

MAINE STATE LEGISLATURE

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STATE OF MAINE SENATE 122ND LEGISLATURE SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 755, L.D. 1965, Bill, "An Act To Ensure the Ability of Municipalities To Provide Assistance to Their Citizens"

Amend the bill by striking out all of section 1 and inserting in its place the following:

Sec. 1. 30-A MRSA §5721-A, sub-§4, as enacted by PL 2005, c. 2, Pt. C, §1 and affected by §§3 and 5 and c. 12, Pt. WW, §16, is amended to read:

4. Adjustment for new state funding. If the State provides net new funding to a municipality for existing services funded in whole or in part by the property tax levy, other than required state mandate funds pursuant to section 5685 that do not displace current property tax expenditures, the municipality shall lower its property tax levy limit in that year in an amount equal to the net new funds. For purposes of this subsection, "net new funds" means the amount of funds received by the municipality from the State in that fiscal year, with respect to services funded in whole or in part by the property tax levy, less the product of the following: the amount of such funds received in the prior fiscal year multiplied by the growth limitation factor described in subsection 3. "Net new funds" does not include changes in state funding for general assistance under Title 22, section 4311 if those changes are the result of the operation of the formula for calculation of state funding under that section but does include changes in funding that are the result of a statutory change in the formula for calculation of state funding under that section. If a municipality receives net new funds in any fiscal year for which its property tax levy limit has not been adjusted as provided in this subsection, the municipality shall adjust its property tax levy limit in the following year in an amount equal to the net new funds.'

COMMITTEE AMENDMENT

SUMMARY

This amendment provides that municipal spending limitations do not need to be adjusted for changes in state reimbursement for general assistance expenses if those changes are the result of operation of the statutory formula for that program.