

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 805

6  
7 S.P. 316

In Senate, February 28, 1985

8 Referred to the Committee on Taxation. Sent down for concurrence and  
9 ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator McBreairty of Aroostook.

Cosponsored by Senator Violette of Aroostook, Senator Carpenter of  
11 Aroostook and Representative McHenry of Madawaska.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT Concerning the Administration of the  
18 Unorganized Territory Education and  
19 Services Fund.  
20

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

23 Sec. 1. 5 MRSA §246 is enacted to read:

24 §246. Administration of the Unorganized Territory  
25 Education and Services Fund

26 1. Position created. There is created within  
27 the Department of Audit the position of Fiscal Admin-  
28 istrator of the Unorganized Territory. The fiscal  
29 administrator shall be a person qualified by educa-  
30 tion and experience in the administration of budgets.  
31 The position shall be subject to the Personnel Laws.

32 2. Duties. The Fiscal Administrator of the Un-  
33 organized Territory shall have the following duties:

1 A. To review, analyze and investigate the bud-  
2 gets and expenditures of all counties and state  
3 agencies requesting funds under Title 36, chapter  
4 115;

5 B. To prepare and submit, by March 1st annually,  
6 a report of his review, analysis and investiga-  
7 tion to the joint standing committee of the Leg-  
8 islature having jurisdiction over taxation, each  
9 Legislator representing a county containing unor-  
10 ganized territory and the office of the county  
11 commissioners of each county having unorganized  
12 territory. The report shall contain sufficient  
13 detail to explain fully each agency or county re-  
14 quest and may contain recommendations by the ad-  
15 ministrator regarding legislative or administra-  
16 tive action;

17 C. To publish an annual financial report, signed  
18 by the administrator, as required by Title 36,  
19 section 1608, and to make that report available  
20 to taxpayers in the unorganized territory upon  
21 request;

22 D. To attend public hearings, if necessary, on  
23 county budgets relating to the unorganized terri-  
24 tory, and to attend legislative hearings on bills  
25 relating to property taxes and the funding of  
26 services in the unorganized territory;

27 E. To design budget request forms to be used by  
28 counties and by agencies requesting funds under  
29 Title 36, chapter 115;

30 F. To design contract forms to be used by coun-  
31 ties and state agencies for all contracted ser-  
32 vices; and

33 G. To design forms for agencies reporting actual  
34 annual expenses for reimbursement from the Unor-  
35 ganized Territory Education and Services Fund.

36 3. Legislation. The fiscal administrator shall  
37 prepare and submit legislation to the Legislature by  
38 March 1st, annually, providing for the requests made  
39 by counties and state agencies for services provided  
40 in the unorganized territory which are entitled to

1 funding under Title 36, chapter 115. The administra-  
2 tor shall not reject or change a budget submitted by  
3 a county or state agency without the approval of the  
4 county or agency making the request.

5 4. Investigation. In order to perform the du-  
6 ties described in this section, the fiscal adminis-  
7 trator may inspect the records of any agency or coun-  
8 ty requesting funding from the Unorganized Territory  
9 Education and Services Fund.

10 5. Funding. The costs of the positions and re-  
11 sponsibilities required in this section shall be re-  
12 imbursed from the Unorganized Territory Education and  
13 Services Fund established under Title 36, chapter  
14 115.

15 Sec. 2. 12 MRSA §7824, sub-§3, ¶A, as amended by  
16 PL 1981, c. 698, §75, is further amended to read:

17 A. The registration fee for residents shall be  
18 credited as follows:

19 (1) \$4.75 of each fee shall be credited to  
20 the department;

21 (2) 50¢ of each fee shall be credited to  
22 the Snowmobile Trail Fund of the Bureau of  
23 Parks and Recreation; and

24 (3) \$6 of each fee shall be annually dis-  
25 tributed to the municipality of the owner's  
26 residence as shown on his registration cer-  
27 tificate, except that in unorganized  
28 ~~townships~~ territory, \$6 of each fee shall be  
29 annually distributed to the county of the  
30 owner's residence as shown on his registra-  
31 tion certificate and credited to the unorga-  
32 nized territory fund of that county estab-  
33 lished in Title 30, section 5902.

