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Date: 3/10/8

MINORITY

L.D. 885 (Filing No. H-730)

## TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

# STATE OF MAINE HOUSE OF REPRESENTATIVES 123RD LEGISLATURE

### SECOND REGULAR SESSION

9 COMMITTEE AMENDMENT "B" to H.P. 670, L.D. 885, Bill, "An Act To 10 Implement the Recommendations of the Commission To Study the Costs of Providing 11 Certain Services in the Unorganized Territories"

12 Amend the bill in Part B by striking out all of sections 4 and 5 and inserting the 13 following:

14 'Sec. B-4. 12 MRSA §685-G is enacted to read:

### 15 §685-G. Funding

16 **1. Unorganized territories.** Beginning with fiscal year 2009-10, funding for 17 services and activities of the commission for planning, permitting and ensuring 18 compliance in the unorganized territories must be assessed and allocated to the 19 unorganized territories through a fee equal to .013% of the most recent equalized state 20 valuation established by the State Tax Assessor. This fee must be collected through the 21 municipal cost component under Title 36, chapter 115.

22 2. Towns and plantations. Beginning with fiscal year 2009-10, a town or a plantation in the commission's jurisdiction that elects not to administer land use controls 23 24 at the local level but receives commission services or a town or plantation with a portion 25 of its land under the commission's jurisdiction and receiving commission services, 26 including planning, permitting and ensuring compliance, must be assessed a fee equal to 27 .015% of the most recent equalized state valuation established by the State Tax Assessor 28 for that town or plantation or that portion of a town or plantation under the commission's 29 jurisdiction. The State Tax Assessor shall issue a warrant to each such town or plantation 30 no later than March 1st of each year. The warrant is payable on demand. Interest charges 31 on unpaid fees begin on June 30th of each year and are compounded monthly at the 32 interest rate for unpaid property tax as established by the State Tax Assessor for the 33 unorganized territory. For any assessment that remains unpaid as of September 1st of the 34 vear in which it is due, state revenue sharing to that town or plantation must be reduced 35 by an amount equal to any unpaid warrant amount plus any accrued interest, until the 36 amount is paid. These fees must be deposited to the General Fund.

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# **COMMITTEE AMENDMENT**

# COMMITTEE AMENDMENT "B" to H.P. 670, L.D. 885



3. Report. By January 15, 2009 and annually thereafter, the commission shall report 1 2 to the joint standing committees of the Legislature having jurisdiction over conservation 3 matters and taxation matters regarding commission funding and other financial matters. 4 The report must cover the 5 previous fiscal years and must identify General Fund 5 appropriations and other resources, amounts assessed and collected from the assessments 6 required under this section and former section 685-E and amounts assessed and collected 7 from other fees and penalties assessed under this chapter. The joint standing committees 8 of the Legislature having jurisdiction over conservation matters and taxation matters shall 9 jointly review the distribution of funding and other assessments among the General Fund, 10 unorganized territories and towns and plantations under the commission's jurisdiction and may submit legislation considered necessary as a result of the commission's report to the 11 12 First Regular Session of the 124th Legislature.

13 Sec. B-5. Report. By January 15, 2009, the Maine Land Use Regulation 14 Commission shall report to the joint standing committees of the Legislature having 15 jurisdiction over conservation matters and taxation matters making recommendations, 16 including legislation if necessary, to enforce payment of the assessments required under 17 the Maine Revised Statutes, Title 12, section 685-G, subsection 2. The joint standing 18 committees of the Legislature having jurisdiction over conservation matters and taxation 19 matters shall jointly review the recommendations and may submit legislation considered 20 necessary as a result of the commission's report to the First Regular Session of the 124th 21 Legislature.'

