

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 885

H.P. 670

House of Representatives, February 28, 2007

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

Reported by Representative DUCHESNE of Hudson for the Commission to Study the Costs of Providing Certain Services in the Unorganized Territories pursuant to Resolve 2005, chapter 125.

Reference to the Committee on Taxation suggested and ordered printed under Joint Rule 218.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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

2 **PART A**

3 **Sec. A-1. 30-A MRSA §7504** is enacted to read:

4 **§7504. Service fees**

5 **1. Authority.** The county commissioners of each county may impose a service fee
6 on recipients of eligible services, as described in subsection 2, provided in the
7 unorganized territory.

8 **2. Eligible services.** For the purposes of this section, eligible services include:

9 A. Solid waste management;

10 B. Structural fire protection;

11 C. Ambulance and emergency medical services;

12 D. Law enforcement;

13 E. Animal control; and

14 F. Other services provided to property owners or residents in a limited geographic
15 area.

16 **3. Conditions.** A service fee imposed under this section must be:

17 A. Based on the actual cost of providing the service;

18 B. Imposed only on persons eligible for or actually receiving the service; and

19 C. Imposed on all similarly situated persons eligible for or actually receiving the
20 service.

21 **4. Use of revenues.** Revenues received under this section must be used to reduce the
22 amount requested to be raised through property taxes under Title 36, chapter 115.

23 **PART B**

24 **Sec. B-1. 12 MRSA §685-D**, as amended by PL 1999, c. 333, §18, is repealed.

25 **Sec. B-2. 12 MRSA §685-E**, as amended by PL 2005, c. 386, Pt. I, §2, is
26 repealed.

27 **Sec. B-3. 12 MRSA §685-F, sub-§1, ¶B**, as enacted by PL 2005, c. 107, §2 and
28 as affected by §4, is amended to read:

29 B. Require the commission to incur costs that exceed the funding provided in
30 accordance with section ~~685-D~~ 685-G.

31 **Sec. B-4. 12 MRSA §685-G** is enacted to read:

1 **§685-G. Funding**

2 **1. Unorganized territories.** Beginning with fiscal year 2008-09, funding for
3 services and activities of the commission for planning, permitting and ensuring
4 compliance in the unorganized territories must be assessed and allocated to the
5 unorganized territories through a fee equal to .014% of the most recent equalized state
6 valuation established by the State Tax Assessor. This fee must be collected through the
7 municipal cost component under Title 36, chapter 115.

8 **2. Towns and plantations.** Beginning with fiscal year 2008-09, a town or a
9 plantation in the commission's jurisdiction that elects not to administer land use controls
10 at the local level but receives commission services or a town or plantation with a portion
11 of its land under the commission's jurisdiction and receiving commission services,
12 including planning, permitting and ensuring compliance, must be assessed a fee equal to
13 .025% of the most recent equalized state valuation established by the State Tax Assessor
14 for that town or plantation or that portion of a town or plantation under the commission's
15 jurisdiction. The State Tax Assessor shall issue a warrant to each such town or plantation
16 no later than March 1st of each year. The warrant is payable on demand. Interest charges
17 on unpaid fees begin on June 30th of each year and are compounded monthly at the
18 interest rate for unpaid property tax as established by the State Tax Assessor for the
19 unorganized territory. For any assessment that remains unpaid as of September 1st of the
20 year in which it is due, state revenue sharing to that town or plantation must be reduced
21 by an amount equal to any unpaid warrant amount plus any accrued interest, until the
22 amount is paid. These fees must be deposited to the General Fund.

23 **Sec. B-5. Reports.** The Maine Land Use Regulation Commission shall make the
24 following reports to the Legislature.

25 1. By January 15, 2008 the commission shall report to the joint standing committees
26 of the Legislature having jurisdiction over conservation matters and taxation matters
27 making recommendations, including legislation if necessary, to enforce payment of the
28 assessments required under the Maine Revised Statutes, Title 12, section 685-G,
29 subsection 2. The joint standing committees of the Legislature having jurisdiction over
30 conservation matters and taxation matters shall jointly review the recommendations and
31 may submit legislation considered necessary as a result of the commission's report to the
32 Second Regular Session of the 123rd Legislature.

33 2. By January 15, 2009 the commission shall report to the joint standing committees
34 of the Legislature having jurisdiction over conservation matters and taxation matters
35 regarding commission funding and other financial matters. The report must cover the 5
36 previous fiscal years and must identify General Fund appropriations and other resources,
37 amounts assessed and collected from the assessments required under the Maine Revised
38 Statutes, Title 12, section 685-G and amounts assessed and collected from fees and
39 penalties assessed under Title 12, chapter 206-A. The joint standing committees of the
40 Legislature having jurisdiction over conservation matters and taxation matters shall
41 jointly review the distribution of funding and other assessments among the General Fund,
42 unorganized territories and towns and plantations under the commission's jurisdiction and

1 may submit legislation considered necessary as a result of the commission's report to the
2 First Regular Session of the 124th Legislature.

3 **Sec. B-6. Effective date.** Those sections of this Part that repeal the Maine
4 Revised Statutes, Title 12, sections 685-D and 685-E and amend section 685-F,
5 subsection 1, paragraph B take effect June 30, 2008.

6 **PART C**

7 **Sec. C-1. 20-A MRSA §3252, sub-§5,** as repealed and replaced by PL 1985, c.
8 490, §3, is amended to read:

9 **5. Transportation and board.** The costs of transportation or board for students
10 under this section may be paid in full or in part by the commissioner except that the
11 commissioner may not provide or reimburse parents for providing transportation of
12 students over roads that have not been accepted by the county as public roads or do not
13 meet Department of Transportation standards. Beginning with fiscal year 2008-09, the
14 commissioner may not reimburse parents for the transportation of a student.

