municipal fiscal assistance program in the fiscal year 1976-77 budgets. In the event of distribution of additional funds or fund adjustments in the moneys available under Title II of the Federal Public Works Employment Act, the Governor may make adjustments in accordance with the legislative intent.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved. Section 1 of this Act shall be retroactive to July 1, 1976.

STATEMENT OF FACT

The purpose of this bill is reflected in the emergency preamble.