

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 281

H.P. 199

House of Representatives, February 5, 2015

Resolve, To Modify the State Valuation of the Town of Madison To Reflect the Loss in Valuation of the Madison Paper Company and To Modify the State Valuation of the Town of Skowhegan To Reflect the Loss in Valuation of the S.D. Warren Company

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative McCABE of Skowhegan.
Cosponsored by Senator WHITTEMORE of Somerset and
Representatives: DUNPHY of Embden, FARRIN of Norridgewock, PICCHIOTTI of Fairfield,
SHORT of Pittsfield, SKOLFIELD of Weld, STETKIS of Canaan.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the value of property within a municipality is a major factor in the
4 calculation of municipal revenue sharing and general purpose aid for local schools; and

5 **Whereas,** the Town of Madison derives a large portion of its tax valuation from the
6 presence of the Madison Paper Company, and the Town of Skowhegan derives a large
7 portion of its tax valuation from the presence of the S.D. Warren Company; and

8 **Whereas,** between the 2013 and 2014 tax years, the value of the Madison Paper
9 Company has been reduced by \$149,700,000, representing 65% of its taxable value, and
10 the value of the S.D. Warren Company has been reduced by \$100,000,000, representing
11 18% of its taxable value, as a result of the weakness in the market for printed paper
12 products; and

13 **Whereas,** prior to this decrease, the Madison Paper Company represented
14 approximately 40% of the tax base of the Town of Madison, and the S.D. Warren
15 Company represented approximately 9.5% of the tax base of the Town of Skowhegan;
16 and

17 **Whereas,** unless immediate action is taken to account for this decrease in valuation,
18 the Town of Madison and the Town of Skowhegan will experience the loss of significant
19 revenues based on the decreased valuation of the Madison Paper Company and the S.D.
20 Warren Company; and

21 **Whereas,** in the absence of legislative action, the state valuation of the Town of
22 Madison and the Town of Skowhegan will not be adjusted to reflect this significant
23 reduction in value for 2 years; and

24 **Whereas,** in the absence of legislative action, the distribution of general purpose aid
25 for local schools to Regional School Unit No. 59, a school unit composed entirely of the
26 Town of Madison, and to Regional School Unit No. 54, a school unit composed of the
27 towns of Skowhegan, Canaan, Cornville, Mercer, Smithfield and Norridgewock, will be
28 calculated on the basis of an inaccurate equalized valuation for at least 3 years; and

29 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
30 the meaning of the Constitution of Maine and require the following legislation as
31 immediately necessary for the preservation of the public peace, health and safety; now,
32 therefore, be it

33 **Sec. 1. Modify 2015 state valuations. Resolved:** That, notwithstanding the
34 Maine Revised Statutes, Title 36, the 2015 state valuations for the Town of Madison and
35 the Town of Skowhegan for the purposes of calculating state-municipal revenue-sharing
36 funds and the distribution of general purpose aid for local schools must be based on a
37 valuation that values the property of the Madison Paper Company in the Town of
38 Madison at \$80,000,000 and values the property of the S.D. Warren Company in the
39 Town of Skowhegan at \$463,224,200; and be it further

