

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

One Hundred and Seventh Legislature

AT THE

1ST SPECIAL SESSION

JANUARY 19, 1976 TO APRIL 29, 1976

AND

2ND SPECIAL SESSION

JUNE 14, 1976

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 164, SUBSECTION 6.

PORTLAND LITHOGRAPH COMPANY
PORTLAND, MAINE
1977

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
One Hundred and Seventh Legislature
AT THE FIRST SPECIAL SESSION
January 19, 1976 to April 29, 1976
AND THE SECOND SPECIAL SESSION
June 14, 1976

Supplementary to the Acts and Resolves of the Regular Session

[supplied from page 3097 of volume]

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect March 1, 1976.

Effective March 1, 1976

CHAPTER 660

AN ACT to Revise the Laws Relating to Funding of Public Schools.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the education of the youth of Maine and providing funds therefor is a prime obligation of government and is essential to the preservation of the rights and liberties of the people; and

Whereas, the following legislation is vitally necessary to prevent undue hardship on those Maine citizens who are vitally interested in educating the youth of the State; and

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

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

Sec. 1. 20 MRSA § 358, as last amended by PL 1975, c. 510, § 18, is further amended by inserting after the 2nd paragraph the following new paragraph:

Notwithstanding any other provision of law, expenditures for bus purchases approved by the commissioner shall not be included within expenditure limitations placed on administrative units by other sections of this Title. The commissioner is directed to encourage administrative units, whenever possible, to pay for the cost of new buses from current funds rather than from short-term loans.

Sec. 2. 20 MRSA c. 512-A is enacted to read:

CHAPTER 512-A

THE SCHOOL FINANCE ACT OF 1976

§ 3741. Short title

This chapter may be cited as The School Finance Act of 1976.

§ 3742. Intent

It is the intent of the Legislature to limit the burden of education costs in public schools which are borne by the uniform property tax to no more than 50% of the basic education appropriation and to provide at least 50% of the basic education appropriation from state general fund revenue sources other than the uniform property tax.

It is further the intent of the Legislature to finance the uniform property tax share through a uniform property tax rate applied to all administrative units alike.

It is further the intent of the Legislature that the basic education appropriation, as annually established by the Legislature, shall be an amount sufficient to meet the level of actual education costs in the year immediately prior to the year of allocation.

It is further the intent of the Legislature to reduce the education costs in the nonprofit private schools of this State by reducing such costs to the extent and in the manner permitted by section 3748, subsection 10.

§ 3743. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. Year. "Year" means a fiscal year starting July 1st and ending June 30th of the succeeding year.
2. Base year. "Base year" means the 2nd year immediately prior to the year of allocation of funds.
3. Elementary grades. "Elementary grades" shall include a childhood educational program, as defined by section 859, through grade 8.
4. Secondary grades. "Secondary grades" shall mean grades 9 through 12.
5. Operating costs. "Operating costs" shall include all costs, except transportation costs, community service costs, major capital costs and debt service costs, reduced by tuition receipts, expenditures from all federal revenue sources except for amounts received under the provisions of public law 874, and reduced by expenditures for special and vocational education programs as defined in subsections 8 and 9. Operating costs shall not include the costs of maintaining the Governor Baxter State School for the Deaf, the Boys Training Center, the Stevens School, schools in the unorganized territories as defined by section 1451, and the Indian schools operated pursuant to Title 22, section 4719.
6. Average elementary per pupil operating costs. Until June 30, 1975, "average elementary per pupil operating costs" shall be computed by dividing elementary operating costs for the base year, increased by 6%, by the average number of resident elementary pupils, excluding those full-time students in special education programs, on October 1st and April 1st in the base year.

After July 1, 1975 "average elementary per pupil operating costs" shall be computed by dividing elementary operating costs for the base year by the

average number of resident elementary pupils on October 1st and April 1st in the base year.

7. Average secondary per pupil operating costs. Until June 30, 1975 "average secondary per pupil operating costs" shall be computed by dividing secondary operating costs for the base year, increased by 6%, by the average number of resident secondary pupils, excluding full-time students in special and vocational education programs, on October 1st and April 1st in the base year. Any student graduating from grade 12 during the base year prior to April 1st shall be counted as though he were in attendance on April 1st of that year.