34 Sec. 3. 12 MRSA §7824, sub-§4, ¶E, as enacted by  
35 PL 1979, c. 420, §1, is repealed.

36 Sec. 4. 30 MRSA §5702, as amended by PL 1983, c.  
37 471, §12, is repealed and the following enacted in  
38 its place:

1     §5702. Power and authority of State Tax Assessor

2             Whenever the organization of any town or  
3 plantation has been terminated by Act of the Legisla-  
4 ture, the powers, duties and obligations relating to  
5 the affairs of that town or plantation shall be  
6 vested in the State Tax Assessor for not more than 5  
7 years. The real and personal property of the town or  
8 plantation shall be held by the State Tax Assessor  
9 and used as described in this chapter. The State Tax  
10 Assessor may sell or otherwise dispose of any proper-  
11 ty held by the town or plantation at the time of  
12 deorganization or may come to the town or plantation  
13 subsequent to deorganization. In the case of school  
14 property, the State Tax Assessor shall consult with  
15 the Commissioner of Educational and Cultural Ser-  
16 vices. When disposing of property, the State Tax As-  
17 sessor shall ensure that the interests of the resi-  
18 dents of the unorganized territory are the most im-  
19 portant consideration. The State Tax Assessor may  
20 assess taxes any time after the Act terminating the  
21 organization of the town or plantation becomes opera-  
22 tive by making assessment once a year under the laws  
23 relating to the assessment of property taxes in the  
24 unorganized territory. The State Tax Assessor may  
25 make additional assessments in the same manner  
26 against the property owners in the deorganized town  
27 or plantation if necessary to provide funds to pay  
28 the debts of the town or plantation. All money re-  
29 ceived under this section shall be applied to the  
30 payment of necessary expenses of the State Tax Asses-  
31 sor in making that assessment, and to the payment of  
32 any obligations of the town or plantation outstanding  
33 at the time of termination of its organization, and  
34 to the payment of taxes assessed against the town or  
35 plantation and for the completion of any public works  
36 of the town or plantation already begun. When in the  
37 best judgment of the State Tax Assessor final payment  
38 of all known accounts against the town or plantation  
39 has been made, or at the end of 5 years, any funds  
40 unexpended shall be deposited with the county commis-  
41 sioners as undedicated revenue for the unorganized  
42 territory fund of that county. Any property of the  
43 town or plantation which has not been sold shall be  
44 held by the State in trust for the unorganized terri-  
45 tory or transferred to the county to be held in trust  
46 for the unorganized territory. Income from the sale

1 or use of such property shall be used as described in  
2 Title 36, section 1604.

3       Sec. 5. 30 MRSA §5704, as amended by PL 1975, c.  
4 339, §13, is repealed.

5       Sec. 6. 30 MRSA §5902, sub-§1, as enacted by PL  
6 1983, c. 471, §14, is amended to read:

7       1. Fund established. There is established in  
8 each county, one unorganized territory fund into  
9 which shall be credited all receipts under Title 12,  
10 section 7824, and Title 36, sections 1489 and 1606  
11 and all other receipts which are allocated for munic-  
12 ipal services in the unorganized territory, and from  
13 which all disbursements for municipal services in the  
14 unorganized territory shall be made.

15       Sec. 7. 30 MRSA §5903, as enacted by PL 1983, c.  
16 471, §14, is amended to read:

17       §5903. Budget

18       Prior to November 7th of each year, the county  
19 commissioners of each county shall provide to the  
20 members of the legislative delegation a preliminary  
21 budget for the services to be provided under this  
22 chapter to the unorganized territory in the next  
23 year. These preliminary budgets shall be provided in  
24 a form that shows how the funds are to be spent for  
25 each category of service identified in section 5901  
26 and any projected surplus for the year of unorganized  
27 territory funds held by the county. The county com-  
28 missioners shall provide an opportunity for public  
29 comment on the preliminary budget at the same time as  
30 a public hearing is held on the county budget, as  
31 provided under section 252. The budget for the unor-  
32 ganized territory shall be finalized at the same time  
33 as the regular county budget. A copy of the  
34 finalized budget and an accurate identification of  
35 any surplus which can be used to reduce the amount  
36 needed to be collected in taxes shall be submitted to  
37 the State Tax Assessor and to the Fiscal Administra-  
38 tor of the Unorganized Territory by January 1st of  
39 each year.

