

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1996

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Legislative Document

No. 1697

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H.P. 1237

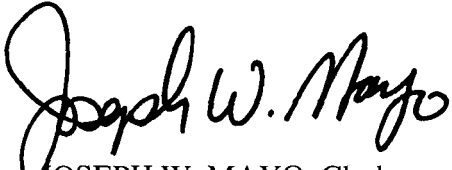
House of Representatives, January 11, 1996

**An Act to Amend the Unorganized Territory Tax Laws.**

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.  
Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative DEXTER of Kingfield.  
Cosponsored by Representatives: BAILEY of Township 27, BUNKER of Kossuth Township,  
GOULD of Greenville, Senator: MICHAUD of Penobscot.

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

4 **Sec. 1. 20-A MRSA §15622** is enacted to read:

6 **§15622. Application**

8 Beginning with fiscal year 1996-1997, this chapter applies  
10 to and is administered with respect to the unorganized territory  
12 as if the unorganized territory were a school administrative  
14 unit. All payments to which the unorganized territory is  
16 entitled under this chapter must be applied to reduce the  
18 municipal cost component as defined in Title 36, section 1603.

20 **Sec. 2. 36 MRSA §1602, sub-§4, ¶B**, as amended by PL 1985, c.  
22 458, §1, is further amended to read:

24 B. The State Tax Assessor shall establish a district-wide  
26 mill rate calculated to raise the cost of all other portions  
28 of the municipal cost component certified by the  
30 Legislature, reduced by the amount by which the municipal  
32 cost component is reduced pursuant to Title 20-A, section  
34 15622. For fiscal years 1985-86, 1986-87, 1987-88, 1988-89  
36 and 1989-90, in figuring the district-wide mill rate, the  
38 State Tax Assessor shall subtract \$100,000 from the amount  
40 certified by the Legislature.

42 **Sec. 3. 36 MRSA §1603**, as corrected by RR 1993, c. 1, §107,  
44 is amended to read:

46 **§1603. Definition of "municipal cost component"**

48 **1. Definition.** For the purposes of this chapter, "municipal  
50 cost component" means the cost of funding services in the  
Unorganized Territory Tax District ~~which~~ that would not be borne  
by the State if the Unorganized Territory Tax District were a  
municipality, ~~but not limited to but does not include a state~~  
cost allocation charge, including, without limitation,  
reimbursement to the General Fund for departmental functions such  
as accounting, personnel administration and supervision. The  
"municipal cost component" shall ~~include~~ includes, but is not be  
limited to:

52 A. The cost of education, as would be determined by the  
54 Maine School Finance Act of 1985 if the unorganized  
56 territory were a municipality;

58 B. The cost of services the state State funds in the  
60 unorganized territory that are funded locally by a  
municipality; the cost of forest fire protection to be  
included in the cost component shall must be determined in

2 accordance with Title 12, section 9205-A and collected in  
the same manner as other portions of the municipal cost  
component; and

4

6 C. The cost of reimbursement by the State for services a  
county provides to the unorganized territory in accordance  
with Title 30-A, chapter 305. No county may be reimbursed  
8 for services provided on or after January 1, 1979, unless a  
legislative allocation is obtained pursuant to this chapter.

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### STATEMENT OF FACT

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This bill provides the unorganized territories with  
education subsidies on the same basis that education subsidies  
16 are provided to school administrative units. These education  
subsidies will be used to reduce the municipal cost component of  
18 the unorganized territory. The "municipal cost component"  
definition is amended to provide that it may not include a state  
20 cost allocation charge.