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Legislative Document

No. 646

S.P. 239

In Senate, March 3, 2015

An Act To Provide Incentives for Municipal Cooperation and Shared Services

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in black ink, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator LIBBY of Androscoggin.
Cosponsored by Senator: DAVIS of Piscataquis.

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

2 **Sec. 1. 30-A MRSA §2201**, as amended by PL 2009, c. 636, Pt. D, §1, is further
3 amended to read:

4 **§2201. Purpose**

5 It is the purpose of this chapter to permit public agencies of the State or any adjoining
6 state, including but not limited to municipalities, counties and school administrative units,
7 and federal agencies and Indian tribes and their political subdivisions to make the most
8 efficient use of their powers by enabling them to cooperate on a basis of mutual
9 advantage and thereby to provide services and facilities within the State in a manner and
10 pursuant to forms of governmental organization that will accord best with geographic,
11 economic, population and other factors influencing the needs and development of
12 communities. It is also the purpose of this chapter to provide incentives for greater
13 interlocal cooperation among local governments by allowing such governments to shelter
14 that portion of a municipality's equalized taxable valuation dedicated to the financial
15 support of joint services and functions provided by 2 or more local governments.

16 **Sec. 2. 30-A MRSA §2205**, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C,
17 §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further
18 amended by adding at the end a new paragraph to read:

19 If an agreement made under this chapter will result in one or more municipalities
20 taking advantage of the incentives provided under section 2209, the agreement must be
21 filed with the property tax division within the Department of Administrative and
22 Financial Services, Maine Revenue Services for verification purposes.

23 **Sec. 3. 30-A MRSA §2209** is enacted to read:

24 **§2209. Incentives**

25 A municipality that is financing the delivery of joint services under the terms of an
26 agreement made according to this chapter may shelter a certain amount of imputed value
27 from the determination of equalized just value of taxable property conducted by the
28 property tax division within the Department of Administrative and Financial Services,
29 Maine Revenue Services pursuant to Title 36, sections 208 and 305.

30 **1. Calculation of dedicated value.** The assessed value dedicated to the support of a
31 joint service must be calculated as follows:

32 A. Determine the total amount of General Fund support provided by the municipality
33 during its fiscal year to fund the joint service less any revenues derived from the act
34 of providing that service to calculate the property tax support for that joint service;
35 and

36 B. Divide the property tax support for the joint service by the municipality's property
37 tax rate for that fiscal year to determine the total assessed value required to generate
38 the property taxes necessary to support the joint service.

