

MAINE STATE LEGISLATURE

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L.D. 955

(Filing No. H- 475)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
112TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 672, L.D. 955,
Bill, "AN ACT to Establish Municipal Cost Components
for Services to be Rendered in Fiscal Year 1985-86."

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

'AN ACT Establishing Municipal Cost Components
for Services to be Rendered in Fiscal Year 1985-86
and Relating to the Financing and Provision of
Services in the Unorganized Territory.'

Further amend the bill by striking out everything
after the enacting clause and before the emergency
clause and inserting in its place the following:

'PART A

Sec. 1. 12 MRSA §685-D, as repealed and replaced
by PL 1983, c. 827, §2, is repealed and the following
enacted in its place:

§685-D. Funding

Beginning with fiscal year 1985-86, funding for
the services and activities of the commission shall
come from the General Fund and not be allocated to
the unorganized territory under Title 36, chapter
115. It is also the intent of the Legislature that
no charges may be made to plantations, towns or
cities for fiscal years 1983-84 or 1984-85.

Sec. 2. Municipal cost component for state ser-
vices rendered. In accordance with the Maine Revised
Statutes, Title 36, chapter 115, the Legislature de-
termines that the net municipal cost component for
services in fiscal year 1985-86 is \$4,508,342 as re-

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1 reflected in the following list:

	<u>1985-86</u>
3 Audit	\$ 44,500
4 Forest Fire Protection	92,630
5 Property Tax Assessment	330,102
6 Education	3,826,332
7 Human Services-General Assistance	212,778
8 Bureau of the Budget	<u>2,000</u>
9 Net Requirement	\$4,508,342

10 Sec. 3. Municipal cost component for county ser-
11 vices rendered. In accordance with the Maine Revised
12 Statutes, Title 36, chapter 115, the Legislature de-
13 termines that the amounts of the municipal cost com-
14 ponent for services provided by counties for fiscal
15 year 1985-86 are as follows:

16 Aroostook	\$ 205,342
17 Franklin	174,444
18 Lincoln	969
19 Oxford	240,180
20 Penobscot	168,363
21 Piscataquis	244,802
22 Somerset	292,946
23 Washington	<u>41,000</u>
24 Total	\$1,368,046

25 Sec. 4. Brookton school. The amount appropri-
26 ated in section 3 of this Part for improvements to
27 the Brookton School shall not lapse, but shall remain
28 available for the specified purpose if the completion
29 of this project is not possible before June 30, 1986.

30 Sec. 5. Extension. Notwithstanding the provi-
31 sions of Title 36, section 1604, subsection 2, for
32 fiscal year 1985-86, the deadline for the Legislature
33 to determine the amounts of the municipal cost compo-
34 nent is extended to July 1, 1985.

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1 organized territory were a municipality, shall be
2 paid by the General Fund.

3 Sec. 2. 30 MRSA §5055, sub-§7 is enacted to
4 read:

5 7. Unorganized territory. For purposes of
6 state-municipal revenue sharing, the unorganized ter-
7 ritory shall be treated as if it were a municipality.

8 Sec. 3. 30 MRSA §5057, sub-§1-A is enacted to
9 read:

10 1-A. Unorganized territory. For purposes of
11 this section, the unorganized territory shall be
12 treated as if it were a municipality.

13 Sec. 4. 36 MRSA §661, sub-§5 is enacted to read:

14 5. Unorganized territory. The unorganized ter-
15 ritory shall be entitled to reimbursement under this
16 section in the same manner provided by this section
17 for municipalities. The amount of reimbursement due
18 shall be paid into the Unorganized Territory Educa-
19 tion and Services Fund established in chapter 115.

20 Sec. 5. 36 MRSA §2861, sub-§5 is enacted to
21 read:

22 5. Unorganized territory. The unorganized ter-
23 ritory shall be entitled to reimbursement under this
24 section in the same manner provided by this section
25 for municipalities. The amount of reimbursement due
26 shall be paid into the Unorganized Territory Educa-
27 tion and Services Fund established in chapter 115.

