

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE

ONE HUNDRED AND EIGHTH LEGISLATURE
AT THE

SECOND REGULAR SESSION

January 4, 1978 to April 6, 1978

FIRST SPECIAL SESSION

(No laws enacted)

September 6, 1978 to September 15, 1978

SECOND SPECIAL SESSION

October 18, 1978

THIRD SPECIAL SESSION

December 6, 1978

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PUBLIC LAWS
OF THE
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AS PASSED AT THE
SECOND REGULAR SESSION
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ONE HUNDRED AND EIGHTH LEGISLATURE
January 4, 1978 to April 6, 1978

CHAPTER 698

AN ACT Relating to the Taxation of the Unorganized Territory.

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

Whereas, the uniform property tax has been repealed and this has resulted in a loss of General Fund revenues from the unorganized territory of approximately \$3,600,000 for fiscal year 1978, assuming a uniform property tax mill rate of .0115; and

Whereas, the legality of the other state property tax, the local and state government tax, has been questioned in an opinion of the Attorney General; and

Whereas, if the local and state government tax were no longer levied, the State would lose in General Fund revenues at least \$4,100,000 for fiscal year 1978 alone; 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. 12 MRSA § 1972, as last amended by PL 1977, c. 503, § 7, is further amended by adding after the 3rd paragraph the following new paragraph:

The moneys distributed to the counties by the Department of Inland Fisheries and Wildlife may be appropriated by the counties for use in the unorganized townships where the fee was payable.

Sec. 2. 20 MRSA § 1461, sub-§ 4, as repealed and replaced by P&SL 1975, c. 147, § C, § 10, is repealed and the following enacted in its place:

4. Balances. Any unencumbered balance in the Unorganized Territory School Fund shall not lapse but shall be carried forward to the same fund for use in the next fiscal year.

Sec. 3. 30 MRSA § 254, first ¶, as amended by PL 1977, c. 27, § 5, is repealed and the following enacted in its place:

When a county tax is authorized, the county commissioners shall, in March in the year for which that tax is granted, apportion it upon the towns and other places

according to the last state valuation and fix the time for the payment of the same, which shall not be earlier than the first day of the following September. They may add that sum above the sum so authorized, not exceeding 2% of that sum, as a fractional division renders convenient and certify that fact in the record of that apportionment, and issue their warrant to the assessors requiring them forthwith to assess the sum apportioned to their town or place, and to commit their assessment to the constable or collector for collection. The county treasurer shall immediately certify the millage rate to the State Tax Assessor. This millage rate shall be separately assessed by the State Tax Assessor upon the real and personal property in the unorganized territory within the appropriate county.

Sec. 4. 30 MRSA c. 405, is enacted to read:

CHAPTER 405

UNORGANIZED PLACES

§ 5801. Appropriation of excise taxes

All excise taxes credited to the county treasurer pursuant to Title 36, section 1489, may be appropriated by the county commissioners for use in the unorganized places where the tax was payable for the same services and purposes as in municipalities.

Sec. 5. 36 MRSA § 451, sub-§ 1, as enacted by PL 1975, c. 660, § 5, is repealed.

Sec. 6. 36 MRSA § 1147, as enacted by PL 1971, c. 616, § 15, is amended to read:

§ 1147. Unorganized territory

The State Tax Assessor shall determine annually the amount distributable to each county in respect to property in the unorganized territory for each county by multiplying the state valuation then in effect for such property by the mill rate certified for each county pursuant to Title 30, section 254, which amounts are appropriated from the ~~General Fund~~ Unorganized Territory Education and Services Fund to be credited annually on the books of the State to the proper officer of each county as provided in section 342.

Sec. 7. 36 MRSA § 1489, sub-§ 2, is amended to read:

2. County treasurer. Excise taxes collected in unorganized places shall be credited by the county treasurer as undedicated funds for the unorganized place in which the tax was payable and may be appropriated by the county commissioners pursuant to Title 30, chapter 405.

Sec. 8. 36 MRSA c. 115 is enacted to read:

CHAPTER 115

UNORGANIZED TERRITORY EDUCATIONAL AND SERVICES TAX

§ 1601. Unorganized Territory Tax District

The Legislature hereby creates a tax district to be known as the Unorganized Territory Tax District. It shall include all of the unorganized territory of the State and any areas which may subsequently become a part thereof.

§ 1602. Annual tax

1. Annual levy of tax. A tax, to be known as the Unorganized Territory Educational and Services Tax, shall be levied each year upon all nonexempt real and personal property located in the Unorganized Territory Tax District on April 1st of each year. The State Tax Assessor shall fix the status of all taxpayers and of all such property as of that date.

