

MAINE STATE LEGISLATURE

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(Filing No. H-659)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1009, L.D. 1212, RESOLUTION,
Proposing an Amendment to the Constitution Allowing the Legislature
to Impose a Different Rate of Taxation Upon Properties Outside
of Incorporated Municipalities and Plantations.

Amend the Resolution by striking out all of the title and
inserting in its place the following:

'RESOLUTION, proposing an Amendment to the Constitution Authorizing
the Legislature to Levy a Tax on Property in the Unorganized
Territory to Provide Services to the Unorganized Area, without
Requiring an Identical Tax on Organized Territories.'

Further amend the Resolution by striking out everything
after the first paragraph and before the constitutional referendum
and inserting in its place the following:

'Constitution, Art. IX, §8 is amended by inserting at the
end the following:

In addition to state property taxes, the Legislature may
levy a tax upon the real and personal property in the unorganized
territory of the State to provide for the cost of local services
in the unorganized territory, which shall not include the cost
of services which the State provides to both the organized and
unorganized areas of the State.'

Further amend the Resolution by striking out all of the 3rd paragraph from the end before the statement of fact and inserting in its place the following:

"Shall the Constitution be amended as proposed by a resolution of the Legislature authorizing the Legislature to levy a tax on property in the unorganized territory to provide services to the unorganized area, without requiring an identical tax on organized territories?"

Statement of Fact

This resolution amends the ~~constitution~~ to allow a property tax to be levied solely on the unorganized territory. Presently the state tax assessed against property in municipalities and the unorganized territory is made up of 2 components: The uniform property tax for education, 11.5 mills, and a local and state property tax, 10 3/4 mills. This resolution will have no affect on the uniform property tax for education.

Under the ~~constitution~~, all property taxes must be assessed equally. Thus, the State has, by statute, created the state and local property tax. This tax is primarily designed to provide revenues for services in unorganized territories. Because of the "equal assessment" provision, however, this must also be assessed against local governments in organized territories; ~~but~~ municipalities are allowed, by statute, to credit the amount of this tax against their committed local property taxes. Thus, this state and local property tax has no affect on municipalities unless they raise less than 10 3/4 mills in local property tax for local services. At least 180 municipalities

in the State are not raising this minimum.

An Attorney General's opinion, dated June 13, 1977, indicates that municipalities that do not commit for collection at least the full amount of the state and local property tax in raising local taxes for local services could be in violation of statute and of the ~~constitution~~.

This \longleftrightarrow amendment will resolve this problem by allowing a property tax for local services to be levied against the unorganized territory alone. Thus, in effect, municipalities will not be required to raise any minimum for local services. This will not alter the required uniform state property tax for education. Legislation, under this constitutional amendment, will be required to implement this unorganized territory property tax. This tax will provide revenue for local services in the unorganized territory.

Reported by the Committee on State Government.

Reproduced and distributed under the direction of the Clerk of the House.
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