

MAINE STATE LEGISLATURE

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L.D. 2626

DATE: 4-7-00

(Filing No. H-1095)

MAJORITY
TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1887, L.D. 2626, Bill, "An Act to Modify Adjustments in Property Valuation"

Amend the bill by striking out the title and substituting the following:

'Resolve, to Modify Adjustments in Property Valuation'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

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

Whereas, the value of property within a municipality has a strong effect on the calculation of school appropriations and state-municipal revenue sharing; and

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

Whereas, after a major reduction in plant operations last year that reduced the value of the property and allowed an adjustment in the City of Westbrook's state valuation, the owner of the property announced further downsizing of the facility that has resulted in the value of property dropping by as much as \$85,000,000; and

COMMITTEE AMENDMENT

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

Whereas, the loss of these revenues will be most felt by the city's schools and school children; and

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

Sec. 1. Modify 2000 state valuations. Resolved: That, notwithstanding the Maine Revised Statutes, Title 36, the 2000 state valuation for the City of Westbrook, for the purposes of calculating school appropriations and state-municipal revenue sharing, must be based on a valuation that values the property of Sappi Fine Paper North America in the City of Westbrook at \$55,000,000; and be it further

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

2000-01

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools

All Other \$466,405

Provides funds for the increase in school subsidy payments for the City of Westbrook that result from reducing the state valuation of certain property for the purpose of the calculation of the school subsidy.

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

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2000-01

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APPROPRIATIONS/ALLOCATIONS

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General Fund \$466,405

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10 The reduction of the 2000 state tax valuation for the City
12 of Westbrook will result in a redistribution of school subsidies
14 for fiscal year 2000-01. This bill includes a General Fund
16 appropriation of \$466,405 in fiscal year 2000-01, as requested by
18 the Department of Education, to avoid this redistribution of
20 school subsidies from other school units to the Town of
Westbrook. This estimate is based on the Governor's proposed
"2000-2001 supplemental" budget bill, L.D. 2510. The amount
required to avoid a redistribution of school subsidies will
depend on the amounts established by the Legislature pursuant to
Maine Revised Statutes Title 20-A, section 15607.

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22 This bill will also result in a redistribution of
24 state-municipal revenue sharing funds in fiscal year 2000-01.
Based on the fiscal year 1999-00 revenue sharing distribution
calculations, this bill will redistribute approximately \$130,700,
increasing the amounts to be received by the City of Westbrook
and reducing the amounts to be received by other municipalities.

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30 The Office of the Treasurer of State and the Department of
32 Education will incur some minor additional costs to adjust the
revenue sharing and school subsidy distributions. These costs
can be absorbed within the agencies' existing budgeted resources.'

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SUMMARY

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38 This amendment changes the bill to a resolve. It also
40 provides that, for purposes of calculating school appropriations
and state-municipal revenue sharing, the 2000 state valuation of
the City of Westbrook must reflect a valuation of \$55,000,000 for
the Sappi Fine Paper North America plant located in the city.
The amendment also adds a fiscal note.