

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 968

H.P. 701

House of Representatives, February 4, 1999

### An Act to Restore Municipal Revenue Sharing.

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative GAGNON of Waterville.  
Cosponsored by Senator NUTTING of Androscoggin and  
Representatives: AHEARNE of Madawaska, CIANCHETTE of South Portland, COLWELL  
of Gardiner, LEMOINE of Old Orchard Beach, McGLOCKLIN of Embden, SAVAGE of  
Union.

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

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4           **Sec. 1. 30-A MRSA §5681, sub-§5**, as amended by PL 1991, c.  
780, Pt. Q, §1, is further amended to read:

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8           **5. Treasurer of State.** An amount equal to 5.1% of the  
receipts from the taxes imposed under Title 36, Parts 3 and 8,  
and credited to the General Fund must be transferred by the  
10 Treasurer of State to the Local Government Fund on the first day  
of each month beginning August 1, 1992.

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14           For the fiscal year beginning July 1, 1999 and ending June 30,  
2000, an additional amount of \$1,300,000 must be transformed from  
the Maine Rainy Day Fund established by Title 5, section 1513 to  
the Local Government Fund and disbursed with the distribution on  
16 October 20, 1999.

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The Treasurer of State shall distribute the balance in the Local  
Government Fund on the 20th day of each month.

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**SUMMARY**

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26           This bill restores \$1,300,000 to the municipal revenue  
sharing fund that was diverted from that fund by the State's  
interpretation and application of legislation passed by the 118th  
Legislature to fund the reduction in the state sales tax from 6%  
28 to 5.5%. That action led to a deposit of approximately  
\$26,000,000 into the Maine Rainy Day Fund established by the  
30 Maine Revised Statutes, Title 5, section 1513 without first  
placing 5.1% of that amount in the municipal revenue sharing fund  
32 as required by Title 30-A, section 5681.