Amend the bill in Part B in section 6 in the last line (page 3, line 5 in L.D.) by striking out the following: "2008" and inserting the following: '2009'

Amend the bill in Part C in section 1 in subsection 5 in the next to the last line (page 3, line 13 in L.D.) by striking out the following: "2008-09" and inserting the following: '2009-10'

Amend the bill in Part C in section 2 in subsection 4 in the next to the last line (page 3, line 21 in L.D.) by striking out the following: "2008-09" and inserting the following: '2009-10'

Amend the bill in Part C in section 3 in the 6th line (page 3, line 28 in L.D.) by striking out the following: "2008" and inserting the following: '2009'

Amend the bill in Part C in section 3 in the last line (page 3, line 33 in L.D.) by striking out the following: "Second Regular Session of the 123rd Legislature" and inserting the following: 'First Regular Session of the 124th Legislature'

- 35 Amend the bill in Part F by striking out all of section 4.
- 36 Amend the bill by inserting after Part F the following:
- 37 **'PART G**

38 Sec. G-1. 30-A MRSA §7501, sub-§3, as enacted by PL 1987, c. 737, Pt. A, §2
and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is
further amended to read:

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# **COMMITTEE AMENDMENT**

COMMITTEE AMENDMENT "B" to H.P. 670, L.D. 885

**3. Roads and bridges.** Construction, repair and maintenance of roads and bridges, including snow removal, except that the county commissioners may not expend money for improvements, maintenance or snow removal on any privately owned road within the unorganized territory in which the county has not acquired any property interest. The county commissioners may enact an ordinance to establish road standards for the purpose of preserving, protecting and maintaining roads in which the county has acquired a property interest;'

8 Amend the bill by relettering or renumbering any nonconsecutive Part letter or 9 section number to read consecutively.

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#### **SUMMARY**

This amendment, which is the minority report of the committee, changes the formula for assessing the unorganized territory for services of the Maine Land Use Regulation Commission by reducing the percentage of state valuation to .013%, changes the increase in the assessment against towns and plantations to .015% and provides that a report on funding be submitted annually.

16 The amendment delays by one year the provisions relating to transportation and 17 reimbursement of transportation of students.

18 The amendment adds a provision authorizing the county commissioners to enact an 19 ordinance related to road construction, repair and maintenance on roads in the 20 unorganized territory in which the county has a property interest.

The amendment also changes some dates to reflect implementation timetables anticipated in the bill.

#### FISCAL NOTE REQUIRED (See attached)

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COMMITTEE AMENDMENT



# **123rd MAINE LEGISLATURE**

LD 885

LR 714(02)

An Act To Implement the Recommendations of the Commission To Study the Costs of Providing Certain Services in the Unorganized Territories

> Fiscal Note for Bill as Amended by Committee Amendment "B" Committee: Taxation Fiscal Note Required: Yes

### **Fiscal Note**

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings) General Fund	\$0	\$0	(\$59,813)	(\$59,813)
<b>Revenue</b> General Fund	\$0	\$0	\$59,813	\$59,813

#### **Fiscal Detail and Notes**

Changing the method of assessing areas under the jurisdiction of the Maine Land Use Regulation Commission for the cost of providing services for the unorganized territory and for certain towns and plantations will result in an increase in General Fund revenue of \$79,093 annually beginning in fiscal year 2009-10. This change will increase the amount the unorganized territory, towns and plantations pay to the General Fund for Land Use Regulation Commission services. Also, this legislation does not permit reimbursement to parents for student transportation under certain conditions beginning in fiscal year 2009-10. This change will decrease the amount the unorganized territory pays to the General Fund by \$19,280 annually beginning in fiscal year 2009-10. The net effect of these changes will result in an increase in General Fund revenue of \$59,813 annually beginning in fiscal year 2009-10.

Legislative costs associated with the joint review of certain information by the Taxation Committee and the Agriculture, Conservation and Forestry Committee will be absorbed utilizing existing budgeted resources. Additional costs to the Department of Education to conduct the required review and prepare the required report can be absorbed within existing budgeted resources.