

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 444

S.P. 122

In Senate, January 29, 2019

An Act To Fully Restore Revenue Sharing

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BELLOWS of Kennebec.

Cosponsored by Senators: MIRAMANT of Knox, MOORE of Washington, Representatives: BEEBE-CENTER of Rockland, MADIGAN of Waterville, Representative WARREN of Hallowell and

Senators: CARSON of Cumberland, President JACKSON of Aroostook, SANBORN, H. of Cumberland, Representatives: ACKLEY of Monmouth, DOORE of Augusta, FECTEAU of Biddeford, MAXMIN of Nobleboro.

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,** state-municipal revenue sharing was decreased for fiscal years 2015-16,
4 2016-17, 2017-18 and 2018-19 from 5% to 2%; and

5 **Whereas,** the decrease in funds shared with municipalities has had a drastic effect
6 on municipalities and their ability to provide services to their residents; and

7 **Whereas,** although the percentage of revenue sharing is scheduled to return to 5%
8 beginning July 1, 2019, it is necessary that these funds be restored as soon as possible to
9 avoid further damage to municipalities; and

10 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
11 the meaning of the Constitution of Maine and require the following legislation as
12 immediately necessary for the preservation of the public peace, health and safety; now,
13 therefore,

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

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

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

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

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

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

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

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

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

36 **Emergency clause.** In view of the emergency cited in the preamble, this
37 legislation takes effect when approved.

SUMMARY

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This bill restores state-municipal revenue sharing to 5% from 2% 3 months earlier than currently provided in law.