

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 492

H.P. 355

House of Representatives, February 9, 2017

An Act To Restore Revenue Sharing

Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative TEPLER of Topsham.

Cosponsored by Representatives: MASTRACCIO of Sanford, NADEAU of Winslow, Senator LIBBY of Androscoggin and Representatives: GILLWAY of Searsport, HUBBELL of Bar Harbor, MADIGAN of Rumford, PERRY of Calais, SPEAR of South Thomaston, STANLEY of Medway, Senator: KATZ of Kennebec.

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

2 **Sec. 1. 30-A MRSA §5681, sub-§5**, as amended by PL 2015, c. 267, Pt. K, §1, is
3 further amended to read:

4 **5. Transfers to funds.** No later than the 10th day of each month, the State
5 Controller shall transfer to the Local Government Fund 5% of the receipts during the
6 previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36,
7 section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund
8 without any reduction, except that for fiscal years 2015-16, 2016-17, and the first 3
9 months of fiscal year 2017-18 and 2018-19 the amount transferred is 2% of the receipts
10 during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title
11 36, section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund
12 without any reduction, and except that the postage, state cost allocation program and
13 programming costs of administering state-municipal revenue sharing may be paid by the
14 Local Government Fund. A percentage share of the amounts transferred to the Local
15 Government Fund each month must be transferred to the Disproportionate Tax Burden
16 Fund and distributed pursuant to subsection 4-B as follows:

17 C. For months beginning on or after July 1, 2009 but before July 1, 2010, 15%;

18 D. For months beginning on or after July 1, 2010 but before July 1, 2011, 16%;

19 E. For months beginning on or after July 1, 2011 but before July 1, 2012, 17%;

20 F. For months beginning on or after July 1, 2012 but before July 1, 2013, 18%;

21 G. For months beginning on or after July 1, 2013 but before July 1, 2014, 19%; and

22 H. For months beginning on or after July 1, 2014, 20%.

23 **Sec. 2. 30-A MRSA §5681, sub-§5-C**, as amended by PL 2013, c. 368, Pt. J, §1,
24 is further amended to read:

25 **5-C. Transfers to General Fund.** For the months beginning on or after July 1,
26 2009, \$25,383,491 in fiscal year 2009-10, \$38,145,323 in fiscal year 2010-11,
27 \$40,350,638 in fiscal year 2011-12, \$44,267,343 in fiscal year 2012-13, \$73,306,246 in
28 fiscal year 2013-14 ~~and~~, \$85,949,391 in fiscal year 2014-15, \$51,158,323 from October
29 2017 to July 2018 and \$34,662,264 in fiscal year 2018-19 from the total transfers
30 pursuant to subsection 5 must be transferred to General Fund undedicated revenue. The
31 amounts transferred to General Fund undedicated revenue each fiscal year pursuant to
32 this subsection must be deducted from the distributions required by subsections 4-A and
33 4-B based on the percentage share of the transfers to the Local Government Fund
34 pursuant to subsection 5. The reductions in this subsection must be allocated to each
35 month proportionately based on the budgeted monthly transfers to the Local Government
36 Fund as determined at the beginning of the fiscal year.

37 **SUMMARY**

38 Currently, state-municipal revenue sharing is decreased from 5% to 2% for fiscal
39 years 2017-18 and 2018-19; it reverts to 5% beginning with fiscal year 2019-20.

1 This bill reverts the percentage of state-municipal revenue sharing to 5% beginning
2 October 1, 2017 but then requires a fixed portion of that amount to be transferred to the
3 General Fund beginning in October 2017 and for all of fiscal year 2018-19.