After July 1, 1975, "average secondary per pupil operating costs" shall be computed by dividing secondary operating costs for the base year by the average resident secondary pupils on October 1st and April 1st in the base year. Any student graduating from grade 12 during the base year prior to April 1st shall be counted as though he were in attendance on April 1st of that year.

8. Special education. Until June 30, 1976, "special education," for subsidy purposes only, shall include programs which have been approved by the commissioner for children with special needs.

After July 1, 1976, "special education" for subsidy purposes only, shall include the costs of certified professionals, assistants and aides or persons contracted to perform a special education service, including the costs of tuition and board to other schools for programs which have been approved by the commissioner.

9. Vocational education. Until June 30, 1976, "vocational education," for subsidy purposes only, shall mean training in trade, industrial, agricultural, technical, fishing and service occupations. It shall not include business education, consumer education or home economics programs.

After July 1, 1976, "vocational education," for subsidy purposes only, shall mean training in trade, industrial, agricultural, technical and service occupations. It shall not include business education, consumer education or home economics programs. Subsidy for vocational education shall be limited to the costs of directors, certified professionals, assistants and aides, plus the costs of instructional materials, including books, which are unique to teaching a specific skill and the costs of equipment as approved by the Bureau of Vocational Education and the commissioner.

10. Debt service costs. "Debt service costs" for subsidy purposes shall include:

A. Principal and interest costs for major capital projects approved prior to the effective date of this Act;

B. That portion of the tuition costs applicable to the insured value factor computed under section 1292 and as computed for elementary school tuition purposes; and

C. Lease costs for school buildings when the leases have been approved by the commissioner.

11. Major capital costs. "Major capital costs" shall be approved by the State Board of Education and shall include all costs which are related to new construction, repairs, expansion, acquisition or alteration of any building or of any undeveloped land used or useful for school purposes and the costs of furnishings and equipment. Total major capital costs approved by the State Board of Education during any single year shall not exceed the limitation established by the Legislature in section 3747.

12. Minor capital costs. "Minor capital costs" shall include all costs which are related to repairs or alterations of any building or of any undeveloped land used or useful for school purposes and the cost of furnishings and equipment when such costs are financed out of the unit's operating budget. Minor capital costs shall not include construction of new buildings or the purchase of land. All minor capital costs shall be a part of operating costs. Operating costs for the year 1974-75 shall include a minor capital cost amount limited to \$10 per pupil.

13. Actual education costs. "Actual education costs" shall mean the total of paragraphs A to H:

- A. Elementary operating costs;
- B. Secondary operating costs;
- C. Costs of special education programs operated by administrative units;
- D. Costs of special education tuition and board, excluding medical costs;
- E. Costs of vocational education programs;
- F. Transportation costs;
- G. Debt service costs;
- H. Major capital costs;
- I. Cost of unusual enrollment adjustments;
- J. Cost of geographic isolation adjustments; and
- K. Costs of reimbursement for private school transportation.

The costs for paragraphs A through K shall be the reported expenditures for the base year.

14. Basic education appropriation. "Basic education appropriation" shall mean the amount for all public education programs established by the Legislature under section 3747.

15. Basic elementary per pupil operating rate. "Basic elementary per pupil operating rate" shall mean the rate established by the Legislature in section 3747, subsection 1 for the purpose of computing unit allocations under section 3748.

16. Basic secondary per pupil operating rate. "Basic secondary per pupil operating rate" shall mean the rate established by the Legislature in section 3747, subsection 2 for the purpose of computing unit allocations under section 3748.

§ 3744. Notification of actual education costs

1. Notification; items. The commissioner shall annually, prior to January 15th, notify the Legislature and the Bureau of the Budget of actual education costs as defined. Such notification shall also include, but not be limited to, the following items:

- A. Elementary operating costs;
- B. Secondary operating costs;
- C. Special education costs for programs operated by the administrative units;
- D. Special education costs for tuition and board, excluding medical costs;
- E. Vocational education costs;
- F. Transportation costs;
- G. Debt service costs;
- H. Major capital costs;
- I. Cost of unusual enrollment adjustments;
- J. Costs of geographic isolation adjustments;
- K. Costs of reimbursement for private school transportation;
- L. State expenditures for each of paragraphs C to K for the base year;
- M. Audit adjustments.
- N. Local and state funds raised under section 3748, subsection 4 to be used for the base year;
- O. Optional local funds without state participation raised under section 3749 for each of paragraphs A to K to be used during the base year.