2. Computation and determination of tax. The tax shall be computed and apportioned on the basis of the State Tax Assessor's determination of the value of that property.

3. Determination of original tax. The State Tax Assessor shall determine the amount of tax due from each taxpayer. He shall notify each taxpayer in writing, not later than June 30th. Interest shall accrue beginning October 1st.

4. Establishment of mill rate. The State Tax Assessor shall establish a mill rate, accurate to the nearest quarter of a mill, which is calculated to raise the municipal cost component amount certified to the State Tax Assessor in accordance with section 1604, subsection 2.

§ 1603. Definition of municipal cost component

1. Definition. For the purposes of this chapter, "municipal cost component" means the cost of funding services in the Unorganized Territory Tax District which would not be borne by the State if the Unorganized Territory Tax District were a municipality. The "municipal cost component" shall include, but not be limited to:

A. The cost of education, as would be determined by the School Finance Act in Title 20 if the unorganized territory were a municipality;

B. The cost of all services the State funds in the unorganized territory that are funded locally by a municipality;

C. The cost of reimbursement by the State for services a county provides to the unorganized territory in accordance with Title 23, Part 4, and Title 30, chapter 5. No county shall be reimbursed for services provided on or after

January 1, 1979, unless a legislative allocation is obtained pursuant to this chapter.

§ 1604. Rate of tax

1. Governor's report to the Legislature. The Governor shall submit to the Legislature, not later than January 5th of each year, a written report which shall include a list of all items, including services and reimbursements, for which a municipal cost component exists.

2. Legislative determination of municipal cost components. The Legislature shall consider the Governor's report and, not later than April 15th of each year, determine the municipal cost component for the current fiscal year. The Legislature shall promptly certify the amount to the State Tax Assessor.

§ 1605. Unorganized Territory Education and Services Fund

1. Fund established. The Legislature hereby creates the Unorganized Territory Education and Services Fund. The State Tax Assessor shall deposit in the fund all Unorganized Territory Educational and Services Tax moneys and county tax moneys, assessed pursuant to Title 30, section 254, which he collects.

2. Expending moneys. The Governor is authorized and directed to expend as much of the moneys in the fund as is necessary to reimburse, every fiscal year, each department of the Executive Branch for the full amount of its municipal cost component expense.

3. Balance carried forward. Any unexpended balance shall not lapse but shall be carried forward to the same fund for the next fiscal year and shall be available for the purposes authorized by this chapter.

Sec. 9. Implementation. For the fiscal year ending June 30, 1979 the Legislature determines that the municipal cost component is \$5.5 million.

Sec. 10. Appropriation. The following funds shall be appropriated from the General Fund to carry out the purposes of this Act:

1978-79

FINANCE AND ADMINISTRATION

Bureau of Taxation

County Tax Reimbursement

All Other

(\$460,000)

Appropriation not needed with the

passage of section 2-A of this Act.
Funds for these costs will be
allocated from the Unorganized Territory
Education and Services Fund.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective April 3, 1978

CHAPTER 699

AN ACT to Increase Retirement Benefits for Teachers who Taught Prior to July 1, 1942.

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

Sec. 1. 5 MRSA § 1121, sub-§ 2, ¶ A, sub-¶ (2), as amended by PL 1975, c. 622, § 47, is repealed and the following enacted in its place:

(2) If he has a prior service certificate in full force and effect or, if he was formerly subject to the Revised Statutes of 1944, chapter 37, sections 212 to 241, with a prior service certificate in full force and effect for teacher service before July 1, 1947, 1/50 of his average final compensation multiplied by the number of years, not to exceed 25, of his prior service. A participating local district may elect to include, as to all employees of the district, prior service in excess of 25 years. Any member formerly subject to the Revised Statutes of 1944, chapter 37, sections 212 to 241, with a prior service certificate in full force and effect for teaching service before July 1, 1942, may elect to receive 1/60 of his average final compensation multiplied by the number of years of his teaching service rendered prior to July 1, 1942, in lieu of 1/50 of his years of service, not to exceed 25, as provided in this subparagraph.

Sec. 2. 5 MRSA § 1121, sub-§ 2, ¶ A, sub-¶ (2-A), as amended by PL 1973, c. 788, § 17, is repealed.

Sec. 3. 5 MRSA § 1121, sub-§ 2, ¶ A, sub-¶ (3), 2nd sentence, as amended by PL 1973, c. 788, § 18, is repealed.

Sec. 4. 5 MRSA § 1121, sub-§ 5, last sentence is repealed.

Sec. 5. Application. Adjustments in benefits authorized by this Act, including recomputations pursuant to Title 5, section 1121, subsection 2, paragraph A, subparagraph (3), shall be effective on the first day of the month following the