

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 2006

S.P. 828

In Senate, June 1, 2023

An Act to Amend the Laws Regarding Adjustments for Sudden and Severe Disruption of Municipal Valuation

(AFTER DEADLINE)

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 black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator KEIM of Oxford.

Cosponsored by Representative DILL of Old Town and

Senator: TIPPING of Penobscot, Representative: LYMAN of Livermore Falls.

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

2 **Sec. 1. 30-A MRSA §5681, sub-§2, ¶B**, as amended by PL 2007, c. 662, §1, is
3 further amended to read:

4 B. "Property tax burden" means the total real and personal property taxes assessed in
5 the municipal fiscal year pertaining to the latest state valuation, except the taxes
6 assessed on captured value within a tax increment financing district, divided by the
7 latest state valuation certified to the Secretary of State. In the case of a municipality
8 that qualifies for an adjustment for sudden and severe disruption of valuation under
9 Title 36, section 208-A, the amount of money that municipality uses from undesignated
10 fund balances in the municipal fiscal year must be added to the total real and personal
11 property taxes assessed in each fiscal year that municipality qualifies for an adjustment
12 in the determination of the property tax burden.

13 **Sec. 2. 30-A MRSA §5681, sub-§2, ¶E**, as amended by PL 2011, c. 656, §1, is
14 further amended to read:

15 E. "Disproportionate tax burden" means the total real and personal property taxes
16 assessed in the municipal fiscal year pertaining to the latest state valuation, except the
17 taxes assessed on captured value within a tax increment financing district, divided by
18 the latest state valuation certified to the Secretary of State and reduced by .01. In the
19 case of a municipality that qualifies for an adjustment for sudden and severe disruption
20 of valuation under Title 36, section 208-A, the amount of money that municipality uses
21 from undesignated fund balances in the municipal fiscal year must be added to the total
22 real and personal property taxes assessed in each fiscal year that municipality qualifies
23 for an adjustment in the determination of the property tax burden. Beginning on July
24 1, 2013 and each July 1st thereafter, if the total revenue-sharing distribution as
25 calculated by subsection 5 is distributed to the municipalities without transfer or
26 reduction, the reduction factor must be increased by either .0005 or the percentage
27 increase necessary to equal the statewide average property tax rate, whichever increase
28 is smaller, until the fiscal year when the percentage reduction factor reaches the
29 statewide average property tax rate.

30 **SUMMARY**

31 This bill provides that the amount of money that a municipality that qualifies for an
32 adjustment for sudden and severe disruption of valuation uses from undesignated fund
33 balances does not reduce the amount of money that municipality receives in state-municipal
34 revenue sharing.