

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2258

H.P. 1631

House of Representatives, January 31, 1990

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Taxation suggested and ordered printed.

Ed Pert

EDWIN H. PERT, Clerk

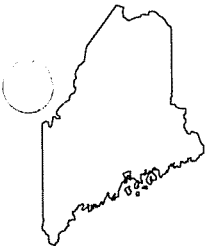
Presented by Representative MAYO of Thomaston.

Cosponsored by Representative ERWIN of Rumford, Representative COLES of Harpswell and Senator HOLLOWAY of Lincoln.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

**An Act to Apply Property Tax Relief more Equitably to Municipalities
with Respect to Educational Funding.**



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

2
4 **20-A MRSA §15612, sub-§12**, as amended by PL 1989, c. 596,
Pt. E, §2, is further amended to read:

6 **12. Low-income student adjustment; legislative intent.** In
8 ~~fiscal year 1989-90, a municipality that is a member of a school~~
10 ~~administrative unit that receives less than 56.65% of its~~
12 ~~allocation for operating costs from the State in fiscal year~~
14 ~~1989-90 shall be eligible for a low-income student adjustment.~~
16 In fiscal year 1990-91 and in succeeding fiscal years, a
18 municipality that is a member of a school administrative unit in
20 which will receive a low-income student adjustment if the state
22 share percentage for the unit's municipality's allocation for
24 operating costs is less than the state share percentage of the
26 total allocation shall ~~be eligible for a low income student~~
28 ~~adjustment.~~ For the purposes of this subsection, the member of a
30 ~~municipal school unit is the single municipality for which that~~
32 ~~municipal school unit operates.~~ Funds received by the
34 municipality shall must be used to reduce property tax
36 collections required by the municipality during its current
38 fiscal year or during the following fiscal year to meet its local
40 share of education costs. ~~The amount of each municipality's~~
42 ~~adjustment will be a portion of the calculated amount specified~~
44 ~~in paragraphs A through C for each school administrative unit of~~
46 ~~which the municipality is a member.~~ ~~If the municipality is a~~
48 ~~member of a municipal school unit, the municipality's adjustment~~
50 ~~is 100% of the calculated amount for that municipal school unit.~~
If the municipality is a member of a school administrative
district or a community school district, the ~~municipality's~~
adjustment ~~is that percentage of the district's calculated amount~~
that ~~is used in the district's cost sharing agreement to~~
determine ~~that municipality's annual assessment for the~~
district's budget the state share percentage of operating costs
must, for purposes of this subsection, be calculated as if the
municipality were not a member of a school administrative
district or community school district. State funds provided for
this adjustment shall be limited to the amount appropriated by
the Legislature for this purpose. The amount due to each
municipality shall must be provided as a single payment. For the
fiscal year during which the municipality appropriates these
adjustment funds, the legislative body of the municipality will
identify the amount, source and purpose of this adjustment.

A. The calculated amount for a ~~school administrative unit~~
municipality that receives between 0% and 24.99% state share
percentage for operating costs shall ~~be is~~ equal to \$100
times the pupil count specified in paragraph D.

B. The calculated amount for a ~~school administrative unit~~
municipality that receives between 25% and 44.99% state

2 share percentage for operating costs shall ~~be~~ is equal to
\$50 times the pupil count specified in paragraph D.

4 C. The calculated amount for a ~~school administrative unit~~
municipality that receives ~~between 45% and 56.65% state~~
6 ~~share percentage for operating costs in fiscal year 1989-90,~~
8 ~~and the calculated amount for a school administrative unit~~
that receives between 45% and the state share percentage of
10 the total allocation for that year's state subsidy shall
receive ~~an adjustment~~ is equal to \$25 times the pupil count
12 specified in paragraph D.

14 D. The pupil count used for each ~~unit's~~ municipality's
calculation is ~~the sum of~~:

16 (1) The average of the April 1st and October 1st
18 counts in the most recent calendar year of ~~all~~ resident
elementary and secondary pupils of the ~~unit,~~ and
20 municipality.

22 (2) ~~Twenty percent of the most recent count of~~
~~students in the unit who are eligible to receive a free~~
24 ~~or reduced price meal under the federal school lunch~~
~~program.~~

26 STATEMENT OF FACT

28 In the First Regular Session of the 114th Legislature, a law
30 was enacted providing for a low-income student adjustment to the
education funding formula. That adjustment provided additional
32 funds to school administrative units that received less than the
average state-paid percentage of operating costs. A unit with
34 relatively high property valuation compared to the number of
students in the unit generally receives less state money than a
36 low-valuation district with a comparable number of students.
Municipalities within a school administrative district (SAD) or
38 community school district (CSD) only benefit from the adjustment
under current law if the SAD or CSD as a whole qualifies for
40 funds, regardless of whether the municipality would have received
relief on the basis of its own property valuation.

42 This bill would distribute property tax relief on the basis
44 of what each municipality would be entitled to receive on the
basis of its own property valuation and pupil count, regardless
46 of whether the municipality is an individual municipal unit or a
member of a SAD or CSD.

48 This bill also removes the provision which includes 20% of
50 students eligible for free or reduced price meals under a federal
program in the calculation of pupil count.