

MAINE STATE LEGISLATURE

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1048

L.D. 572

DATE: 5/2/3

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TAXATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 121ST LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 435, L.D. 572, Bill, "An Act To Restrict a School District from the Wholesale Attachment of Personal Property if a Town Defaults on Its School Commitment"

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

'An Act To Change the Process of Enforcement of a Municipality's Obligations to a School Administrative District'

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

'Sec. 1. 20-A MRSA §1310, sub-§6, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

6. Enforcement. If a municipal treasurer fails to pay the installment due, or any part, on the dates required, to initiate collection procedures, the treasurer of the school administrative district may notify the municipal treasurer of the failure to pay. Interest accrues on each unpaid installment at the rate established under Title 36, section 186 beginning on the 60th day after the date the installment is due under subsection 4. If payment of an installment is not made within 60 days after the due date, the treasurer of the district may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the municipality to the district and shall order the municipal treasurer to pay all

COMMITTEE AMENDMENT

R. 415

COMMITTEE AMENDMENT "A" to H.P. 435, L.D. 572

delinquent installments, accrued interest and any court costs and reasonable attorney's fees incurred by the district. To ensure prompt payment of the delinquent installments, the court may require that amounts due to the municipality from the State under Title 30-A, section 5681 and Title 36, sections 578 and 685 be paid to the district until the amount determined by the court is satisfied. The court shall promptly notify the disbursing state agency of the determination and direct the agency to make the required change in payee and the amounts to be paid. If additional funds are needed to satisfy the amount determined by the court to be paid to the district, the court may order the attachment or trustee process and sale of real or personal property owned by the municipality or the attachment of the municipality's bank accounts or require property tax payments to the municipality to be turned over to the court and may pay the amount owed the district from the proceeds and return any excess to the municipality.

Sec. 2. 20-A MRSA §1703, sub-§6, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

6. Enforcement. If a municipal treasurer fails to pay the installment due, or any part, on the dates required, to initiate collection procedures, the treasurer of the community school district may notify the municipal treasurer of the failure to pay. Interest accrues on each unpaid installment at the rate established under Title 36, section 186 beginning on the 60th day after the date the installment is due under subsection 4. If payment of an installment is not made within 60 days after the due date, the treasurer of the district may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the municipality to the district and shall order the municipal treasurer to pay all delinquent installments, accrued interest and any court costs and reasonable attorney's fees incurred by the district. To ensure prompt payment of the delinquent installments, the court may require that amounts due to the municipality from the State under Title 30-A, section 5681 and Title 36, sections 578 and 685 be paid to the district until the amount determined by the court is satisfied. The court shall promptly notify the disbursing state agency of the determination and direct the agency to make the required change in payee and the amounts to be paid. If additional funds are needed to satisfy the amount determined by the court to be paid to the district, the court may order the attachment or trustee process and sale of real or personal property owned by the municipality or the attachment of the municipality's bank accounts or require property tax payments to the municipality to be turned over to the court and may pay the amount owed the district from the proceeds and return any excess to the municipality.'

SUMMARY

This amendment replaces the bill. It updates the procedures for enforcement by the treasurer of a school administrative district or a community school district when a municipal treasurer fails to pay monthly installments due to the district. The new procedure authorizes the district treasurer to file an action in Superior Court to recover amounts due, interest, court costs and attorney's fees. The court may order the diversion of state-municipal revenue sharing and tax reimbursements due to the municipality and may attach municipal property and other assets to satisfy the payment due the district.

FISCAL NOTE REQUIRED
(See attached)



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 572

**An Act To Change the Process of Enforcement of a Municipality's
Obligations to a School Administrative District**

LR0745(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

No impact on State funds.

Fiscal Detail and Notes

This bill will have no impact on State funds. There would also be no fiscal impact to a local school unit as long as altering the method available to a school administrative unit to enforce payment of a municipal member's local share of the cost of education does not change the school unit's ability to collect monies owed.