

MAINE STATE LEGISLATURE

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Minority

L.D. 193

SMC
R. of S.

Date: 5/14/19

Minority

(Filing No. H-261)

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 156, L.D. 193, Bill, "An Act To Fully Fund and Restore State-Municipal Revenue Sharing"

Amend the bill by striking out the title and substituting the following:

'An Act To Phase In the Restoration of State-Municipal Revenue Sharing to 5 Percent in Fiscal Year 2021-22'

Amend the bill by striking out all of section 1 and inserting the following:

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

5. Transfers to funds. No later than the 10th day of each month, the State Controller shall transfer to the Local Government Fund 5% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund without any reduction, except that for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19 the amount transferred is 2%, for fiscal year 2019-20 the amount transferred is 2.5% and for fiscal year 2020-21 the amount transferred is 3% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund without any reduction, and except that the postage, state cost allocation program and programming costs of administering state-municipal revenue sharing may be paid by the Local Government Fund. A percentage share of the amounts transferred to the Local Government Fund each month must be transferred to the Disproportionate Tax Burden Fund and distributed pursuant to subsection 4-B as follows:

- C. For months beginning on or after July 1, 2009 but before July 1, 2010, 15%;
- D. For months beginning on or after July 1, 2010 but before July 1, 2011, 16%;
- E. For months beginning on or after July 1, 2011 but before July 1, 2012, 17%;
- F. For months beginning on or after July 1, 2012 but before July 1, 2013, 18%;

COMMITTEE AMENDMENT

R. of S.

COMMITTEE AMENDMENT "B" to H.P. 156, L.D. 193

- 1 G. For months beginning on or after July 1, 2013 but before July 1, 2014, 19%; and
- 2 H. For months beginning on or after July 1, 2014, 20%.'

3 **SUMMARY**

4 This amendment, which is the minority report of the committee, provides that the
5 state-municipal revenue sharing percentage is 2.5% for fiscal year 2019-20 and 3% for
6 fiscal year 2020-21 and returns to 5% in fiscal year 2021-22.

7 **FISCAL NOTE REQUIRED**

8 (See attached)



129th MAINE LEGISLATURE

LD 193

LR 328(03)

An Act To Fully Fund and Restore State-Municipal Revenue Sharing

Fiscal Note for Bill as Amended by Committee Amendment *B (H-261)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	(\$85,218,902)	(\$74,524,016)	\$0	\$0
Revenue				
General Fund	\$85,218,902	\$74,524,016	\$0	\$0
Other Special Revenue Funds	(\$85,218,902)	(\$74,524,016)	\$0	\$0

Fiscal Detail and Notes

This amendment reduces the revenue sharing percentage to 2.5% in fiscal year 2019-20 and 3% in fiscal year 2020-21, returning to 5% in fiscal year 2021-22. It would result in an increase in General Fund revenue of \$85,218,902 in fiscal year 2019-20 and \$74,524,016 in fiscal year 2020-21, with a corresponding decrease in Local Government Fund revenue.