

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 420

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H.P. 300

House of Representatives, February 7, 2017

**An Act To Require Same-year State Valuations for Education  
Funding Purposes for Municipalities That Lose More Than 35  
Percent of Their Tax Base**

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

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

ROBERT B. HUNT  
Clerk

Presented by Representative AUSTIN of Skowhegan.  
Cosponsored by Senator CHENETTE of York and Representatives: DOORE of Augusta,  
MARTIN of Sinclair, RILEY of Jay, SKOLFIELD of Weld, SPEAR of South Thomaston.

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

2 **Sec. 1. 20-A MRSA §15672, sub-§23, ¶¶B and C**, as enacted by PL 2013, c.  
3 203, §1, are amended to read:

4 B. For fiscal year 2014-15, the average of the certified state valuations for the 2 most  
5 recent years prior to the most recently certified state valuation; ~~and~~

6 C. ~~For~~ Except as provided in paragraph D, for fiscal year 2015-16 and each  
7 subsequent fiscal year, the average of the certified state valuations for the 3 most  
8 recent years prior to the most recently certified state valuation; ~~and~~ and

9 **Sec. 2. 20-A MRSA §15672, sub-§23, ¶D** is enacted to read:

10 D. Beginning in fiscal year 2018-19, if the State Tax Assessor has certified to the  
11 commissioner under Title 36, section 208-B that a municipality's most recently  
12 certified state valuation is at least 35% less than the state valuation for the previous  
13 year and the decline is due to a loss of valuation attributable to a single taxpayer, the  
14 most recently certified state valuation for the municipality.

15 **Sec. 3. 36 MRSA §208-B** is enacted to read:

16 **§208-B. Decline in certified state valuation**

17 Beginning with the 2018 state valuation, if a municipality's most recently certified  
18 state valuation declines in an amount that is greater than 35% from the next most recently  
19 certified state valuation and that decline is due to the loss in value attributable to a single  
20 taxpayer, the State Tax Assessor shall certify to the Commissioner of Education that the  
21 municipality's certified state valuation qualifies under Title 20-A, section 15672,  
22 subsection 23, paragraph D.

23 **SUMMARY**

24 This bill changes the determination for property fiscal capacity as used to determine  
25 the amount of state aid a school administrative unit receives under the school funding  
26 formula if a municipality has experienced a decline in state valuation of at least 35%  
27 attributable to one taxpayer. Under this bill, the State Tax Assessor is required to certify  
28 to the Commissioner of Education when a municipality's state valuation has declined by  
29 at least 35% from the previous year's certified state valuation and the decline is due to the  
30 loss in value attributable to a single taxpayer. When those conditions have been met, the  
31 property fiscal capacity for that municipality is the most recently certified state valuation.