15 **Sec. C-2. 20-A MRSA §3253-A, sub-§4,** as enacted by PL 1985, c. 490, §5, is
16 amended to read:

17 **4. Transportation or board.** The costs of transportation or board for students under
18 this section may be paid in full or in part by the commissioner except that the
19 commissioner may not provide or reimburse parents for providing transportation of
20 students over roads that have not been accepted by the county as public roads or do not
21 meet Department of Transportation standards. Beginning with fiscal year 2008-09, the
22 commissioner may not reimburse parents for the transportation of a student.

23 **Sec. C-3. Review and recommendation.** The Department of Education shall
24 review whether the Unorganized Territory Education and Services Fund under Title 36,
25 chapter 115 should be entitled to receive aid from the General Fund in the same manner
26 as if the Unorganized Territory Tax District were a school administrative district under
27 the essential programs and services program. The department shall submit a report by
28 January 15, 2008 to the joint standing committee of the Legislature having jurisdiction
29 over taxation matters indicating the results of its review, including the fiscal impacts of
30 making that change in entitlement and any statutory changes that would be necessary to
31 accomplish the change. The joint standing committee of the Legislature having
32 jurisdiction over taxation matters may submit legislation considered necessary as a result
33 of the report to the Second Regular Session of the 123rd Legislature.

34 **PART D**

35 **Sec. D-1. 36 MRSA §1605, sub-§4** is enacted to read:

36 **4. Fund accounting.** The State Controller shall establish an Unorganized Territory
37 Education and Services Fund that reflects all of the activity of that fund within the state
38 accounting system chart of accounts in accordance with the standards of a governmental
39 accounting standards board as they apply to financial statements of the fund.

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PART E

Sec. E-1. 36 MRSA §1487, sub-§2, as amended by PL 1995, c. 29, §1, is further amended to read:

2. State Tax Assessor. In the unorganized territory, the State Tax Assessor shall appoint agents to collect the excise tax. Agents, including municipalities designated as agents, are allowed a fee of \$4 ~~§6~~ for each tax receipt issued. Agents shall deposit the remainder on or before the 20th day of each month following receipt with the Treasurer of State. The Treasurer of State shall make quarterly payments to each county in an amount that is equal to the receipts for that period from each county. Those payments must be made at the same time as payments under section 1606. County receipts under this section must be deposited in the county's unorganized territory fund.

PART F

Sec. F-1. 30-A MRSA §7501, sub-§2, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C, §106 and as amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is repealed and the following enacted in its place:

2. Solid waste. Solid waste management:

Sec. F-2. 30-A MRSA §7502, sub-§1, as amended by PL 2003, c. 414, Pt. B, §47 and as affected by c. 614, §9, is further amended to read:

1. Fund established. There is established in each county one unorganized territory fund to which must be credited all receipts under Title 12, section 10203 and Title 36, sections ~~1489~~ 1487, 1505 and 1606 and all other receipts that are allocated for municipal services in the unorganized territory, and from which all disbursements for municipal services in the unorganized territory are made.

Sec. F-3. 36 MRSA §1602, sub-§4, ¶B, as amended by PL 1985, c. 458, §1, is further amended to read:

B. The State Tax Assessor shall establish a district-wide mill rate calculated to raise the cost of all other portions of the municipal cost component certified by the Legislature. ~~For fiscal years 1985-86, 1986-87, 1987-88, 1988-89 and 1989-90, in figuring the district wide mill rate, the State Tax Assessor shall subtract \$100,000 from the amount certified by the Legislature.~~

Sec. F-4. 36 MRSA §1610, as enacted by PL 1985, c. 458, §2, is repealed.

SUMMARY

This bill implements the recommendations of the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories established by Resolve 2005, chapter 125.

1 Part A provides authority for county commissioners to impose service fees for certain
2 types of services provided in the unorganized territory. Service fees must be based on the
3 actual cost of providing the service, imposed only on persons actually receiving the
4 service and imposed on all similarly situated persons receiving the service. Revenues
5 must be used to reduce property taxes.

6 Part B changes the method of assessing areas under the jurisdiction of the Maine
7 Land Use Regulation Commission for the cost of providing services. The unorganized
8 territory will be assessed a fee equal to .014% of state valuation. Towns and plantations
9 under the jurisdiction of the Maine Land Use Regulation Commission will be assessed a
10 fee equal to .025% of state valuation, reflecting a higher amount of commission activities
11 in those areas. The commission is required to report during the First Regular Session of
12 the 124th Legislature regarding financial matters.

13 Part C provides that the Commissioner of Education may not provide or reimburse
14 parents for providing transportation for students over roads that have not been accepted
15 by the county as public roads or that do not meet Department of Transportation standards.
16 Reimbursement to parents for transportation of a student will not be permitted beginning
17 in fiscal year 2008-09.

18 Part D requires the State Controller to establish an Unorganized Territory Education
19 and Services Fund that is in accordance with the standards of a governmental accounting
20 standards board as they apply to financial statements.

21 Part E increases the fee paid to agents collecting motor vehicle and watercraft excise
22 taxes in the unorganized territory from \$4 to \$6.

23 Part F makes technical changes to update language and statutory references and
24 repeals an obsolete provision in the laws relating to the funding of services in the
25 unorganized territory.