Each administrative unit shall provide the commissioner with such information as he reasonably deems necessary to carry out this chapter according to reasonable time schedules as established by the commissioner.

§ 3745. Commissioner's recommendation for funding levels

The commissioner, with the approval of the State Board of Education, shall also certify annually, prior to February 1st, to the Legislature and the Bureau of the Budget his recommendation for the funding levels recommended for each of paragraphs A to K of subsection 1 of section 3744 and for the State's maximum obligation under section 3748, subsection 4.

The requested funding levels for section 3743, subsection 13, paragraphs C, E and F and the costs of the insured value factor and leases under paragraph G shall be computed by adding the actual costs for the first half of the year immediately prior to the year of allocation of funds to the total estimated costs that will be incurred for the 2nd half of the same year. The costs of section 3743, subsection 13, paragraph D shall be computed by estimating the costs of special education tuition and board excluding medical costs in the year of allocation of funds. The costs of principal and interest payments under section 3743, subsection 13, paragraph G shall be computed by computing both known obligations and the estimate of anticipated principal and interest costs for the year of allocation of funds. The commissioner shall have the authority to correct errors revealed by audit in administrative units when compiling actual education costs. The commissioner shall have the authority to amend any estimate where he believes such estimate to be unreasonable.

If an administrative unit fails to submit the necessary information required in this section and in section 3744 within the time schedule, the commissioner shall estimate that unit's education costs.

The recommendation shall reflect the commissioner's best estimate as to changes in pupil enrollment, economic factors, adjustments based on actual changes in education costs and any other considerations which might effect a change in the costs of education. The commissioner shall be ever conscious of the need for prudent restraint in educational financing.

§ 3746. Governor's recommendation

The Bureau of the Budget shall, prior to February 15th, certify to the Legislature the recommendation of the Governor for the funding levels for section 3744, subsection 1, paragraphs A to K and for the state's maximum obligation under section 3748, subsection 4. The Governor's recommendation may be to reduce, increase or approve any of the funding levels recommended by the commissioner.

§ 3747. Actions by the Legislature

The Legislature shall annually, prior to April 1st, enact legislation which shall:

1. Basic elementary per pupil operating rate. Establish the basic elementary per pupil operating rate;
2. Basic secondary per pupil operating rate. Establish the basic secondary per pupil operating rate;
3. Basic education appropriation. Establish the basic education appropriation for each of the following paragraphs:

- A. Elementary operating;
 - B. Secondary operating;
 - C. Special education programs operated by the administrative units;
 - D. Special education tuition and board excluding medical costs;
 - E. Vocational education;
 - F. Transportation;
 - (1) Operating costs;
 - (2) Purchase of buses;
 - G. Debt service;
 - H. Establish the appropriation for major capital costs and establish the limitation on project approvals by the State Board of Education;
 - I. Contingent account for unusual enrollment adjustments;
 - J. Adjustments due to geographic isolation;
4. Appropriation for private school transportation. Appropriate the necessary funds for reimbursement for private school transportation.
5. Appropriation for audit adjustments. Appropriate the necessary funds for audit adjustments.
6. Appropriation for basic education appropriation. Appropriate the necessary funds for the basic education appropriation. The Legislature shall appropriate no more than 90% of amounts established for subsection 4 and subsection 3, paragraphs C, D, E and F, subparagraph (1).
7. Appropriation for state participation with local optional funds. Appropriate the necessary funds to meet the maximum state obligation under section 3748, subsection 4.
8. Establishment of uniform property tax rate. Establish the uniform property tax rate. This rate shall produce an amount not to exceed 50% of the basic education appropriation as established by the Legislature.

§ 3748. Computation and allocation of education subsidies

1. Computation and allocation. The allocation of funds to each administrative unit shall be computed by the commissioner as follows:
- A. Multiply the average number of resident elementary pupils in the unit as defined in section 3743, subsection 6 by the basic elementary per pupil operating rate, as established in section 3747.
 - B. Multiply the average number of resident secondary pupils in the unit

as defined in section 3743, subsection 6 by the basic secondary per pupil operating rate as established in section 3747.

