

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

SECOND REGULAR SESSION-2020

Legislative Document

No. 2161

H.P. 1545

House of Representatives, March 17, 2020

**An Act To Establish Municipal Cost Components for Unorganized
Territory Services To Be Rendered in Fiscal Year 2020-21**

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative TIPPING of Orono.

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,** prompt determination and certification of the municipal cost components
4 in the Unorganized Territory Tax District are necessary to the establishment of a mill rate
5 and the levy of the Unorganized Territory Educational and Services Tax; and

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

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

11 **Sec. 1. Municipal cost components for services rendered.** In accordance
12 with the Maine Revised Statutes, Title 36, chapter 115, the Legislature determines that
13 the net municipal cost component for services and reimbursements to be rendered in
14 fiscal year 2020-21 is as follows:

15	Fiscal Administration - Office of the State Auditor	\$245,718
16		
17	Education	12,923,626
18		
19	Forest Fire Protection	150,000
20		
21	Human Services - General Assistance	65,000
22		
23	Property Tax Assessment - Operations	1,175,334
24		
25	Maine Land Use Planning Commission -	599,144
26	Operations	
27		
28	TOTAL STATE AGENCIES	<hr/> \$15,158,822
29		
30	County Reimbursements for Services:	
31		
32	Aroostook	\$1,660,229
33	Franklin	1,178,763
34	Hancock	236,850
35	Kennebec	12,125
36	Oxford	1,396,537
37	Penobscot	1,597,454
38	Piscataquis	1,347,370
39	Somerset	1,828,286
40	Washington	1,348,371
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42	TOTAL COUNTY SERVICES	<hr/> \$10,605,985

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COUNTY TAX INCREMENT FINANCING
DISTRIBUTIONS FROM FUND

Tax Increment Financing Payments	\$3,721,137
TOTAL REQUIREMENTS	<u>\$29,485,944</u>

COMPUTATION OF ASSESSMENT

Requirements	\$29,485,944
Less Revenue Deductions:	
General Revenue	
State Revenue Sharing	\$100,000
Miscellaneous Revenues	10,000
Transfer from Fund Balance	819,663
TOTAL GENERAL REVENUE DEDUCTIONS	<u>\$929,663</u>
Educational Revenue	
Land Reserve Trust Interest	\$80,000
Tuition/Travel	150,000
Special - Teacher Retirement	230,000
TOTAL EDUCATION REVENUE DEDUCTIONS	<u>\$460,000</u>
TOTAL REVENUE DEDUCTIONS	<u>\$1,389,663</u>
TAX ASSESSMENT BEFORE COUNTY TAXES and OVERLAY (Title 36 §1602)	<u>\$28,096,281</u>

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

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SUMMARY

This bill establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

FISCAL NOTE REQUIRED

(See attached)



129th MAINE LEGISLATURE

LD 2161

LR 3287(01)

**An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered
in Fiscal Year 2020-21**

**Fiscal Note for Original Bill
Sponsor: Rep. Tipping of Orono
Committee: Not Referred
Fiscal Note Required: Yes**

Fiscal Note

No net fiscal impact

Fiscal Detail and Notes

The amounts in the bill for the state costs included in the municipal cost components are based on budgeted expenditures for fiscal year 2020-21. These costs are incorporated into the tax assessment for the unorganized territory, which is collected as dedicated revenue to the Unorganized Territory Education and Services Fund. Transfers are then made to the other dedicated accounts for certain expenditures related to the Unorganized Territory and to the General Fund to reimburse for actual General Fund expenditures included in the municipal cost components. This bill will not affect budgeted General Fund revenue or appropriations.