



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 728

S.P. 258

In Senate, March 5, 2015

**An Act To Limit the Amount of Money a Municipality May Spend
on Education**

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

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

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator WOODSOME of York.

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

2 **Sec. 1. 20-A MRS §15688, sub-§3-A**, as amended by PL 2007, c. 668, §§36
3 and 37, is further amended to read:

4 **3-A. School administrative unit; contribution.** For each school administrative
5 unit, the commissioner shall annually determine the school administrative unit's required
6 contribution, the required contribution of each municipality that is a member of the unit,
7 if the unit has more than one member, and the State's contribution to the unit's total cost
8 of education in accordance with the following.

9 A. For a school administrative unit composed of only one municipality, the
10 contribution of the unit and the municipality is the ~~lesser~~ least of:

- 11 (1) The total cost described in subsection 1; ~~and~~
12 (2) The total of the full-value education mill rate calculated in section 15671-A,
13 subsection 2 multiplied by the property fiscal capacity of the municipality-; and
14 (3) Fifty-five percent of the state valuation of all property in the municipality
15 subject to taxation as certified by the Department of Administrative and Financial
16 Services, Bureau of Revenue Services pursuant to Title 36, section 305,
17 subsection 1 unless a majority of the elected municipal officials approve raising a
18 higher amount.

19 B. ~~Except as provided in paragraph B-1, for~~ For a school administrative district,
20 community school district or regional school unit composed of more than one
21 municipality, each municipality's contribution to the total cost of education is the
22 ~~lesser~~ least of:

- 23 (1) The municipality's total cost as described in subsection 2; ~~and~~
24 (2) The total of the full-value education mill rate calculated in section 15671-A,
25 subsection 2 multiplied by the property fiscal capacity of the municipality-; and
26 (3) Fifty-five percent of the state valuation of all property in the municipality
27 subject to taxation as certified by the Department of Administrative and Financial
28 Services, Bureau of Revenue Services pursuant to Title 36, section 305,
29 subsection 1 unless a majority of the elected municipal officials approve raising a
30 higher amount.

31 C. For a school administrative district, community school district or regional school
32 unit composed of more than one municipality, the unit's contribution to the total cost
33 of education is the ~~lesser~~ least of:

- 34 (1) The total cost as described in subsection 1; ~~and~~
35 (2) The sum of the totals calculated for each member municipality pursuant to
36 paragraph B, subparagraph (2)-; and
37 (3) Fifty-five percent of the state valuation of all property in each member
38 municipality subject to taxation as certified by the Department of Administrative
39 and Financial Services, Bureau of Revenue Services pursuant to Title 36, section

1 305, subsection 1 unless a majority of the elected municipal officials approve
2 raising a higher amount.

3 D. The state contribution to the school administrative unit's total cost of education is
4 the total cost of education calculated pursuant to subsection 1 less the school
5 administrative unit's contribution calculated pursuant to paragraph A or C, as
6 applicable. The state contribution is subject to reduction in accordance with section
7 15690, subsection 1, paragraph C.

8 **Sec. 2. 36 MRSA §7301**, as enacted by PL 2005, c. 2, Pt. H, §2, is amended to
9 read:

10 **§7301. Tax burden reduction goals and policies**

11 It is the goal and policy of the State that by 2015 the State's total state and local tax
12 burden be ranked in the middle 1/3 of all states, as determined by the United States
13 Census Bureau's most recent tax burden analysis, adjusted by the assessor to reflect the
14 State's unique expenditure tax relief programs.

15 It is the goal and policy of the State that additional state funds provided to
16 municipalities through increases in the state share of education funding under the
17 essential programs and services funding model must, to the greatest possible extent, be
18 available for statewide property tax reduction.

19 Notwithstanding any other provision of law, it is the goal and policy of the State that,
20 for tax years beginning on or after January 1, 2016, the amount of property taxes
21 distributed by a municipality for education under the essential programs and services
22 funding model, pursuant to Title 20-A, chapter 606-B, not exceed 55% of the state
23 valuation of the municipality's property subject to the valuation filed with the Secretary of
24 State pursuant to section 305, subsection 1.

25 **SUMMARY**

26 This bill provides that, beginning with the 2016 tax year, it is the goal and policy of
27 the State that the amount of property taxes distributed by a municipality for education
28 under the Essential Programs and Services Funding Act may not exceed 55% of the state
29 valuation of the municipality's property subject to the valuation filed with the Secretary of
30 State. The bill also provides that a municipality is not required to pay more than 55% of
31 the funds raised by local property taxes for the municipality's required contribution to the
32 school administrative unit's total cost of education unless a majority of the elected
33 officials of the municipality approve raising and expending funds appropriated through
34 local taxation for educational purposes that exceed 55% of the state valuation of the
35 municipality's property.