40       Sec. 8. 36 MRSA §1283, first ¶, as amended by PL  
41 1973, c. 625, §255, is amended to read:

1 A copy of the lien certificate shall be filed in  
2 the office of the State Tax Assessor. On the 30th day  
3 of March annually, whenever the State shall have ac-  
4 quired title to real estate assessed for any state  
5 taxes assessed under chapter 115, the State Tax As-  
6 sessor shall certify to the State Controller the  
7 amount of unpaid taxes, interest and costs then out-  
8 standing. Unpaid state taxes and interest and costs  
9 on the books of the State shall be charged against  
10 the General Fund Unorganized Territory Education and  
11 Services Fund.

12 Sec. 9. 36 MRSA §1283, 5th ¶, as amended by PL  
13 1967, c. 271, §8, is further amended to read:

14 All moneys received from the sale or use of such  
15 real estate shall be credited to the General Fund Un-  
16 organized Territory Education and Services Fund.

17 Sec. 10. 36 MRSA §1487, sub-§2, as amended by PL  
18 1973, c. 207, is repealed and the following enacted  
19 in its place:

20 2. State Tax Assessor. In the unorganized ter-  
21 ritory, the State Tax Assessor shall appoint agents  
22 to collect the excise tax. Agents shall be allowed a  
23 fee of \$2 for each tax receipt issued and shall de-  
24 posit the remainder with the Treasurer of State on or  
25 before the 20th day of each month following receipt.  
26 The Treasurer of State shall make quarterly payments  
27 to each county in an amount which is equal to the re-  
28 ceipts for that period from each county. Those pay-  
29 ments shall be made at the same time as payments un-  
30 der section 1606. County receipts under this section  
31 shall be deposited in the county's unorganized terri-  
32 tory fund.

33 Sec. 11. 36 MRSA §1489, sub-§2, as repealed and  
34 replaced by PL 1983, c. 471, §15, is repealed.

35 Sec. 12. 36 MRSA §1604, as amended by PL 1983,  
36 c. 827, §4, is repealed and the following enacted in  
37 its place:

38 §1604. Determination; procedure

1           1. Recommendation to the Legislature. The Fiscal  
2 Administrator of the Unorganized Territory shall  
3 submit to the Legislature, by March 1st annually, a  
4 bill listing the requests of all counties and agen-  
5 cies under this chapter.

6           2. Legislative determination of municipal cost  
7 components. The Legislature shall consider the re-  
8 quests for funding under this chapter and by June 1st  
9 of each year enact legislation determining the  
10 amounts of the municipal cost component for services  
11 provided by each county and the amount of all other  
12 portions of the municipal cost component.

13           3. Contracts. Each county or agency which con-  
14 tracts with another entity to provide services funded  
15 under this chapter shall enter into a written con-  
16 tract with the providing agency. A copy of each con-  
17 tract shall be maintained in the office of the county  
18 or agency entering into the contract. A copy of each  
19 contract shall be provided to the Fiscal Administra-  
20 tor of the Unorganized Territory who shall maintain  
21 copies in his office.

22           4. Property. All real and personal property  
23 which is purchased to provide services for which re-  
24 imbursement is requested under this chapter shall be  
25 held by the State or county in trust for the unorga-  
26 nized territory. Any income from the use or sale of  
27 that property held by the State shall be credited to  
28 the Unorganized Territory Education and Services  
29 Fund. Income from the use or sale of that property  
30 held by a county shall be credited to the unorganized  
31 territory fund of that county.

32 When it is proposed that an area of the unorganized  
33 territory become organized into a town or plantation,  
34 the Fiscal Administrator of the Unorganized Territory  
35 shall make recommendations to the Legislature regard-  
36 ing the disposition of property obtained with funds  
37 under this chapter.

