

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 688

H. P. 611

House of Representatives, February 5, 1981

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Post of Owl's Head.

Cosponsors: Representative Kelleher of Bangor and Representative Randall of East Machias.

STATE OF MAINE

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

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

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

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, aid in financing all municipal services and 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 strenghten 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 and appurtenances thereto. 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 are appropriated from the General Fund to carry out the purposes of this Act.

1981-82

TREASURY, DEPARTMENT OF

User-charge Reimbursement Fund  
All Other

\$100,000

**Sec. 3. Effective date.** This Act shall take effect with regard to tax years beginning on or after January 1, 1981.

STATEMENT OF FACT

This bill 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.

This bill requires an annual appropriation of \$100,000 beginning in fiscal year 1981-82.