

127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 550

H.P. 374

House of Representatives, February 26, 2015

An Act To Adjust the Calculation of Municipal Education Contributions for Communities Faced with Sudden and Severe Property Tax Valuation Reductions

(EMERGENCY)

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

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative CAMPBELL of Orrington. (BY REQUEST) Cosponsored by Representative STANLEY of Medway, Senator ROSEN of Hancock and Representatives: GILBERT of Jay, McCABE of Skowhegan, SHORT of Pittsfield, Senator: PATRICK of Oxford.

- 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,** the value of property within a municipality has a great effect on the 4 calculation of the municipality's required contribution for funding local schools; and
- 5 **Whereas,** the sudden closure of businesses has a severe effect on municipal property 6 valuations that is not currently accounted for in the calculation of general purpose aid for 7 local schools; and
- 8 Whereas, immediate relief is necessary to ensure municipalities with sudden and 9 severe impacts upon property valuations are able to preserve adequate funding for 10 education; and
- Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,
- 15 Be it enacted by the People of the State of Maine as follows:
- Sec. 1. 20-A MRSA §15672, sub-§23, ¶C, as enacted by PL 2013, c. 203, §1, is
 repealed and the following enacted in its place:
- 18 <u>C. For fiscal year 2015-16 and each subsequent fiscal year:</u>
- 19(1) The average of the certified state valuations for the 3 most recent years prior20to the most recently certified state valuation; or
- (2) If an adjustment has been approved by the State Tax Assessor pursuant to
 Title 36, section 208-A, that adjusted state valuation.

Sec. 2. Bucksport business equipment tax exemption. Notwithstanding the
 Maine Revised Statutes, Title 36, section 692, subsection 2, for the purpose of
 determining any reimbursement by the State to the Town of Bucksport under Title 36,
 section 694, subsection 2 in 2015, the just value of the paper mill generally located at 2
 River Road, Bucksport is equal to the valuation determined for 2014.

- Sec. 3. Bucksport property fiscal capacity. Notwithstanding the Maine
 Revised Statutes, Title 20-A, section 15672, subsection 23, the property fiscal capacity
 for the Town of Bucksport for fiscal year 2015-16 is \$568,950.
- 31 **Emergency clause.** In view of the emergency cited in the preamble, this 32 legislation takes effect when approved.
- 33 SUMMARY
- This bill provides that, for fiscal year 2015-16 and beyond, in the event a municipality is approved for an adjustment to its state property valuation due to a sudden and severe disruption in its municipal valuation, that adjusted state valuation is the

- property fiscal capacity for purposes of determining municipal contributions under the school funding formula. This bill also provides that the 2015 valuation of the paper mill 1
- 2
- located in the Town of Bucksport is equal to its 2014 valuation and sets the property fiscal capacity for the Town of Bucksport at \$568,950 for fiscal year 2015-16. 3
- 4