



119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 2241

H.P. 1593

House of Representatives, May 24, 1999

Resolve, to Modify the State Valuation for the Sappi Plant in the City of Westbrook for Purposes of Education Funding.

(EMERGENCY)

Reported by Representative GAGNON for the Joint Standing Committee on Taxation pursuant to Joint Order H.P. 1584.

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JOSEPH W. MAYO, Clerk

Emergency preamble. Whereas, Acts and resolves of the 2 Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

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Whereas, the value of property within a municipality has a strong effect on the calculation of school appropriations; and б

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Whereas, the City of Westbrook derives a large portion of 8 its tax valuation from the presence of the former S.D. Warren plant, now owned by Sappi Fine Paper North America; and 10

12 Whereas, Sappi Fine Paper North America has recently announced the closure of its pulp mill and a machine that makes coated base paper at the facility in the City of Westbrook; and 14

16 Whereas, not only will this closure adversely affect approximately 315 employees, but also the property valuation of the plant has decreased immensely, causing a decrease in property 18 tax revenues for the City of Westbrook; and

Whereas, unless immediate action is taken to account for 22 this decrease in valuation, the City of Westbrook will also suffer through the loss of significant revenues based on the 24 decreased valuation of the Sappi Fine Paper North America plant; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of 28 Maine and require the following legislation as immediately 30 necessary for the preservation of the public peace, health and safety; now, therefore, be it

Modify 1999 state valuations. **Resolved:** 1. Sec. That, notwithstanding the Maine Revised Statutes, Title 36, the 1999 34 state valuation for the City of Westbrook, for the purposes of calculating school appropriations, must be based on a valuation 36 that values the property of Sappi Fine Paper North America in the City of Westbrook at \$140,000,000; and be it further 38

Sec. 2. Appropriation. Resolved: That the following funds are 40 appropriated from the General Fund to carry out the purposes of 42 this resolve.

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1999-00

\$705,121

- 46 **EDUCATION, DEPARTMENT OF**
- 48 **General Purpose Aid for Local Schools**

50 All Other

Provides funds for the increase in school 2 subsidy payments for the City of Westbrook 4 that result from reducing the state valuation of certain property for the purpose of the calculation of school subsidy. 6 Emergency clause. 8 In view of the emergency cited in the preamble, this resolve takes effect when approved. 10 FISCAL NOTE 12 1999-00 14 **APPROPRIATIONS/ALLOCATIONS** 16 General Fund \$705,121 18 Reducing the state valuation for the City of Westbrook for 20 the purpose of calculating school subsidy will increase the amount of subsidy payable to the city by \$705,121 in fiscal year 22 1999-00. Based on total General Fund appropriations for school subsidy for fiscal year 1999-00 provided in Public Law 1999, 24 chapter 16, and since subsidy allocation estimates for fiscal year 1999-00 have already been provided to school administrative 26 units, the resolve includes a General Fund appropriation to the 28 Department of Education in the amount of \$705,121 to avoid a redistribution and reduction of subsidy to other school administrative units. 30 32 SUMMARY 34 This resolve establishes the state valuation, for purposes of calculation of school appropriations, for the Sappi Fine Paper 36 North America plant located in the City of Westbrook at 38 \$140,000,000 for fiscal year 1999-00.