28 PART C

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

30 §246. Administration of the Unorganized Territory
31 Education and Services Fund

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1 1. Position created. There is created within
2 the Department of Audit the position of fiscal admin-
3 istrator of the unorganized territory. The fiscal
4 administrator shall be a person qualified by educa-
5 tion or experience in the administration of budgets.
6 The position shall be subject to the Personnel Law.

7 2. Duties. The fiscal administrator of the un-
8 organized territory shall have the following duties:

9 A. To review, analyze and investigate the bud-
10 gets and expenditures of all counties and state
11 agencies requesting funds under Title 36, chapter
12 115;

13 B. To prepare and submit, by March 1st, annual-
14 ly, a report of his review, analysis and investi-
15 gation to the joint standing committee of the
16 Legislature having jurisdiction over taxation,
17 each Legislator representing a county containing
18 unorganized territory and the office of the coun-
19 ty commissioners of each county having unorga-
20 nized territory. The report shall contain suffi-
21 cient detail to explain fully each agency or
22 county request and may contain recommendations by
23 the administrator regarding legislative or admin-
24 istrative action;

25 C. To publish an annual financial report, signed
26 by the administrator, as required by Title 36,
27 section 1608, and to make that report available
28 to taxpayers in the unorganized territory upon
29 request;

30 D. To attend public hearings, if necessary, on
31 county budgets relating to the unorganized terri-
32 tory and to attend legislative hearings on bills
33 relating to property taxes and the funding of
34 services in the unorganized territory;

35 E. To design budget request forms to be used by

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1 counties and by agencies requesting funds under
2 Title 36, chapter 115;

3 F. To design contract forms to be used by coun-
4 ties and state agencies for all contracted ser-
5 vices; and

6 G. To design forms for agencies reporting actual
7 annual expenses for reimbursement from the Unor-
8 ganized Territory Education and Services Fund.

9 3. Legislation. The fiscal administrator shall
10 prepare and submit legislation to the Legislature by
11 March 1st, annually, providing for the requests made
12 by counties and state agencies for services provided
13 in the unorganized territory which are entitled to
14 funding under Title 36, chapter 115. The administra-
15 tor shall not reject or change a budget submitted by
16 a county or state agency without the approval of the
17 county or agency making the request.

18 4. Investigation. In order to perform the du-
19 ties described in this section, the fiscal adminis-
20 trator may inspect the records of any agency or coun-
21 ty requesting funding from the Unorganized Territory
22 Education and Services Fund.

23 5. Funding. The costs of the positions and re-
24 sponsibilities required in this section shall be re-
25 imbursed from the Unorganized Territory Educational
26 and Services Fund established under Title 36, chapter
27 115.

28 Sec. 2. 12 MRSA §7824, sub-§3, ¶A is amended to
29 read:

30 A. The registration fee for residents shall be
31 credited as follows:

32 (1) \$4.75 of each fee shall be credited to
33 the department;

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1 (2) 50¢ of each fee shall be credited to
2 the Snowmobile Trail Fund of the Bureau of
3 Parks and Recreation; and

4 (3) \$6 of each fee shall be annually dis-
5 tributed to the municipality of the owner's
6 residence as shown on his registration cer-
7 tificate, except that in unorganized
8 ~~townships~~ territory, \$6 of each fee shall be
9 annually distributed to the county of the
10 owner's residence as shown on his registra-
11 tion certificate and credited to the unorga-
12 nized territory fund of that county estab-
13 lished in Title 30, section 5902.

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

16 Sec. 4. 30 MRSA §403, 2nd paragraph, as amended
17 by PL 1981, c. 403, §6, is further amended to read:

18 Before establishing any account under this sec-
19 tion, including capital reserve accounts established
20 for the unorganized territory, the county commission-
21 ers shall, in each instance, clearly specify the pur-
22 pose for which said the account is created, state the
23 anticipated amount of said the account and report
24 said the purpose and said the amount, in writing, to
25 the State Department of Audit.

