



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 762

H.P. 569

House of Representatives, March 1, 2011

An Act To Provide Equitable Revenue-sharing Distribution

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative SHAW of Standish.
Cosponsored by Representatives: BICKFORD of Auburn, BRYANT of Windham, CLARK of Millinocket, GOODE of Bangor, PILON of Saco.

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

2 **Sec. 1. 30-A MRSA §5681, sub-§4-B**, as enacted by PL 1999, c. 731, Pt. U, §4,
3 is amended to read:

4 **4-B. Distribution of Disproportionate Tax Burden Fund.** The Treasurer of State
5 shall transfer the balance in the Disproportionate Tax Burden Fund on the 20th day of
6 each month. Money in the Disproportionate Tax Burden Fund must be distributed to
7 each municipality defined as a service center community pursuant to section 4301,
8 subsection 14-A as of January 1st of the previous fiscal year in proportion to the product
9 of the population of the municipality multiplied by the disproportionate tax burden of the
10 municipality.

11 **Sec. 2. 30-A MRSA §5681, sub-§5**, as amended by PL 2009, c. 213, Pt. S, §4
12 and affected by §16, is further amended to read:

13 **5. Transfers to funds.** No later than the 10th day of each month, the State
14 Controller shall transfer to the Local Government Fund 5% of the receipts during the
15 previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36,
16 section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund
17 without any reduction, except that the postage, state cost allocation program and
18 programming costs of administering state-municipal revenue sharing may be paid by the
19 Local Government Fund. A percentage share of the amounts transferred to the Local
20 Government Fund each month must be transferred to the Disproportionate Tax Burden
21 Fund and distributed pursuant to subsection 4-B as follows:

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

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

24 E. For months beginning on or after July 1, 2011 but before ~~July 1, 2012~~ October 1,
25 2011, 17%; and

26 E-1. For months beginning on or after October 1, 2011, 11%.

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

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

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

30 SUMMARY

31 This bill changes the method for distributing the money in the Disproportionate Tax
32 Burden Fund, known as "Rev II," beginning October 1, 2011 and increases funding to
33 so-called "Rev I" municipalities. Currently, Rev II funds are distributed to each
34 municipality with a property tax mill rate over 10 mills in proportion to the
35 disproportionate tax burden. Under this bill, Rev II funds will be distributed only to those
36 municipalities with a property tax mill rate over 10 mills that are designated as service
37 center communities, which by definition include census designated places. Beginning
38 October 1, 2011, the bill reduces the amount transferred from the Local Government

1 Fund to the Disproportionate Tax Burden Fund to 11% each year. This will increase the
2 total amount of funding going to Rev I municipalities.