



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 403

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H.P. 287

House of Representatives, February 10, 2021

**An Act To Assist Service Center Communities by Adjusting State-Municipal Revenue Sharing**

(EMERGENCY)

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Received by the Clerk of the House on February 8, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R(t) B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative MADIGAN of Waterville.

1           **Emergency preamble.** Whereas, acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3           **Whereas,** state-municipal revenue sharing was decreased for fiscal years 2015-16,  
4 2016-17, 2017-18 and 2018-19 from 5% to 2%, was 3% for fiscal year 2019-20 and is  
5 3.75% for fiscal year 2020-21; and

6           **Whereas,** although the percentage of revenue sharing is scheduled to return to 5%  
7 beginning July 1, 2021, the Governor's 2021-2022 budget proposes keeping the percentage  
8 at 3.75% for the 2021-2023 biennium; and

9           **Whereas,** the decrease in funds shared with municipalities has had a drastic effect on  
10 municipalities and their ability to provide services to their residents; and

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

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

16           **Sec. 1. 30-A MRS §5681, sub-§5,** as amended by PL 2019, c. 343, Pt. H, §1, is  
17 further amended to read:

18           **5. Transfers to funds.** No later than the 10th day of each month, the State Controller  
19 shall transfer to the Local Government Fund 5% of the receipts during the previous month  
20 from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection  
21 1, paragraphs A to F and L, and credited to the General Fund without any reduction, except  
22 that for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19 the amount transferred is 2%,  
23 for fiscal year 2019-20 the amount transferred is 3% ~~and~~, for fiscal year 2020-21 the amount  
24 transferred is 3.75% and for fiscal years 2021-22 and 2022-23 the amount transferred is  
25 4.25% of the receipts during the previous month from the taxes imposed under Title 36,  
26 Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A to F and L, and  
27 credited to the General Fund without any reduction, and except that the postage, state cost  
28 allocation program and programming costs of administering state-municipal revenue  
29 sharing may be paid by the Local Government Fund. A percentage share of the amounts  
30 transferred to the Local Government Fund each month must be transferred to the  
31 Disproportionate Tax Burden Fund and distributed pursuant to subsection 4-B as follows:

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

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

34           E. For months beginning on or after July 1, 2011 but before July 1, 2012, 17%;

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

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

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

38           **Emergency clause.** In view of the emergency cited in the preamble, this legislation  
39 takes effect when approved.

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## **SUMMARY**

This bill, for fiscal years 2021-22 and 2022-23, sets the percentage of state-municipal revenue sharing at 4.25%, which is one-half of a percentage point above the amount proposed in the Governor's 2021-2022 budget.