

# MAINE STATE LEGISLATURE

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DATE: 4/5/06

L.D. 2039  
(Filing No. H-952)

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1437, L.D. 2039, Bill, "An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2006-07"

Amend the bill by inserting before section 1 the following:

'Sec. 1. 36 MRSA §1611 is enacted to read:

**§1611. Limitation on municipal cost component**

1. Growth limitation. Except as otherwise provided in this section, the municipal cost component may not exceed the growth limitations established in subsection 2.

2. Calculation of growth limitations. The growth limitation factors are calculated as follows.

A. The growth limitation factor for the aggregate cost of the municipal cost components provided by the State is the same as the General Fund appropriation limitation factor calculated under Title 5, section 1534, subsection 2.

B. The growth limitation factor for the cost of the municipal cost components provided by a county may not exceed the municipal cost component assessment limit for that county. For purposes of this section, a municipal cost component assessment limit must be determined by the State Tax Assessor annually for the unorganized territory in each county using the criteria provided under Title 30-A, section 5721-A as if the unorganized territory for each county were a municipality.

**COMMITTEE AMENDMENT**

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3. Exceeding or increasing growth limitations. Growth limitations on the municipal cost component may be exceeded or increased as follows.

A. A governmental body with the authority to approve the county municipal cost component under Title 30-A, chapter 305 may request that the Legislature approve a municipal cost component for that county that exceeds or increases the county growth limitation by sending a letter to the fiscal administrator of the unorganized territory at the same time that the finalized budget for services is submitted under Title 30-A, section 7503. The letter must describe the amount by which the growth limitation should be exceeded or increased and provide a detailed justification for the request. The fiscal administrator of the unorganized territory shall provide copies of all county letters requesting that the growth limitation be exceeded or increased to the joint standing committee of the Legislature having jurisdiction over the municipal cost component by March 1st annually.

B. The Legislature may exceed or increase the municipal cost component growth limitation for state or county components by including a provision in the municipal cost component legislation enacted pursuant to section 1604 that specifically states the intent of the Legislature to exceed or increase the growth limitation.

4. Application. This section applies to municipal cost component fiscal years beginning on or after July 1, 2007.'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Review and recommendation. The Commission to Study the Cost of Providing Certain Services in the Unorganized Territories shall review growth limitations established by the portion of this Act enacting the Maine Revised Statutes, Title 36, section 1611 and make recommendations for retaining, amending or repealing those limitations to the joint standing committee of the Legislature having jurisdiction over taxation matters as part of its reporting responsibilities under Resolve 2005, chapter 125. The joint standing committee of the Legislature having jurisdiction over taxation matters may submit legislation related to the recommendations of the commission to the First Regular Session of the 123rd Legislature.'

**RES**

COMMITTEE AMENDMENT "A" to H.P. 1437, L.D. 2039

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

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**SUMMARY**

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10 This amendment includes statutory changes to apply growth  
limitations to spending and taxes under the municipal cost  
component that parallel state and local limitations. The  
12 amendment also directs the Commission to Study the Cost of  
Providing Certain Services in the Unorganized Territories to  
14 review the new growth limitations and make recommendations for  
retaining, amending or repealing those limitations to the joint  
standing committee of the Legislature having jurisdiction over  
16 taxation matters as part of its reporting responsibilities under  
Resolve 2005, chapter 125.

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**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 122nd MAINE LEGISLATURE

LD 2039

LR 3199(02)

**An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered  
in Fiscal Year 2006-07**

**Fiscal Note for Bill as Amended by Committee Amendment "A"**

**Committee: Taxation**

**Fiscal Note Required: Yes**

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## Fiscal Note

No net fiscal impact - General Fund

### Fiscal Detail and Notes

The amounts in the bill for the state costs included in the municipal cost components are based on budgeted expenditures for fiscal year 2006-07. These costs are incorporated into the tax assessment for the unorganized territory, which is collected as dedicated revenue to the Unorganized Territory Education and Services Fund. Transfers are then made to the other dedicated accounts for certain expenditures related to the Unorganized Territory and to the General Fund to reimburse for actual General Fund expenditures included in the municipal cost components. This bill will not affect budgeted General Fund revenue or appropriations.