

# MAINE STATE LEGISLATURE

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L.D. 1691

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DATE: 6-16-05

(Filing No. H-706)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
FIRST SPECIAL SESSION

HOUSE AMENDMENT "G" to H.P. 1199, L.D. 1691, Bill, "An Act To Eliminate Pension Cost Reduction Bonding and Provide Replacement Budgeting Measures"

Amend the bill by striking out all of Parts DD and EE.

Further amend the bill by striking out all of Part BBB.

Further amend the bill by inserting after Part KKK the following:

PART LLL

Sec. LLL-1. 30-A MRSA §5681, sub-§§4-A and 4-B, as enacted by PL 1999, c. 731, Pt. U, §4, are amended to read:

4-A. Distribution of Local Government Fund. The Treasurer of State shall ~~transfer the balance in~~ distribute the Local Government Fund proportionately on the 20th day of each month. Money in the Local Government Fund must be distributed to each municipality in proportion to the product of the population of the municipality multiplied by the property tax burden of the municipality.

4-B. Distribution of Disproportionate Tax Burden Fund. The Treasurer of State shall ~~transfer the balance in~~ distribute the Disproportionate Tax Burden Fund proportionately on the 20th day of each month. Money in the Disproportionate Tax Burden Fund must be distributed to each municipality in proportion to the product of the population of the municipality multiplied by the disproportionate tax burden of the municipality.

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Sec. LLL-2. 30-A MRSA §5681, sub-§4-C is enacted to read:

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4-C. Appropriations. The Governor shall incorporate into the budget and the Legislature shall appropriate state-municipal revenue sharing according to this subsection.

A. The total of the amounts appropriated for state-municipal revenue sharing must equal the following percentages of the amount forecasted by the annual December 1st report of the Revenue Forecasting Committee under Title 5, section 1710-F as receipts from the taxes imposed under Title 36, Part 3 and Part 8 and Title 36, section 2552, subsection 1, paragraphs A to F, reduced by postage and programming costs of administering state-municipal revenue sharing:

(1) For fiscal years beginning before July 1, 2007, 5.1%; and

(2) For fiscal years beginning on or after July 1, 2007, 5.2%.

B. The amount appropriated to the Local Government Fund must be an amount equal to the annual growth ceiling, reduced by 2%. The amount appropriated to the Disproportionate Tax Burden Fund must be the difference between the total amount appropriated under paragraph A and the annual growth ceiling, reduced by 2%.

C. The amount appropriated to the Fund for the Efficient Delivery of Local and Regional Services must equal the 2% reductions made under paragraph B.

D. The State Tax Assessor shall certify to the Governor and the Legislature by December 15th, annually, the amounts required to be appropriated to the Local Government Fund, the Disproportionate Tax Burden Fund and the Fund for the Efficient Delivery of Local and Regional Services.

Sec. LLL-3. 30-A MRSA §5681, sub-§5, as amended by PL 2005, c. 12, Pt. E, §1, is repealed.

Sec. LLL-4. 30-A MRSA §5681, sub-§5-B, as amended by PL 2005, c. 2, Pt. H, §1, is further amended to read:

~~5-B. Fund for the Efficient Delivery of Local and Regional Services. For the months beginning on or after July 1, 2004 and before the distributions required by subsections 4-A and 4-B, 2% of all receipts transferred each month pursuant to subsection 5 must be deposited in the~~ The Fund for the Efficient Delivery of

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2 Local and Regional Services, as established in subsection 3, and  
3 must be distributed to those municipalities and counties that can  
4 demonstrate significant and sustainable savings in the cost of  
5 delivering local and regional governmental services through  
6 collaborative approaches to service delivery, enhanced regional  
7 delivery systems, the consolidation of administrative services,  
8 the creation of broad-based purchasing alliances or the execution  
9 of interlocal agreements.

10 **Sec. LLL-5. Transfer from Fund for the Efficient Delivery of Local  
11 and Regional Services.** Notwithstanding the Maine Revised Statutes,  
12 Title 30-A, section 5681, subsection 5-B or any other provision  
13 of law, the State Controller shall transfer \$2,335,918 from the  
14 Fund for the Efficient Delivery of Local and Regional Services to  
15 the unappropriated surplus of the General Fund no later than June  
16 30, 2006.

17 **Sec. LLL-6. Appropriations and allocations.** The following  
18 appropriations and allocations are made.

19 **TREASURER OF STATE, OFFICE OF THE**

20 **State-municipal Revenue Sharing 0020**

21 Initiative: Appropriates funds for state-municipal revenue  
22 sharing at the same budgeted amounts in lieu of a transfer to an  
23 Other Special Revenue Funds account.

24	<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
25	All Other	\$0	\$98,999,285
26		<hr/>	<hr/>
27	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$98,999,285</b>

28 **Disproportionate Tax Burden Fund 0472**

29 Initiative: Appropriates funds for the Disproportionate Tax  
30 Burden Fund distributions to municipalities at the same budgeted  
31 amounts in lieu of a transfer to an Other Special Revenue Funds  
32 account.

33	<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
34	All Other	\$0	\$21,465,092
35		<hr/>	<hr/>
36	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$21,465,092</b>

37 **TREASURER OF STATE, OFFICE OF THE**  
38 **DEPARTMENT TOTALS**

39		<b>2005-06</b>	<b>2006-07</b>
40	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$120,464,377</b>
41		<hr/>	<hr/>
42	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$120,464,377</b>

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**Sec. LLL-7. Effective date; transition.** This Part takes effect July 1, 2006, except that at the close of fiscal year 2005-06 no transfers to the Local Government Fund representing June 2006 revenues may be made.'

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

**SUMMARY**

This amendment eliminates the reduction in state-municipal revenue sharing, the transfer of funds from the Fund for the Efficient Delivery of Local and Regional Services to the General Fund and the 90% limitation on reimbursement of property taxes under the Business Equipment Tax Reimbursement program as proposed in the bill.

Part LLL changes state-municipal revenue sharing from a transfer from the General Fund based on a percentage of certain General Fund revenue sources to an appropriation equal to the budgeted distributions. The transition of this program results in a one-time revenue increase equal to the amount of June 2006 revenue that would be transferred from the General Fund to the Local Government Fund. The only budgeted effect on transfers is the budgeted transfer to the Fund for the Efficient Delivery of Local and Regional Services, which is not funded in the 2006-2007 biennium.

**FISCAL NOTE REQUIRED**  
(See attached)

SPONSORED BY: Yvonael Earl Bierman  
(Representative BIERMAN)

TOWN: Sorrento



# 122nd MAINE LEGISLATURE

LD 1691

LR 2419(09)

## An Act To Eliminate Pension Cost Reduction Bonding and Provide Replacement Budgeting Measures

Fiscal Note for Senate Amendment 'E'

Sponsor: Rep. Bierman

Fiscal Note Required: Yes

### Fiscal Note

	2005-06	2006-07
<b>Net Cost (Savings)</b>		
General Fund	(\$19,430,000)	\$7,179,148
<b>ppropriations/Allocations</b>		
General Fund	\$0	\$120,464,377
<b>Revenue</b>		
General Fund	\$19,430,000	\$115,737,164
<b>Transfers</b>		
General Fund		(\$2,451,935)

#### Fiscal Detail and Notes

This amendment will decrease the General Fund cost of the bill by \$19,430,000 in fiscal year 2005-06 but increase the General Fund cost of the bill by \$7,179,148 in fiscal year 2006-07. Based on the estimated year-end balances, this amendment maintains a balanced budget for the 2006-2007 biennium.