C. The unit allocation for each of the following items shall be the same amount as is contained in the commissioner's recommendation of education costs, except that if the Legislature increases the commissioner's recommendation for any item the unit allocation shall be increased by the same percentage increase established by the Legislature and if the Legislature decreases the commissioner's recommendation for any item the unit allocation shall be decreased by the same percentage decrease established by the Legislature. In the event the Legislature appropriates for the transportation of pupils an amount which differs from the commissioner's recom-

mendation, the percentage of increase or decrease in the amount shall apply only to the operating costs and not to the purchase of buses.

(1) Special education. Expenditures for special education programs operated or contracted for by the administrative unit and expenditures for special education tuition or board, or both. Medical costs shall not be allowable as a part of a tuition charge.

When the expenditures for special education tuition and board exceed the amount appropriated by the Legislature for this item, the commissioner shall prorate the funds available for this item. Reimbursement for both special education programs operated or contracted for by the administrative unit and for special education tuition and board shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less. In no event shall a local unit be responsible for contracted special education tuition and board in an amount greater than \$500 per pupil; the balance, if any, shall be reimbursed pursuant to this section.

(2) Vocational education. Reimbursement for vocational education shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less.

Any vocational center shall have the authority to bill its member units in proportion to the number of students served for any reduction in vocational education subsidies. If any bill is not paid within 30 days after submission, the vocational center may appeal to the commissioner under the 3rd paragraph of section 1292.

(3) Transportation of pupils, including the purchase of buses. Reimbursement for transportation operating costs shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less.

(4) Debt service. Principal and interest costs for major capital projects approved prior to the effective date of this Act shall be reimbursed in the amount of current year costs.

2. Basis for allocation. Total the amount computed and estimated for subsection 1, paragraphs A to C. The sum thus obtained shall become the basis for allocation to the unit, subject to adjustments as defined under subsection 3. The commissioner shall authorize payments of aid to the vari-

ous administrative units in the amount of the subsidy allocation and any adjustments in such allocation within the periods required in section 3455 and sections 3457 to 3460.

3. Adjustments of the allocation. Adjustments to the allocation as computed in subsections 1 and 2 shall be made as follows.

A. If the administrative unit's average elementary or secondary per pupil operating cost in the base year is less than the basic elementary or secondary per pupil operating rate, the per pupil allocation for elementary or secondary pupils respectively shall be limited to an amount which equals the unit's average per pupil operating costs for the base year, increased by 6%, plus an amount equivalent to $\frac{1}{3}$ of the difference between the unit's per pupil elementary or secondary cost for the base year, as adjusted, and the basic elementary or secondary per pupil operating rate respectively.

B. If the average elementary or secondary per pupil operating cost for the base year in the unit is above the basic elementary or secondary per pupil operating rate, the per pupil allocation for elementary or secondary pupils respectively shall be frozen at $\frac{1}{2}$ the difference between the basic elementary or secondary per pupil operating rate respectively and the local average elementary or secondary per pupil operating cost respectively expended during the 1973-74 school year or the state elementary or secondary average per pupil allocation respectively, whichever is greater.

C. The State Board of Education shall determine geographic isolation and may declare a unit to be geographically isolated when that unit is located an unreasonably long distance from another unit or school facility or is situated in a location which has unique problems in transporting students to another school unit. If the unit is declared to be geographically isolated by the State Board of Education, the board shall adjust the per pupil allocation to that unit to meet the educational needs of that unit, except that such an adjustment shall not exceed the amounts expended by that unit in the base year which were in excess of the basic elementary and secondary per pupil operating rates in the base year.

D. When an administrative unit enrolls pupils who reside on land under control of the Federal Government, or any agency thereof, or on a Federal Military Reservation, such pupils shall be considered as resident pupils for purposes of this chapter. However, the allocation to such a unit shall be adjusted by subtracting therefrom the Federal Public Law 874 receipts in the same proportion that total local revenues under the state equalization program are in total local revenues for education in the unit. The amount which may be subtracted may not exceed 90% of the unit's entitlement for the year immediately prior to the year of allocation. In adjusting the allocation under the unit's previous sentence, the amounts subtracted for pupils residing on land under control of the Federal Government, or any agency thereof, or on a Federal Military Reservation shall not exceed $\frac{1}{2}$ of the national average expenditure per pupil, as computed by the Federal Government, times the number of such students in the unit.

