

MAINE STATE LEGISLATURE

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L.D. 1699

Date: 4-13-16

(Filing No. S-519)

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STATE OF MAINE
SENATE
127TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to S.P. 705, L.D. 1699, Bill, "An Act To Provide Relief for Significant Reductions in Municipal Property Fiscal Capacity"

Amend the bill by striking out all of sections 1, 2 and 3 and inserting the following:

'Sec. 1. Property fiscal capacity determination for fiscal year 2016-17 for municipality with decline in valuation. Notwithstanding the Maine Revised Statutes, Title 20-A, section 15672, subsection 23, paragraph C, for fiscal year 2016-17, if a municipality's 2016 certified state valuation declines in an amount that is greater than 4.5% from the next most recently certified state valuation and that decline is due to the loss in value attributable to a single taxpayer, the State Tax Assessor shall certify to the Commissioner of Education that the municipality's property fiscal capacity is the average of the 2016 certified state valuation for that municipality and the property fiscal capacity under Title 20-A, section 15672, subsection 23, paragraph C.'

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

SUMMARY

This amendment limits to fiscal year 2016-17 the change in the determination for property fiscal capacity as used to determine the amount of state aid a school administrative unit receives under the school funding formula if a municipality has experienced a decline in state valuation of at least 4.5% attributable to one taxpayer.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY: 

(Senator MILLETT)

COUNTY: Cumberland

SENATE AMENDMENT



127th MAINE LEGISLATURE

LD 1699

LR 2817(02)

An Act To Provide Relief for Significant Reductions in Municipal Property Fiscal Capacity

Fiscal Note for Senate Amendment 'A' to Original Bill

Sponsor: Sen. Millett of Cumberland

Fiscal Note Required: Yes

(S-519)

Fiscal Note

Limits all provisions to one-time

Fiscal Detail and Notes

This amendment limits the modification in the way the "property fiscal capacity" is determined for municipalities under certain conditions to fiscal year 2016-17 only. This amendment eliminates the impact on the distribution of school subsidy to SAU's in future years when a municipality experiences a significant decline in valuation.

As amended, requiring the Department of Education to identify savings from unused debt service within the General Purpose Aid for Local Schools program to fund the provisions in this legislation without impacting the mill rate expectation established in Public Law 2015, c. 389, Part C, section 11 for fiscal year 2016-17 will allow municipalities unaffected by this legislation to receive the same amount of state subsidy they would have received absent this legislation. Those SAU's affected by this legislation will receive more state subsidy than would have been received had this legislation not been in place. The impact on each individual SAU affected by this legislation in fiscal year 2016-17 can not be determined at this time. Without this bill any unused debt service funds would be carried forward into fiscal year 2017-18 to be available for other expenditures within GPA.