



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1385

H.P. 958

House of Representatives, April 1, 1991

Reference to the Committee on State and Local Government suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative RICHARDS of Hampden. Cosponsored by Senator BALDACCI of Penobscot.

STATE OF MAINE

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

An Act to Modify the Revenue Sharing Formula to Take into Account Individual Needs of Towns.

Be it enacted by the People of the State of Maine as follows: 2 Sec. 1. 30-A MRSA §5681, sub-§2, ¶¶C and D are enacted to read: 4 "Population growth rate" means the percentage increase C. in residential growth over the past 2 years, plus the base. б "Capital needs" means necessary capital expenditures, 8 <u>D.</u> including but not limited to improvements to the infrastructure necessary for compliance with federal, state 10 and local requirements, as certified by the Director of the 12 State Planning Office in consultation with any other state agency the director considers appropriate. 14 Sec. 2. 30-A MRSA §5681, sub-§4, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is further amended to read: 16 18 4. Sharing the Local Government Fund. Money credited to the Local Government Fund shall must be distributed on the basis 20 of a formula which that provides a varying amount of per capita revenue sharing aid to communities based upon the comparative tax 22 burden, the population growth rate and the capital needs of each municipality. Those municipalities having a greater property tax 24 burden, a greater population growth rate or greater capital needs would receive a larger per capita revenue-sharing distribution. 26 The portion of the Local Government Fund to be distributed to 28 each municipality shall must be in proportion to the product of

each municipality shall must be in proportion to the product of the population of the municipality multiplied by the property tax
burden of the municipality, multiplied by the population growth rate of the municipality, multiplied by a measure of the capital
needs of the municipality.

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STATEMENT OF FACT

Under the current state and municipal revenue sharing formula, funds credited to the Local Government Fund are distributed on the basis of the comparative tax burdens of each municipality. This bill requires that individual needs of towns, as reflected by increased residential population and capital needs, be considered in the distribution of those funds.