126th MAINE LEGISLATURE

LD 401   LR 1095(02)

An Act To Provide Local Sales Tax Increment Disbursements

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

State Mandate - Unfunded

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	$54,000	$0	$0	$1,757,264
Appropriations/Allocations				
General Fund	$54,000	$0	$0	$0
Revenue				
General Fund	$0	$0	$0	($1,757,264)
Other Special Revenue Funds	$0	$0	$0	($96,172)

State Mandates

Required Activity	**Unit Affected**	**Local Cost**
Municipalities will be required to reduce the property tax levy in an amount equal to the payments received from the local sales tax increment revenue. Administrative duties would include accounting for the new revenue source and calculating the reduction to the mill rate that would represent that amount of revenue each year.	Municipality	Insignificant statewide

The required local activities in this bill may represent a State mandate pursuant to the Constitution of Maine. Unless General Fund appropriations are provided to fund at least 90% of the additional costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, municipalities may not be required to implement these changes.

Fiscal Detail and Notes

This bill will reduce General Fund and Other Special Revenue Funds revenue annually beginning in FY 2016-17. The General Fund revenue reduction in FY 2016-17 will be $1,757,264. Muncipal Revenue Sharing will be reduced by $92,672 and the transfer to the Multimodal Transportation Fund will be reduced by $3,500 in FY 2016-17.

The bill includes a one-time General Fund appropriation for the Bureau of Revenue Services of $54,000 in FY 2013-14 to pay for reporting changes, printing and postage costs related to administering the local sales tax increment disbursement program.