26 Sec. 5. 30 MRSA §5702, as amended by PL 1983, c.
27 471, §12, is repealed and the following enacted in
28 its place:

29 §5702. Power and authority of State Tax Assessor

30 Whenever the organization of any town or
31 plantation has been terminated by Act of the Legisla-
32 ture, the powers, duties and obligations relating to
33 the affairs of that town or plantation shall be
34 vested in the State Tax Assessor for not more than 5
35 years. The real and personal property of the town or

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1 plantation shall be held by the State Tax Assessor
2 and used as described in this chapter. The State Tax
3 Assessor shall have the authority to sell or other-
4 wise dispose of any property held by the town or
5 plantation at the time of deorganization or may come
6 to the town or plantation subsequent to
7 deorganization. In the case of school property, the
8 State Tax Assessor shall consult with the Commission-
9 er of Educational and Cultural Services. When dis-
10 posing of property the State Tax Assessor shall en-
11 sure that the interests of the residents of the unor-
12 ganized territory are the most important considera-
13 tion. The State Tax Assessor shall have the power
14 and authority to assess taxes any time after the act
15 terminating the organization of the town or
16 plantation becomes operative by making assessment
17 once a year under the laws relating to the assessment
18 of property taxes in the unorganized territory. The
19 State Tax Assessor may make additional assessments in
20 the same manner against the property owners in the
21 deorganized town or plantation if necessary to pro-
22 vide funds to pay the debts of the town or
23 plantation. All money received under this section
24 shall be applied to the payment of necessary expenses
25 of the State Tax Assessor in making that assessment
26 and to the payment of any obligations of the town or
27 plantation outstanding at the time of termination of
28 its organization and to the payment of taxes assessed
29 against the town or plantation and for the completion
30 of any public works of the town or plantation already
31 begun. When in the best judgment of the State Tax
32 Assessor final payment of all known accounts against
33 the town or plantation has been made, or at the end
34 of 5 years, any funds unexpended shall be deposited
35 with the county commissioners as undedicated revenue
36 for the unorganized territory fund of that county.
37 Any property of the town or plantation which has not
38 been sold shall be held by the State in trust for the
39 unorganized territory or transferred to the county to
40 be held in trust for the unorganized territory. In-
41 come from the sale or use of the property shall be
42 used as described in Title 36, section 1604.

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1 Sec. 6. 30 MRSA §5704, as amended by PL 1975, c.
2 339, §13, is repealed.

3 Sec. 7. 30 MRSA §5902, sub-§1, as enacted by PL
4 1983, c. 471, §14, is amended to read:

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

13 Sec. 8. 30 MRSA §5903, as enacted by PL 1983, c.
14 471, §14, is amended to read:

15 §5903. Budget

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

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1 each year.

2 Sec. 9. 36 MRSA §1283, first ¶, as amended by PL
3 1973, c. 625, §255, is further amended to read:

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

15 Sec. 10. 36 MRSA §1283, 5th ¶, as amended by PL
16 1967, c. 271, §8, is further amended to read:

17 All ~~moneys~~ money received from the sale or use of
18 such real estate shall be credited to the ~~General~~
19 Fund Unorganized Territory Education and Services
20 Fund.

21 Sec. 11. 36 MRSA §1487, sub-§2, as amended by PL
22 1973, c. 207, is repealed and the following enacted
23 in its place:

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

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1 Sec. 12. 36 MRSa §1489, sub-§2, as repealed and
2 replaced by PL 1983, c. 471, §15, is repealed.

3 Sec. 13. 36 MRSa §1505, as enacted by PL 1983,
4 c. 92, Pt. B, §9, is amended to read:

5 §1505. Unorganized territory

6 For the purposes of this chapter, the unorganized
7 territory shall be treated as a municipality. All
8 excise tax payments for watercraft owned by residents
9 of the unorganized territory, nonresidents or a part-
10 nership or corporation, domestic or foreign, and
11 principally moored, docked or located or with an es-
12 tablished base of operations in the unorganized ter-
13 ritory shall be collected and distributed in the same
14 manner as the motor vehicle excise tax is collected
15 and paid to the Unorganized Territory Education and
16 Services Fund established in chapter 115, or such
17 similar fund as from time to time is in existence.
18 Moneys paid to the Unorganized Territory Education
19 and Services Fund shall be used to reduce the amount
20 to be collected in the subsequent year through the
21 Unorganized Territory Educational and Services Tax.

