MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 780

H.P. 575

House of Representatives, March 9, 1995

An Act to Dedicate a Percentage of the Maine Sales Tax for School Funding.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative SIMONEAU of Thomaston.

]	Be it enacted by the People of the State of Maine as follows:
	Sec. 1. 5 MRSA §1517 is enacted to read:
4	\$1517. Maine Education Fund
_	The Maine Education Fund is established for the purpose of increasing state funding for public schools.
	1. Source of funds. A portion of the state sales tax is
	dedicated to the Maine Education Fund. Each month, the State Tax
	Assessor shall transfer an amount equivalent to 1% of the total taxable sales for the previous month to the Maine Education Fund,
	as described in Title 36, section 1811.
	2. Distribution of funds. The Governor shall direct the
	Commissioner of Education to establish a method of allocation for
ļ	Maine Education Fund money, as described in Title 20-A, section
	254, subsection 11.
	Sec. 2. 20-A MRSA §254, sub-§11 is enacted to read:
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	11. Maine Education Fund. The commissioner shall
	administer, as directed by the Governor, the Maine Education Fund
	established in Title 5, section 1517. The commissioner shall
	establish a method of allocation of Maine Education Fund money. The method of allocation must:
	A. Ensure that the school districts of the State's least
	wealthy communities receive a greater proportion of the
	money than those of the wealthier communities. The wealth
	of a community must be determined by the state valuation of
	the school administrative unit;
	B. Provide a school district with a conservative estimate
	of the annual amount of money the school district can expect
	to receive from the Maine Education Fund; and
	C. Contain a disbursement method that, to the greatest
	extent possible, minimizes the effect of seasonal
	fluctuations of sales tax revenue.
	The commissioner shall require a brief report from recipient
	school districts to permit the department and the Legislature to
	determine annually how the funds were used by the school
	districts.
	Sec. 3. 36 MRSA §1811, as amended by PL 1993, c. 701, §§6 and
	7 and affected by $\S10$, is further amended by adding at the end a
	new paragraph to read:

2	The State Tax Assessor shall transfer to the Maine Education
	Fund, from the taxes collected pursuant to this section, an
4	amount equivalent to 1% of all taxable sales, less refunds or
	other adjustments, reported for the previous month.
6	
	Sec. 4. Effective date. This Act takes effect January 1, 1996.
8	
10	STATEMENT OF FACT
12	This bill requires that a portion of the state sales tax
	equal to 1% of all taxable sales is dedicated to funding public
14	schools and establishes the Maine Education Fund. It assigns the
	responsibility of administering the Maine Education Fund to the
16	Commissioner of Education and requires the commissioner to
	develop a method of allocation that ensures that the least
18	wealthy communities get the largest share of the Maine Education
	Fund money.
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