E. A unit may qualify for an unusual enrollment subsidy adjustment whenever the increase in pupils between October 1st of the year of allocation of funds and October 1st of the year prior to the year of allocation of funds is 3% or more. The number of pupils in excess of 3% increase shall be multiplied by the appropriate per pupil rate as established in section 3747

to determine the allowable adjustment. All units shall be prorated if necessary to remain within the sum appropriated for such an adjustment. Local administrative units are authorized to expend any funds received through this adjustment without calling for a special meeting of the local legislative body. There is established within the department a contingent account for unusual enrollment subsidy adjustments.

4. Optional local appropriations with state participation. The legislative body of any administrative unit may, in addition to the unit's allocation under this section authorize an additional expenditure for either elementary or secondary pupils, or both, not to exceed a local appropriation of one mill on the state valuation of the unit in effect on January 1st of the same calendar year and one mill on the state valuation in effect on July 1st of the same calendar year. Under this subsection, an administrative unit is authorized to appropriate a maximum of \$90 per pupil per year for the pupils specified in subsection 1. The maximum levy on a municipality within an administrative unit shall not exceed \$45 per pupil per mill levied on that municipality. If the authorization for additional funds by an administrative unit under this subsection exceeds the maximum levy for any municipality within such administrative unit, the commissioner shall add to the allocation of the unit for the unit's fiscal year a sum which equals the excess over such maximum levy of any municipality within the unit. If the additional school levy authorized under this subsection fails to produce \$45 per pupil per mill levied, the commissioner shall add to the allocation of the unit for the unit's fiscal year a sum which, when combined with the local levy under this section, shall equal \$45 per pupil per mill. Said sum shall be paid annually to the administrative unit no later than December 31st for the previous 12-month period.

The funds appropriated under this section shall be called optional local funds with state participation. The purpose of these funds is to provide that all administrative units may raise and appropriate at least \$45 per pupil per mill to supplement the adjusted allocations when necessary in the judgment of the local administrative units. The Legislature shall annually appropriate an amount equivalent to the maximum State obligation under this subsection.

An article in substantially the following form is to be used when any municipality, School Administrative District or community school district is considering the appropriation of additional local funds under this subsection:
Article _____: To see what sum the municipality or district will authorize to be expended from optional local appropriations for school purposes (Recommended \$ _____), and to see if the municipality or district will raise and appropriate the local share of \$ _____

The amount appropriated by the Legislature under section 3747, subsection 7 shall be the maximum state obligation under the first paragraph of this subsection.

No unit shall appropriate toward its total education costs an amount exceeding the local allocation as provided and adjusted under subsections 1, 2 and 3 and any other amounts, as provided under this subsection. If any unit petitions to the State Board of Education and demonstrates that unusual circumstances require additional appropriations and expenditures in order to avoid serious educational hardship in the unit, the State Board of Education shall grant authority to the unit to make additional appropriations for school purposes. Moneys appropriated under such a special grant of authority by the State Board of Education shall not be included in any future calculations of

the state or local average per pupil operating costs and shall be reported as local funds without state participation in future calculations of the actual costs of education as provided in section 3744, subsection 1, paragraph O.

5. School aid payments. School aid payments shall be made directly to the treasurer of each administrative unit and shall be based upon the number of resident pupils educated at public expense and contingent expenditures as outlined in this chapter based upon audited financial reports submitted by the various administrative units.

6. Construction aid payments. Construction aid payments by the State to the administrative unit on projects approved after the effective date of this Act shall be made in accordance with the subparagraphs of the 3rd paragraph of section 3460. Such payments shall be made from a major capital construction fund which shall be a nonlapsing fund.

7. Appeals. The computation of aid for any unit may be appealed in writing to the State Board of Education by the school committee or board of directors of any school unit within 30 days from the date of notification of the computed amount. The board shall review the appeal and make an adjustment, if in its judgment such an adjustment is justified. The board's decision shall be final as to facts supported by the records of the appeal.

8. School purpose expense requirements. Notwithstanding any other public or private statute to the contrary, all money allocated for school purposes must be expended for school purposes only.

9. Balance of allocations. Balances of allocations at the end of the unit's fiscal year shall be carried forward to meet the next year's school needs in an amount not to exceed 10% of the total state and local allocation of the year just completed. Balances in excess of 10% of the total state allocation will be deducted from the state allocation for the subsequent year.

10. Reimbursement for transportation. Notwithstanding any other provision of this chapter, the commissioner shall reimburse 90% of the preceding year's expenditures reported by any municipality for providing the transportation of school children to and from schools other than public schools, except such schools as are operated for profit in whole or in part. The total amount reimbursed under this subsection shall not exceed the level of funds appropriated for this item under section 3747, subsection 4.

