

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1536

H.P. 1081

House of Representatives, April 4, 2005

An Act To Reduce Property Taxes by Reforming County Government

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MERRILL of Appleton.
Cosponsored by Representatives: DUDLEY of Portland, PINGREE of North Haven, PIOTTI
of Unity, SCHATZ of Blue Hill.

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

4 **Sec. 1. 30-A MRSA c. 19** is enacted to read:

6 **CHAPTER 19**

8 **COUNTY DISTRICTS**

10 **§1961. County districts**

12 Subject to approval under section 1962, there are established 8 county districts composed as follows:

14 1. County district 1. County district 1 consists of York County;

16 2. County district 2. County district 2 consists of Cumberland County;

20 3. County district 3. County district 3 consists of Androscoggin County, Oxford County and Franklin County;

22 4. County district 4. County district 4 consists of Somerset County and Kennebec County;

26 5. County district 5. County district 5 consists of Penobscot County and Piscataquis County;

28 6. County district 6. County district 6 consists of Sagadahoc County, Lincoln County, Knox County and Waldo County;

32 7. County district 7. County district 7 consists of Hancock County and Washington County; and

34 8. County district 8. County district 8 consists of Aroostook County.

36 **§1962. Formation of or consolidation of counties into county district**

40 1. County district approval. A vote to determine the approval of formation of a county district or consolidation of counties into a county district may be initiated in the following ways:

42 A. A majority of county commissioners of a county may require the question of whether a county district should be formed from the county or the counties in the proposed county district should combine into one county district to be put to the voters in that proposed county district; or

2 B. Ten percent of the voters in a proposed county district
3 may petition to form a county district. The petitions must
4 be prepared by the Secretary of State and require the same
5 safeguards as petitions filed under the Constitution of
6 Maine, Article 4, Part Third.

7 2. Election to consider formation; question; termination of
8 counties. When the Secretary of State receives notice of an
9 authorizing vote by the county commissioners pursuant to
10 subsection 1, paragraph A or verifies that the petitions
11 submitted pursuant to subsection 1, paragraph B contain the
12 required number of valid signatures calling for the approval of a
13 district county, the Secretary of State shall prepare the ballots
14 and have the question of approval placed on the ballot at the
15 next general election. The question put to the voters must be:
16 "Shall (list the included counties) form a new county district?"
17 If a majority of the voters in the proposed county district vote
18 in favor of the formation of the county district, those counties
19 cease to exist as separate governmental entities on the July 1st
20 following approval.

21 3. Transition. If the formation of a county district is
22 approved pursuant to subsection 2, the county commissioners from
23 each of the counties contained in the county district shall
24 convene the January immediately following the vote to appoint a
25 charter commission. The charter commission must include at least
26 5 registered voters from each of the counties contained in the
27 county district. If the vote to approve the county district was
28 initiated pursuant to subsection 1, paragraph B, at least 1/3 of
29 those appointed to the charter commission must be chosen from the
30 voters who actively circulated the petitions to approve the
31 county district. The charter commission shall develop a proposed
32 charter and put it before the voters of the county district in
33 the next general or statewide election. If the charter is not
34 approved, the charter commission shall make necessary changes and
35 put the revised charter to vote at the next general or statewide
36 election until the charter is approved. Upon approval of the
37 charter, the county district may levy fees and receive state
38 assistance available to counties that combine their services.

39 4. Governance of county district. The county commissioners
40 of the counties forming the county district approved pursuant to
41 subsection 2 shall govern the county district until the
42 Legislature creates 3 voting districts in the county district.
43 New county district commissioners must be elected in the
44 statewide or general election following formation of the voting
45 districts, with one county district commissioner elected from
46 each voting district. County district commissioners serve for a
47 term of office of 3 years except for the county district
48 commissioner.

2 commissioners elected immediately following formation of the
3 county district. Terms of those county district commissioners
4 are staggered as follows:

5 A. The commissioner who receives the greatest number of
6 votes serves an initial term of 3 years;

7 B. The commissioner with the next greatest number of votes
8 serves 2 years; and

9 C. The commissioner with the 3rd greatest number of votes
10 serves one year.

11 **§1963. Combining services among counties in proposed**
12 **county district**

13 Notwithstanding the approval requirements of section 1962,
14 subsection 2, in a proposed county district composed of more than
15 one county, a majority of the county commissioners of each county
16 in the proposed county district may authorize the combination of
17 services in that proposed county district. The county
18 commissioners of the proposed county district shall determine the
19 basis of apportioning the costs of the combined services among
20 the counties in the proposed county district.

21 **Sec. 2. Reduction of property taxes paid to county government.** The
22 county district commissioners of a county district established
23 pursuant to the Maine Revised Statutes, Title 30-A, chapter 19
24 may levy a county district real estate transfer tax in addition
25 to the real estate transfer tax imposed pursuant to Title 36,
26 section 4641-A. The county district levy must exempt the first
27 \$200,000 of the real estate sales price. All funds raised by the
28 county district transfer tax must be used for combined police or
29 record-keeping services provided on a county-districtwide basis.

