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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document	No. 1486
H.P. 1041	House of Representatives, June 3, 2009

Resolve, To Establish a Transition Adjustment for Fiscal Year 2009-10

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. Mac Jarland

MILLICENT M. MacFARLAND Clerk

Presented by Representative WEBSTER of Freeport. Cosponsored by Senator GERZOFSKY of Cumberland and Representatives: AUSTIN of Gray, VAN WIE of New Gloucester, Senator: SIMPSON of Androscoggin.

Sec. 1. Transition adjustment for fiscal year 2009-10. Resolved: That, 1 2 notwithstanding any provision of law to the contrary, the Commissioner of Education 3 shall establish a transition adjustment to minimize the adverse fiscal impact that may be experienced by some municipalities as a result of unique changes in "property fiscal 4 capacity" as defined in the Maine Revised Statutes, Title 20-A, section 15672, subsection 23. A municipality is eligible for this adjustment if the municipality experiences: 6

7 1. An increase of 14% or more in property fiscal capacity from the 2007 certified 8 state valuation to the 2008 certified state valuation; and

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9 2. A decrease of 6% or more in property fiscal capacity from the 2008 certified state 10 valuation to the 2009 certified state valuation.

11 A municipality eligible under this section is entitled to receive a transition adjustment that provides that the property fiscal capacity of that municipality is the 2009 certified 12 state valuation for fiscal year 2009-10 funding calculations. 13

SUMMARY

15 This resolve directs the Commissioner of Education to establish a transition 16 adjustment to minimize any adverse fiscal impact that may be experienced by some municipalities as a result of sudden, severe changes in property fiscal capacity. This 17 18 adjustment will be available only to a municipality that experiences an increase of 14% or 19 more in property fiscal capacity between the 2007 and the 2008 certified state valuations 20 and that immediately experiences a decrease of 6% or more in property fiscal capacity 21 between the 2008 and the 2009 certified state valuations.

> Fiscal Note Required (see attached)



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LR 2010(01)

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Preliminary Fiscal Impact Statement for Original Bill Sponsor: Rep. Webster of Freeport **Committee: Not Referred Fiscal Note Required: Yes**

Fiscal Note

No State fiscal impact

Fiscal Detail and Notes

Directing the Commissioner of Education to establish a transition adjustment to minimize any adverse fiscal impact that may be experienced by eligible municipalities as a result of changes in property fiscal capacity will not change the total state and local cost of K-12 public education or the State's share of that cost. In addition, this resolve will not affect the fiscal year 2009-10 distribution of state subsidy to local school administrative units.