11. Notification of allocation. The commissioner shall annually, on or before April 15th, notify the municipal officers of each municipality and the officers of each administrative unit of the amount allocated on a monthly basis to that municipality or unit pursuant to this section. When adjustments are made in the subsidy allocation, the commissioner shall notify municipal and school officers of such adjustments.

12. Unexpended balances. The commissioner is authorized to apply all unexpended balances in any of the above programs to the major capital fund which shall be a nonlapsing account.

§ 3749. Local funds without state participation

1. Local addition to allocation of state funds. In addition to the allocation

of state funds provided by this chapter and such appropriation that may be made under section 3748, subsection 4, any administrative unit may raise and expend any further funds for educational purposes.

2. Major capital projects. In the event the administrative unit undertakes major capital projects without the approval of the State Board of Education, such projects shall meet the requirements of all other statutes and shall not be reimbursed with state funds.

3. Effective date. Subsections 1 and 2 of this section shall be in effect from July 1, 1976 until June 30, 1977.

§ 3750. Construction project approval limit

No construction project shall be approved by the State Board of Education prior to July 1, 1977, except that the State Board of Education may approve school construction projects which it deems to be of an emergency nature or where the commissioner has identified a hazard to the health, safety and welfare of the pupils.

Sec. 3. 20 MRSA § 3713, sub-§ 11, as last amended by PL 1975, c. 510, § 35, is repealed and the following enacted in place thereof:

11. The legislative body of any administrative unit may, in addition to the unit's allocation under this section and in addition to any additional local funds appropriated under subsection 3, paragraph B, authorize an additional expenditure for either elementary or secondary pupils or both not to exceed a local appropriation of $1\frac{1}{4}$ mills on the state valuation of the unit in effect on January 1st of the same calendar year.

Under this subsection, an administrative unit is authorized to appropriate a maximum of \$62.50 per pupil for this 6-month period for the pupils specified in section 3713, subsection 1. If the additional school levy authorized under this subsection fails to produce \$50 per pupil per mill levied, the commissioner shall add to the allocation of the unit for the unit's fiscal year a sum which, when combined with the local levy under this section shall equal \$50 per pupil per mill. Said sum shall be paid no later than the last month of the unit's fiscal year, except that moneys appropriated after November 1, 1975 shall be paid no later than December 31, 1976.

The funds appropriated under this section shall be called local leeway funds.

An article in substantially the following form is to be used when any municipality, School Administrative District or community school district is considering the appropriation of additional local funds under this subsection:

Article : To see what sum the municipality or district will authorize to be expended from local leeway for school purposes (Recommended \$), and to see if the municipality or district will raise and appropriate the local share of \$

No municipality shall appropriate toward total education costs an amount exceeding the local allocation under this section, supplemented by any amounts raised under subsection 3, paragraph B, and under subsection 11.

However, upon petition to the State Board of Education and upon a showing that unusual circumstances require additional expenditures in order to avoid serious educational hardship in any administrative unit, the State Board of Education shall grant authority for additional appropriations for school purposes. Moneys appropriated under such a special grant of authority by the State Board of Education shall not be included in any future calculation of state or local average per pupil operating costs, total education costs or any component of total education costs.

Sec. 4. 20 MRSA c. 510, as amended, is repealed.

Sec. 5. 36 MRSA §§ 451-453, as repealed and replaced by PL 1975, c. 272, §§ 36 to 38 and as amended, are repealed and the following enacted in place thereof:

§ 451. Rate of tax

1. Property tax for expenses of local and State Government. For necessary expenses of local and State Government, a tax assessed at the rate of $9\frac{1}{4}$ mills for the fiscal year ending June 30, 1976, $10\frac{3}{4}$ mills for the fiscal year ending June 30, 1977, $12\frac{1}{4}$ mills for the fiscal year ending June 30, 1978, and $13\frac{3}{4}$ mills for the fiscal year ending June 30, 1979, and every year thereafter upon each municipality and the unorganized territory. In each municipality, the tax assessed under this subsection shall be paid when collected to the treasurer thereof to be by him disbursed for necessary expenses of local government as determined or appropriated by the legislative body of such municipality within the purposes specified in Title 30. The tax assessed under this subsection upon the unorganized territory shall be paid to the State.