30 **Sec. 3. Termination of responsibility for county jails; 1% local sales**
31 **tax.** A county district approved pursuant to the Maine Revised
32 Statutes, Title 30-A, chapter 19 may relinquish responsibility
33 for county jails to the State pursuant to this section. If a
34 county district relinquishes responsibility for county jails in
35 that county district, then the State shall impose an additional
36 1% sales and use tax in that county district. The additional
37 sales and use tax must be collected and remitted in the same
38 manner as the sales and use tax imposed pursuant to Title 36,
39 Part 3.

40 **1. Commissioner-initiated termination of county jails and**
41 **imposition of sales and use tax.** A majority of the county
42 district commissioners from a county district may vote to require
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2 the State to assume the responsibility for all inmates who would
3 have otherwise been housed in a jail operated by a county
4 contained in the county district and authorize the levy of an
5 additional 1% sales and use tax.

6 **2. Voter-initiated termination of county jails and**
7 **imposition of sales and use tax.** Ten percent of the voters in a
8 county district may petition to require the State to assume the
9 responsibility for all inmates who would have otherwise been
10 housed in a jail operated by a county contained in a county
11 district and authorize the levy of an additional 1% sales and use
12 tax. The petitions must be prepared by the Secretary of State
13 and require the same safeguards as petitions filed under the
14 Constitution of Maine, Article 4, Part Third.

16 **3. Election to determine responsibility for jails in county**
17 **district.** Once the Secretary of State receives a request from
18 the county district commissioners pursuant to subsection 1 or
19 verifies a valid petition pursuant to subsection 2 calling for
20 the State to assume jail services, the Secretary of State shall
21 prepare the ballots and have the question included on the ballot
22 at the next general election. The question put to the voters must
23 be: "Shall the (name of county district) require the State to
24 assume full jail services for this county district and authorize
25 the State to raise the sales and use tax in this district by 1%
26 to provide for the cost of the State's assuming the county
27 district's jail services?"

28 **4. Termination of county jail.** If a majority of the voters
29 in a county district vote in favor of the State's assuming
30 control over every county jail in the county district, the State
31 shall assume responsibility by July 1 following the vote. The
32 State shall impose an additional 1% sales and use tax in each
33 county district in which the State assumes responsibility for a
34 jail within that county district. The revenue from the
35 additional 1% sales and use tax must be used to defray the costs
36 of the Department of Corrections.

38 **Sec. 4. Combined voter-initiated petition.** Notwithstanding the
39 provisions of the Maine Revised Statutes, Title 30-A, chapter 19
40 and section 3 of this Act, the voters in a proposed county
41 district may include both the issue of approval of the county
42 district and transfer of jail responsibility to the State in one
43 petition as long as the petition meets the other requirements of
44 Title 30-A, section 1962, subsection 1, paragraph B. If a
45 petition initiated pursuant to this section is signed by at least
46 10% of the voters in the proposed county district, the Secretary
47 of State shall prepare the ballots and have the question included
48 on the ballot at the next general election. The question put to
49 the voters must be: "Shall the (list the included counties) form
50

2 a new county district and require the State to assume full jail
3 services for this county district and authorize the State to
4 raise the sales and use tax in this district by 1% to provide for
5 the cost of the State's assuming the county district's jail
6 services?"

7 **Sec. 5. Efficiency fund grants to promote consolidation.** If a
8 county district established pursuant to the Maine Revised
9 Statutes, Title 30-A, chapter 19 comprises more than one county
10 and the county district combines police or record-keeping
11 services of the counties contained in the county district, the
12 State shall appropriate \$1,000,000 to that county district to aid
13 in the transition to a county district. The appropriation may be
14 made over a 5-year period.

15 **Sec. 6. Implementing legislation.** Following the approval of the
16 formation or consolidation of counties into a county district
17 pursuant to the Maine Revised Statutes, Title 30-A, chapter 19,
18 the Legislature shall enact legislation necessary to implement
19 the purposes of this Act.
20

22 SUMMARY

23
24 This bill establishes 8 county districts. The bill empowers
25 the commissioners of a county district to impose an additional
26 real estate transfer tax on the transfer of property contained in
27 that county district; the first \$200,000 of the sales price is
28 exempt from the new tax. The revenue from the additional real
29 estate transfer tax must be used to pay for police and
30 record-keeping services for the county district.
31

32 The bill also allows a county district to transfer
33 responsibility for every county jail located in that county
34 district to the State by voting to pay an extra penny per dollar
35 on the sales and use tax for sales in that county district. The
36 revenue from the additional sales and use tax must be used to
37 defray the costs of the Department of Corrections.
38

39 The bill also provides an appropriation of \$1,000,000,
40 spread out over as many as 5 years, to a district county that
41 comprises more than one county that combines the police and
42 record-keeping services of the counties located in that county
43 district.
44

45 The 8 county districts created by the bill are: county
46 district 1, York County; county district 2, Cumberland County;
47 county district 3, Androscoggin County, Oxford County and
48 Franklin County; county district 4, Somerset County and Kennebec

County; county district 5, Penobscot County and Piscataquis
2 County; county district 6, Sagadahoc County, Lincoln County, Knox
County and Waldo County; county district 7, Hancock County and
4 Washington County; and county district 8, Aroostook County.