

MAINE STATE LEGISLATURE

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L.D. 1671

DATE: 3-17-04

(Filing No. H-768)

**MAJORITY
STATE AND LOCAL GOVERNMENT**

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
SECOND SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1247, L.D. 1671, Bill, "An Act To Authorize the Deorganization of the Town of Atkinson"

Amend the bill by inserting after section 3 the following:

Sec. 4. Hospital District No. 4. Notwithstanding the Maine Revised Statutes, Title 30-A, section 7304, if Hospital District No. 4, after deorganization is approved by the voters pursuant to this Act, defaults on bonds issued and outstanding prior to the effective date of the deorganization, the State Tax Assessor, upon receipt of proper notification of default, shall assess a supplemental tax on owners of nonexempt property in Atkinson Township for the town's proportional share of the bond liability in default, including any administrative cost associated with that supplemental assessment. The supplemental tax must be apportioned in accordance with the just value of property subject to property tax in Atkinson Township.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment is the majority report and clarifies that if Hospital District No. 4 defaults on bonds issued and outstanding prior to the effective date of the proposed deorganization, the State Tax Assessor is required to assess a supplemental tax on owners of nonexempt property in Atkinson Township for the

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 1247, L.D. 1671

2 proportional share of bond liability in default. The Town of
Atkinson is currently a member of Hospital District No. 4. If
4 the Town of Atkinson deorganizes, it will no longer be a member
of Hospital District No. 4, but pursuant to the approved
6 deorganization procedure and this Act, it will remain liable for
its share of bonded indebtedness.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT

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

LD 1671

An Act to Authorize the Deorganization of the Town of Atkinson



LR 2224(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: State and Local Government

Fiscal Note Required: Yes

Fiscal Note

Undetermined future biennium cost increase - General Fund

Undetermined future biennium cost savings - General Fund

Fiscal Detail and Notes

This bill will become effective only if approved by the voters of Atkinson at the next general election to be held in November. If approved, the deorganization of the town of Atkinson would not affect the current biennium. However, the Division of State Schools - Education in the Unorganized Territories program in the Department of Education and Maine Revenue Services within the Department of Administrative and Financial Services will incur future General Fund expenditures to provide services to the Unorganized Territories. The General Fund would be fully reimbursed for these costs by higher collections made through the Municipal Cost Component program. The Department of Education expenditures would be ongoing and would be to provide schooling to students from the former town. The Department estimates the cost in fiscal year 2005-06 to be \$384,640.

The minor additional costs associated with the filing of certain election results can be absorbed by the Secretary of State utilizing existing budgeted resources.

If the town of Atkinson is deorganized, the Tree Growth Tax Reimbursement program will realize savings estimated to be \$13,000 beginning in fiscal year 2005-06.