

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Capitalize the Municipal Investment Trust Fund with Municipal Revenue-sharing Resources

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

Sec. 1. 30-A MRSA §5681, sub-§3, as amended by PL 2005, c. 266, §1, is further amended to read:

3. Revenue-sharing funds. To strengthen the state-municipal fiscal relationship pursuant to the findings and objectives of subsection 1, there is established the Local Government Fund. To provide additional support for municipalities experiencing a higher-than-average property tax burden, there is established the Disproportionate Tax Burden Fund. ~~To assist those municipalities that collaborate with other municipalities, counties or state agencies to obtain savings in the cost of delivering local and regional governmental services there is established the Fund for the Efficient Delivery of Local and Regional Services, which is administered pursuant to chapter 231.~~

Sec. 2. 30-A MRSA §5681, sub-§5-B, as amended by PL 2007, c. 240, Pt. NNN, §1, is repealed.

Sec. 3. 30-A MRSA §5681, sub-§5-C is enacted to read:

5-C. Municipal Investment Trust Fund. For the months beginning on or after October 1, 2009 and before the distributions required by subsections 4-A and 4-B, 2% of all receipts transferred each month pursuant to subsection 5 must be deposited in the Municipal Investment Trust Fund established in section 6006-D.

Sec. 4. 30-A MRSA §6006-D, sub-§1, ¶B, as corrected by RR 1993, c. 2, §30, is amended to read:

B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section and section 5953-D. The fund consists of the following:

- (1) Sums that are appropriated by the Legislature or transferred to the fund ~~from time-to-time~~ by the Treasurer of State pursuant to section 5681, subsection 5-C;
- (2) Principal and interest received from the repayment of loans made from the fund;

- (3) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;
- (4) Interest earned from the investment of fund balances;
- (5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established;
- (6) The proceeds of notes or bonds issued by the State for the purpose of deposit in the fund;
- (7) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and
- (8) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

Sec. 5. 30-A MRS c. 231, as amended, is repealed.

Sec. 6. Effective date. This Act takes effect October 1, 2009.

SUMMARY

Current law dedicates 2% of municipal revenue-sharing resources to the Fund for the Efficient Delivery of Local and Regional Services. This bill abolishes the Fund for the Efficient Delivery of Local and Regional Services and dedicates that 2% to the Municipal Investment Trust Fund beginning October 1, 2009.