MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

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read:

NO. 686

H.P. 513 House of Representatives, March 10, 1987 Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk Presented by Representative SCARPINO of St. George. (By Request)

STATE OF MAINE

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

AN ACT Limiting Local Property Taxation.

3	Be it enacted by the People of the State of Maine as follows:
5 6 7	Sec. 1. 20-A MRSA §15607, sub-§§10 and 11, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, are amended to read:
8 9	10. <u>Appropriation for audit adjustments</u> . Appropriate the necessary funds for audit adjustments; and
10 11 12 13	11. Appropriation for nonpublic school services. Appropriate the necessary funds for reimbursement for nonpublic school services under section 15613, subsection 4; and
14	Sec. 2. 20-A MRSA \$15607, sub-\$12 is enacted to

Page 1-LR0502

	et a company of the c
1	12. Appropriation for additional amount. Appro-
2	priate the necessary funds for additional costs at-
3	tributable to implementation of Title 36, section
4	505-A.
5	Sec. 3. 36 MRSA §505-A is enacted to read:
•	
6	§505-A. Limitation on amount of tax to be assessed

In no event may the full value tax rate for any municipality exceed 10 mills. The "full value tax rate" means a mill rate determined by dividing the amount to be raised through property taxation by the most recent state valuation for that municipality filed with the Secretary of State in accordance with section 305.

STATEMENT OF FACT

This bill provides for a limitation of locally imposed property taxes. Under the bill, a municipality may not levy a tax of greater than 10 mills per \$1,000 of fair market value of the property. Because the limitation on local property taxation may have an impact upon a municipality's ability to pay its education costs, provision is made for reimbursement of lost local educational revenues through the

Page 2-LR0502

General Fund.