

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-621)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT"^A"to H.P. 849, L.D. 1049, Bill, "AN ACT to Allow Municipalities to Levy a User Charge in Place of Taxes for Service Provided State and County Owned Property."

Amend the bill by striking out the title and inserting in its place the following:

'AN ACT to Provide Partial Reimbursement to Municipalities for Revenue Loss due to Property Tax Exemptions on State and County Property.'

Further amend the bill by striking out everything after the enacting clause and inserting^{in its place}/the following:

'Sec. 1. 30 MRSA §5057 is enacted to read:

§5057. Reimbursement to municipalities for revenue loss due to property tax exemptions on State and County property

1. Findings and intent. The Legislature finds that the tax base of the municipalities has been diluted by the property tax exemptions on real and personal property in the municipalities. It is further recognized that in many municipalities the property tax base has been eroded by state and county property which places a burden on municipal services but which is exempt from property taxation. In recognition of this burden, it is the intent of the Legislature to stabilize the municipal tax burden, to aid in financing all municipal services and to lessen the impact of tax exempt state and county property on the owners of taxable property in a municipality by reimbursing municipalities, in part, for the

revenue loss due to this class of exempt property.

2. Reimbursement fund. To strengthen the state-municipal fiscal relationship pursuant to the funding and intent of subsection 1, a reimbursement fund is established and \$100,000 shall be credited to the reimbursement fund each year. The Legislature may designate, by resolve, additional money to be credited to the reimbursement fund in any year. The total amount credited to the reimbursement fund each year shall be distributed in accordance with subsection 3.

3. Reimbursement for loss. The Treasurer of State shall distribute to each municipality on or before December 15th, annually, from the reimbursement fund, an amount equal to the proportion that the value of the state and county property located in that municipality bears to the total value of the state and county property located in the various municipalities.

4. Valuation of state and county property. The assessors of the municipality shall certify annually to the Treasurer/^{of State}the total value of all state and county property located in that municipality. As used in this section, "state and county property" includes property of the University of Maine and the Maine Maritime Academy, but excludes ^{state and}state-aid highways. For purposes of distribution of the Reimbursement Fund, the total state and county property in a municipality shall not be valued in excess of \$20,000,000. The total state and county property used to determine the proportionate allocation to each municipality shall reflect the \$20,000,000 limitation.

Sec. 2. Appropriation. The following funds shall be appropriated from the General Fund to carry out the purposes of this Act.

| | <u>1980-81</u> |
|--------------------------------|----------------|
| TREASURY , | |
| DEPARTMENT OF | |
| User-charge Reimbursement Fund | |
| All Other | \$100,000 |

Sec. 3. Effective date. The provisions of this Act shall be effective with regard to tax years beginning on or after January 1, 1980.'

Fiscal Note

This bill will require an annual appropriation of \$100,000 beginning in fiscal year 1980-81.

Statement of Fact

This amendment replaces the original bill and establishes a reimbursement fund which shall be distributed to the municipalities each year based on the proportionate value of tax exempt state and county property in that municipality. For purposes of this distribution, the total value of state and county property in any municipality shall not be valued in excess of \$20,000,000. At least \$100,000 shall be credited annually to the reimbursement fund. The Legislature may designate additional reimbursements.