38           Sec. 13. 36 MRSA §1605, sub-§2, as repealed and  
39 replaced by PL 1983, c. 556, §20, is repealed and the  
40 following enacted in its place:



1           2. Disbursements. Each agency making disburse-  
2 ments for expenses attributable to the municipal cost  
3 component shall, by June 30th of each year, submit an  
4 accounting of all expenditures made for the fiscal  
5 year ending on that date to the Treasurer of State  
6 with a copy to the Fiscal Administrator of the Unor-  
7 ganized Territory. Upon receipt of the accounting,  
8 the Treasurer of State shall transfer from the fund  
9 sufficient money to pay the expenses attributable to  
10 the municipal cost component, including the amount  
11 charged to the fund under Title 12, section 9205-A.  
12 Any expenditures made or identified after those re-  
13 ported to the Treasurer of State on June 30th shall  
14 be identified separately and included in the report  
15 for the next fiscal year.

16           Sec. 14. 36 MRSA §1608, first ¶, as enacted by  
17 PL 1983, c. 508, §2, is amended to read:

18           The Bureau of the Budget Fiscal Administrator of  
19 the Unorganized Territory shall, by September 1st an-  
20 nually, publish a financial report of the status of  
21 the Unorganized Territory Education and Services Fund  
22 subject to the following provisions.

23           Sec. 15. 36 MRSA §1608, sub-§4 is enacted to  
24 read:

25           4. Statement of availability. All tax bills is-  
26 sued under this chapter shall include a statement  
27 that the report required by this section is availa-  
28 ble, if requested.

29           Sec. 16. Appropriation. The following funds are  
30 appropriated from the General Fund to carry out the  
31 purposes of this Act.

	<u>1985-86</u>	<u>1986-87</u>
32		
33	<u>AUDIT, DEPARTMENT OF</u>	
34	Unorganized territory	
35	Positions	(2)                   (2)
36	Personal Services	\$30,000           \$45,000

1	Capital Expenditures	1,000	
2	All Other	<u>5,000</u>	<u>5,000</u>
3	Provides funds to em-		
4	ploy Fiscal Adminis-		
5	trator and a		
6	Clerk-typist II and		
7	to publish and dis-		
8	tribute the audit re-		
9	port required by the		
10	Maine Revised Stat-		
11	utes, Title 36, sec-		
12	tion 1608.		
13	Total	\$36,000	\$50,000

14 STATEMENT OF FACT

15 The purpose of this bill is to improve the pro-  
 16 cess of administration of the Unorganized Territory  
 17 Education and Services Fund.

18 Sections 1, 7, 14 and 15 create the position of  
 19 Fiscal Administrator of the Unorganized Territory  
 20 within the Department of Audit and describe its func-  
 21 tions. The fiscal administrator will have the duty  
 22 to review, analyze and investigate the budgets and  
 23 expenditures of counties and agencies requesting  
 24 funds under the municipal cost component law. The  
 25 fiscal administrator will also have the responsibili-  
 26 ty of submitting municipal cost component legisla-  
 27 tion, preparing reports and recommendations regarding  
 28 municipal cost component requests and developing  
 29 forms.

30 Sections 2, 3 and 6 clarify that the "municipal"  
 31 portion of snowmobile registration fees must be cred-  
 32 ited to county unorganized territory funds.

33 Sections 4 and 5 provide for the disposition of  
 34 assets of a town or plantation which deorganizes.

35 Sections 8 and 9 provide that unpaid taxes, in-  
 36 terest and costs shall be charged against the Unorga-  
 37 nized Territory Education and Services Fund and that  
 38 proceeds from the use or sale of tax acquired proper-

1 ty shall be credited to that fund.

2 Sections 10 and 11 provide that the State Tax As-  
3 sessor, rather than the county commissioners, shall  
4 appoint agents to collect motor vehicle excise taxes  
5 in the unorganized territory. It also increases the  
6 fee retained by those agents from \$1 to \$2.

7 Section 12 requires written contracts by counties  
8 or agencies contracting for services for the unorga-  
9 nized territory and provides that property acquired  
10 with municipal cost component funds shall be held in  
11 trust for the unorganized territory.

12 Section 13 establishes June 30th as the reporting  
13 date for final accounting for state agencies which  
14 claim reimbursement under the municipal cost compo-  
15 nent.

16 Section 16 appropriates funds to cover the cost  
17 of the fiscal administrator and one clerical position  
18 and the printing and distribution of the report re-  
19 quired under the Maine Revised Statutes, Title 36,  
20 section 1608.

21

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