

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 409

H.P. 293

House of Representatives, February 10, 2021

An Act To Provide Funding To Restore Fully State-Municipal Revenue Sharing

(EMERGENCY)

Received by the Clerk of the House on February 8, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in black ink, reading "Rt B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative RISEMAN of Harrison.

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%, was 3% for fiscal year 2019-20 and is
5 3.75% for fiscal year 2020-21; and

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

8 **Whereas,** although the percentage of revenue sharing is scheduled to return to 5%
9 beginning July 1, 2021, it is necessary that these funds be increased as soon as possible to
10 avoid further damage to municipalities; and

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

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

16 **Sec. 1. 30-A MRSA §5681, sub-§5,** as amended by PL 2019, c. 343, Pt. H, §1, is
17 further amended to read:

18 **5. Transfers to funds.** No later than the 10th day of each month, the State Controller
19 shall transfer to the Local Government Fund 5% of the receipts during the previous month
20 from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection
21 1, paragraphs A to F and L, and credited to the General Fund without any reduction, except
22 that for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19 the amount transferred is 2%,
23 for fiscal year 2019-20 the amount transferred is 3% and for the first 6 months of fiscal
24 year 2020-21 the amount transferred is 3.75% of the receipts during the previous month
25 from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection
26 1, paragraphs A to F and L, and credited to the General Fund without any reduction, and
27 except that the postage, state cost allocation program and programming costs of
28 administering state-municipal revenue sharing may be paid by the Local Government Fund.
29 A percentage share of the amounts transferred to the Local Government Fund each month
30 must be transferred to the Disproportionate Tax Burden Fund and distributed pursuant to
31 subsection 4-B as follows:

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

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

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

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

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

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

38 **Sec. 2. Retroactivity.** This Act applies retroactively to January 1, 2021.

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

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SUMMARY

This bill increases state-municipal revenue sharing to 5% from 3.75% in the final 6 months of fiscal year 2020-21. Current law restores state-municipal revenue sharing to 5% beginning in fiscal year 2021-22.