

(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1171

H. P. 974 On Motion of Mr. Lynch of Livermore Falls referred to the Committee on Education. Sent up for concurrence and ordered printed. EDWIN H. PERT, Clerk

Presented by Mr. Fenlason of Danforth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED SEVENTY-SEVEN

AN ACT Relating to Optional Local Appropriations with State Participation.

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

Whereas, there has been an increase in the state valuation, and this increase will significantly reduce the State's share under the local funds with state participation; and

Whereas, this reduction will require an increase in local property taxes; and

Whereas, the Legislature did not intend such a reduction when it enacted the present statute; and

Whereas, the Legislature must enact legislation to be effective July 1, 1977, in order to avoid this reduction; 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. 20 MRSA § 3748, sub-§ 4, 1st [], 3rd, 4th and 7th sentences, as enacted by PL 1975, c. 660, § 2, are amended to read:

Under this subsection, an administrative unit is authorized to appropriate a maximum of \$90 \$125 per pupil per year for the pupils specified in subsection

1. The maximum levy on a municipality within an administrative unit shall not exceed \$45 \$62.50 per pupil per mill levied on that municipality.

If the additional school levy authorized under this subsection fails to produce \$45 \$62.50 per pupil per mill levied, the commissioner shall add to the allocation of the unit for the unit's fiscal year a sum which, when combined with the local levy under this section, shall equal \$45 \$62.50 per pupil per mill.

Sec. 2. 20 MRSA § 3748, sub-§ 4, 2nd ¶, 2nd sentence, as amended by PL 1975, c. 746, § 24-R, is further amended to read:

The purpose of these appropriations is to provide that all administrative units may raise and appropriate at least \$45 \$62.50 per pupil per mill to supplement the adjusted allocations when necessary in the judgment of the local administrative units.

Emergency clause. In view of the emergency cited in the preamble, this Act shall become effective on July 1, 1977.

STATEMENT OF FACT

The present level of \$45 per mill under the local funds with state participation provision was established in 1976 and was intended to apply to the 1975 state valuation. Because of the significant increase in the state valuation as established for next year, the \$45 per pupil per mill figure will generate significantly fewer state dollars. The practical effect of the state valuation change, then, is to reduce the State's share under this provision. Increasing the \$45 per mill to \$62.50 as proposed in this bill, will to some extent compensate for the increase in the state valuation.

The present finance law will generate approximately \$290.2 million for distribution in fiscal year 1977-1978. The local units' budget approved for 1976-1977 was \$307,000,000. At a 5% increase \$322,000,000 will be needed to operate in the year 1977-1978. \$125 per pupil in addition to \$290.2 million would make a total of \$321.1 million to operate schools and still require units to raise moneys locally without state participation.

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