2. Uniform property tax. Pursuant to the Maine Constitution, Article VIII Part First, and in addition to subsection 1, a uniform property tax is assessed which shall be determined as follows. The Legislature shall annually, prior to April 1st, enact legislation establishing the uniform property tax rate. The uniform property tax rate shall be 13 mills for the period beginning July 1, 1976, and ending June 30, 1977, and 12.5 mills thereafter. The rate shall be applied to the state valuations of each municipality and property in the unorganized territory.

3. Determination. The State Tax Assessor shall determine the amount to be assessed on each municipality and the unorganized territory. In any event, such rate shall never exceed whatever shall from time to time be the weighted average municipal tax rate. The "weighted average municipal tax rate" means the total municipal property taxes levied statewide for the previous year, as determined by the State Tax Assessor from the annual return of municipalities in effect for the previous year. The valuation as determined by the State Tax Assessor, as set forth in the statement filed by him as provided by section 305, subsection 1, shall be the basis for the computation and apportionment of the tax assessed.

The method for determining the amount of state tax from each municipality in a calendar year is to add the state tax for the period January 1st to June 30th of the same calendar year to the state tax for the period July 1st to December 31st of the same calendar year. The state tax as determined for a fiscal year is to be divided by 2 to establish the amount of tax for the period July 1st to December 31st or January 1st to June 30th.

The State Tax Assessor shall, before July 1st annually, determine the amount

of state tax to be assessed and collected for the year in the unorganized territory. The rate of taxation in the unorganized territory is to be determined by dividing the amount of state tax by the total valuation of taxable property in the unorganized territory on April 1st of the same year.

§ 452. Assessment of state property tax

On July 1st annually the state tax described in section 451 is to be assessed for the fiscal year ending June 30th of the following calendar year.

As soon as practicable after April 1st annually, the State Tax Assessor shall certify to each municipality the amount of state tax due under section 451 in the current calendar year. The State Tax Assessor shall send the certification to the municipal officers of each municipality requiring them to assess the sum so certified, according to the law for the assessment of taxes and add the amount of such tax to the amount of county and municipal taxes to be by them assessed in their municipality.

§ 453. Payment of state tax by municipalities

The certification made pursuant to section 452 shall require the municipal officers to issue their warrant, requiring the collectors of their municipality to collect and pay to the treasurer of their municipality the sums against said municipality required by this subchapter. Monthly, the municipal treasurer shall pay to the Treasurer of State $\frac{1}{12}$ of the uniform property tax for the present fiscal year ending June 30th. Said payments shall be paid on or before the 20th day of each month.

Sec. 6. 36 MRSA § 5111, as enacted by P & SL 1969, c. 154, ¶ F, § 1, is repealed and the following enacted in place thereof:

§ 5111. Imposition and rate of tax

A tax is hereby imposed for each taxable year on the entire taxable income of every resident individual of this State and on the taxable income of every nonresident individual which is derived from sources within this State. The amount of the tax shall be determined in accordance with the following table:

If the taxable income is:	The tax is:
Not over \$2,000	1% of the taxable income
\$2,000 but not over \$5,000	\$20 plus 2% of excess over \$2,000
\$5,000 but not over \$10,000	\$80 plus 3% of excess over \$5,000
\$10,000 but not over \$25,000	\$230 plus 4% of excess over \$10,000
\$25,000 but not over \$50,000	\$830 plus 5% of excess over \$25,000
\$50,000 or more	\$2,080 plus 6% of excess over \$50,000

The effective date of change from the foregoing rate table to the next following rate table shall be January 1, 1976. The amount of tax for any taxable year or portion thereof in the period on or after January 1, 1976 to, on or before December 31, 1976 shall be determined in accordance with the following:

If the taxable income is:	The tax is:
Not over \$2,000	1% of the taxable income
\$2,000 but not over \$4,000	\$20 plus 2% of excess over \$2,000
\$4,000 but not over \$6,000	\$60 plus 4% of excess over \$4,000
\$6,000 but not over \$8,000	\$140 plus 6% of excess over \$6,000
\$8,000 but not over \$10,000	\$260 plus 7% of excess over \$8,000
\$10,000 but not over \$15,000	\$400 plus 8% of excess over \$10,000
\$15,000 but not over \$25,000	\$800 plus 9% of excess over \$15,000
\$25,000 or more	\$1,700 plus 10% of excess over \$25,000

The amount of tax imposed for a taxable year containing a change in rate requiring a use of 2 of the foregoing tables shall be determined as set forth in section 5234.

