

MAINE STATE LEGISLATURE

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DATE: 3/15/94

(Filing No. S- 457)

STATE & LOCAL GOVERNMENT

Reported by: Senator Berube of Androscoggin

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**STATE OF MAINE
SENATE
116TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 641, L.D. 1788, Bill, "An Act to Reduce the Property Tax Burden in Androscoggin County"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

'Mandate preamble. This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, two thirds of all of the members elected to each House have determined it necessary to enact this measure.

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

Sec. 1. 30-A MRSA §725, sub-§§1 and 5, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, are further amended to read:

1. Proposed budget. The county commissioners shall submit itemized budget estimates, as described in sections 701 and 702, and a capital improvement program to the budget committee in a timely fashion, at least 60 days before the end of the county's fiscal year.

5. Adoption of budget. After the public hearing or hearings held under subsection 4 are completed, the budget committee may further increase, decrease, alter and revise the proposed itemized budgets, subject to the conditions and

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restrictions imposed in subsection 3. The proposed itemized budget and the capital improvement program submitted under subsection 1 must be finally adopted by a majority vote of the budget committee at a duly called meeting held before the end of the county's fiscal year.

Sec. 2. 30-A MRSA §725, sub-§9 is enacted to read:

9. Surplus funds. In developing the proposed itemized budget under this section, the budget committee and the county commissioners shall use 10% of any unencumbered surplus funds in excess of estimates from the previous fiscal year as reported in the audited financial report for that year to reduce the tax levy for the next year. The remaining unencumbered surplus funds may only be allocated for the following purposes:

A. To further reduce the tax levy;

B. To establish a capital reserve account under section 921 to fund items in the capital improvement program approved under subsection 5;

C. To restore the contingent account as provided in section 922, subsection 2; or

D. To fund the county charter commission as provided in section 1322, subsection 4.

Sec. 3. 30-A MRSA §924, first ¶, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is further amended to read:

The county commissioners of each county shall use the unexpended balances and the actual revenue in excess of estimates from the previous fiscal year only as provided in this section, except that the Androscoggin County commissioners shall act in accordance with section 725, subsection 9.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

This bill requires the county commissioners to develop a capital improvement program. The additional costs of this state mandate are minimal. Pursuant to the mandate preamble, the 2/3 vote of all members elected to each House exempts the State from the constitutional requirement to fund 90% of the additional local costs.'

STATEMENT OF FACT

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This amendment governs the use and disposition of county budget surplus funds in Androscoggin County. If the county has any surplus funds, the amendment requires that at least 10% of the surplus must be used to reduce taxes. It also limits the use of any other surplus funds by prohibiting them from being spent on any capital items unless they are used as part of the capital improvement program developed by the county commissioners and approved by the budget committee.

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The amendment also adds a mandate preamble and a fiscal note to the bill.