

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 206

S. P. 90

In Senate, January 12, 1981

Referred to the Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Huber of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Make Funding of the "Local Government Fund" Part of the Appropriations Process.

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

**Sec. 1.** 30 MRSA § 5055, sub-§ 3, first sentence, as enacted by PL 1971, c. 478, § 1, is amended to read:

Moneys ~~credited~~ **appropriated** to the Local Government Fund shall be distributed on the basis of a formula which provides a varying amount of per capita revenue sharing aid to communities based upon the comparative tax burden of each municipality.

**Sec. 2.** 30 MRSA § 5055, sub-§ 5, as last amended by P&SL 1975, c. 147, § C, § 15, is repealed.

**Sec. 3.** 30 MRSA § 5055, sub-§§ 5-A and 5-B, are enacted to read:

**5-A. Appropriation; Treasurer of State.** For each fiscal year beginning after June 30, 1982 an amount equal to 4% of the taxes estimated to be received in a fiscal year under Title 36, Parts 3 and 8, shall be included in the Governor's budget as a current services appropriation request from the Legislature to the Local Government Fund in the Department of the Treasurer of State. After appropriation of any such funds by the Legislature, the Treasurer of State shall distribute 1/12 of such funds on the 20th day of each month beginning July 20, 1982.

**5-B. Adjustments, reports.** On or before September 1, 1983 and each year thereafter, the Treasurer of State shall submit a report to the Governor stating the difference between 4% of estimated receipts and 4% of actual receipts from the prior fiscal year. If the actual amount is larger than the estimated amount, the Governor shall request that the Legislature, at its next regular session, appropriate any such funds. If the actual amount is less than the estimated amount, the Legislature shall be requested to decrease the appropriation accordingly. Any adjustments made necessary by this section shall be made in the fiscal year immediately following that fiscal year covered in the report. The Treasurer of State is authorized to make the appropriate adjustments in the monthly payments remaining in any such fiscal year only after legislative approval.

#### STATEMENT OF FACT

Under present law 4% of the proceeds from the sales tax and individual and corporation income taxes are deposited to the Local Government Fund and distributed to cities and towns without being appropriated by the Legislature. Such revenues and transfers to municipalities are neither reflected in revenue estimates nor in appropriation bills and, therefore, are largely ignored by the Legislature and by the people of the State of Maine. This bill will require that funding of this program becomes part of the appropriations process.