22 Sec. 14. 36 MRSa §1602, sub-§4, ¶B, as enacted
23 by PL 1983, c. 471, §16, is amended to read:

24 B. The State Tax Assessor shall establish a
25 district-wide mill rate calculated to raise the
26 cost of all other portions of the munic-
27 ipal cost component certified by the Legis-
28 lature. For fiscal years 1985-86, 1986-87,
29 1987-88, 1988-90 and 1990-91, in figuring
30 the district-wide mill rate shall subtract
31 \$100,000 from the amount certified by the
32 Legislature.

33 Sec. 15. 36 MRSa §1604, as amended by PL 1983,
34 c. 827, §4, is repealed and the following enacted in
35 its place:

1 §1604. Determination; procedure

2 1. Recommendation to the Legislature. The ad-
3 ministrator of the unorganized territory shall submit
4 to the Legislature, by March 1st, annually, a bill
5 listing the requests of all counties and agencies un-
6 der this chapter.

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

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

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

33 When it is proposed that an area of the unorga-
34 nized territory becomes organized into a town or
35 plantation, the fiscal administrator of the unorga-
36 nized territory shall make recommendations to the

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1 Legislature regarding the disposition of property ob-
2 tained with funds under this chapter.

3 Sec. 16. 36 MRSA §1605, sub-§2, as repealed and
4 replaced by PL 1983, c. 556, §20, is repealed and the
5 following enacted in its place:

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

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

23 The Bureau of the Budget The fiscal administrator
24 of the unorganized territory shall, by September 1st
25 annually, publish a financial report of the status of
26 the Unorganized Territory Education and Services Fund
27 subject to the following provisions.

28 Sec. 18. 36 MRSA §1608, sub-§4 is enacted to
29 read:

30 4. Statement of availability. All tax bills is-
31 ssued under this chapter shall include a statement
32 that the report required by this section is availa-
33 ble, if requested.

34 Sec. 19. Appropriation. The following funds are
35 appropriated from the General Fund to carry out the

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1 purposes of this Act.

2	<u>1985-86</u>	<u>1986-87</u>
3 <u>AUDIT DEPARTMENT</u>		
4 Unorganized Territory		
5 Positions	(2)	(2)
6 Personal Services	\$30,000	\$45,000
7 Capital Expenditures	1,000	
8 All Other	<u>5,000</u>	<u>5,000</u>
9 Total	\$36,000	\$50,000

10 Provides funds
 11 to employ fiscal
 12 administrator
 13 and a
 14 clerk-typist II
 15 and to publish
 16 and distribute
 17 the audit report
 18 required by the
 19 Maine Revised
 20 Statutes, Title
 21 36, section
 22 1608.

23 FISCAL NOTE

24 This amendment results in a loss of the following
 25 amounts to the General Fund:

26 Change in the Maine Land		
27 Use Regulation Commission	(\$432,893)	(\$447,570)
28 Section 1602	(100,000)	(100,000)
29 Veterans' reimbursement	(500)	(500)
30 Total	(\$533,393)	(\$548,070)'

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1

STATEMENT OF FACT

2 Part A of this amendment establishes the amount
3 of the municipal cost component for services in the
4 unorganized territory for fiscal year 1985-86. It
5 removes the Maine Land Use Regulation Commission from
6 funding under the municipal cost component and re-
7 peals charges to municipalities for the Maine Land
8 Use Regulation Commission service for fiscal years
9 1983-84 and 1985-86. In addition, it provides fund-
10 ing for necessary repairs to the Brookton School.

11 Part B provides that the unorganized territory
12 shall be eligible for the same treatment accorded mu-
13 nicipalities with regard to certain tax related pro-
14 visions of law including, state reimbursement for a
15 portion of general assistance costs, municipal reve-
16 nue sharing, reimbursement for veterans' property tax
17 exemptions, state reimbursement for state-owned prop-
18 erty and state reimbursement for property tax losses
19 due to the mining excise tax.

20 Part C provides for the establishment of a fiscal
21 administrator of the unorganized territory to oversee
22 the many aspects of the municipal cost component and
23 report to the Legislature when it is determining the
24 amount of property taxes to be raised in the unorga-
25 nized territory. It also provides for a reduction in
26 the amount of taxes collected of \$100,000 over each
27 of the next 5 years.

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Reported by the Committee on Taxation
Reproduced and distributed under the direction of the
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6/18/85

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