Sec. 7. 36 MRSA § 5124, as enacted by P & SL 1969, c. 154, ¶ F, § 1, is repealed and the following enacted in place thereof:

§ 5124. Standard deduction; resident

The standard deduction of a resident individual, head of household or of a resident husband and wife who file a joint return shall be as defined under the Internal Revenue Code, section 141, except that the percentage standard deduction shall be based on adjusted gross income as modified by this Part, and except that it shall not be greater than the following:

1. Adjusted gross income;

A. For husband and wife filing a joint return, 16% of any adjusted gross income as modified by this Part, but this amount shall not exceed \$2,800;

B. For a married person who files a separate return, 16% of an adjusted gross income as modified by this Part, but this amount shall not exceed \$1,400; or

C. For a single person, 16% of an adjusted gross income as modified by this Part, but this amount shall not exceed \$2,400.

Sec. 8. 36 MRSA § 5143, as enacted by P & SL 1969, c. 154, ¶ F, § 1, is repealed and the following enacted in place thereof:

§ 5143. Standard deduction; nonresident

The standard deduction of a nonresident individual, head of household, or husband and wife who file a joint return shall be as defined under Internal

Revenue Code, section 141, except that the percentage standard deduction shall be based on adjusted gross income from sources within this State, and except that it shall not be greater than the following:

1. Adjusted gross income;

A. For husband and wife filing a joint return, 16% of an adjusted gross income as modified by this Part, but this amount shall not exceed \$2,800;

B. For a married person who files a separate return, 16% of an adjusted gross income as modified by this Part, but this amount shall not exceed \$1,400; or

C. For a single person 16% of an adjusted gross income as modified by this Part, but this amount shall not exceed \$2,400.

Sec. 9. 36 MRSA § 5234 is enacted to read:

§ 5234. Fiscal year tax determination

If any rate of tax imposed by this Part changes, and if the taxable year includes the effective date of change, unless that date is the first day of the taxable year, then the tax for such taxable year shall be a sum composed of an amount equal to the tax computed for the entire taxable year at the old rate times the proportion, determined by days, of the taxable year at the old rate plus an amount equal to the tax computed for the entire taxable year at the new rate times the proportion, determined by days, of the taxable year at the new rate.

Sec. 10. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Bureau of Taxation, the sum of \$215,000 to carry out the purposes of sections 6, 7, 8 and 9. The breakdown shall be as follows:

1976-77

FINANCE AND ADMINISTRATION,
DEPARTMENT OF

Bureau of Taxation

Personal Services	(4)	\$ 45,000
All Other		166,000
Capital Expenditures		4,000
		<hr/>
		\$215,000

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect July 1, 1976, except sections 3 and 5 and section 3750 of Title 20 of section 1 of this Act which shall become effective when approved

and except section 3748, subsection 4, last paragraph of section 1 of this Act which shall become effective July 1, 1977. Sections 6 to 10 of this Act shall take effect when approved.

Effective July 1, 1976

CHAPTER 661

AN ACT to Make Necessary Revisions in the Income Tax Law for School Funding Purposes.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Legislation is pending passage this session of the Legislature which would provide funding of public schools; and

Whereas, this legislation inadvertently restricts the funding mechanism to one year's duration; and

Whereas, if the funding mechanism is to be made permanent it will be expedient to change the personal income tax withholding rates effective July 1, 1976; and

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

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

36 MRSA § 5111, as enacted by P&SL 1969, c. 154, § F, § 1, is repealed and the following enacted in place thereof:

§ 5111. Imposition and rate of tax

A tax is hereby imposed for each taxable year on the entire taxable income of every resident individual of this State and on the taxable income of every nonresident individual which is derived from sources within this State. The amount of the tax shall be determined in accordance with the following table:

If the taxable income is:	The tax is:
Not over \$2,000	1% of the taxable income
\$ 2,000 but not over \$ 5,000	\$ 20 plus 2% of excess over \$ 2,000
\$ 5,000 but not over \$10,000	\$ 80 plus 3% of excess over \$ 5,000
\$10,000 but not over \$25,000	\$ 230 plus 4% of excess over \$10,000