



STATE OF MAINE
OFFICE OF THE STATE TREASURER

39 State House Station, Augusta, ME 04333-0039

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JOSEPH C. PERRY
State Treasurer

GREGORY OLSON
Deputy State Treasurer

TO: Senator Peggy Rotundo
Representative Drew Gattine
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Joseph C. Perry, State Treasurer

DATE: February 19, 2026

RE: L.D. 2212 "An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027"

Good morning, Senator Rotundo, Representative Gattine and members of the Joint Standing Committees on Appropriations and Financial Affairs. My name is Joe Perry, and I am the State Treasurer. Thank you for this opportunity to come before you today to discuss the Tax Expenditure programs budget. I am here today to testify in support of the fiscal year 2026-2027 supplemental budget bill, LD 2212.

The Office of the State Treasurer distributes funds for Municipal Revenue Sharing and the Disproportionate Tax Burden Fund. As outlined on A-115, since these funds are statutorily set at a percentage of revenue generated by the state income, sales and corporate taxes, we seek initiatives to increase the Municipal Revenue Sharing and Disproportionate Tax Burden funds to correspond to the revenue increases projected by the Revenue Forecasting Committee. These amount to \$9,179,429 for Municipal Revenue Sharing and \$2,294,857 for the Disproportionate Tax Buden Fund across the Biennium. I ask that the committee support this important funding for our communities.

DISPROPORTIONATE TAX BURDEN FUND 0472

What the Budget purchases:

The Disproportionate Tax Burden Fund program, known publicly as Revenue Sharing II, exists to 'stabilize the municipal property tax burden and to aid in financing all municipal services.' The program, while budgetarily separate from the State-Municipal Revenue Sharing 0020 program, is in practice considered the second part of the state's Municipal Revenue Sharing program. See State-Municipal Revenue Sharing 0020 program for description. Funds are distributed according to the Revenue Sharing II formula.

	<u>Actual</u> 2023-24	<u>Current</u> 2024-25	<u>Budgeted</u> 2025-26	<u>Budgeted</u> 2026-27
Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other	53,780,274	56,150,941	56,150,941	56,150,941
Total	53,780,274	56,150,941	56,150,941	56,150,941

2025-26 2026-27

Initiative: Adjusts funding to align with revenue projections from the December 1, 2024 revenue forecast.

OTHER SPECIAL REVENUE FUNDS

All Other		3,364,282	4,593,420
Total		3,364,282	4,593,420

<u>Actual</u> 2023-24	<u>Current</u> 2024-25	<u>Budgeted</u> 2025-26	<u>Budgeted</u> 2026-27
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Revised Program Summary - OTHER SPECIAL REVENUE FUNDS

All Other	53,780,274	56,150,941	59,515,223	60,744,361
Total	53,780,274	56,150,941	59,515,223	60,744,361

Treasurer of State, Office of

STATE - MUNICIPAL REVENUE SHARING 0020

What the Budget purchases:

The Municipal Revenue Sharing program exists to stabilize the municipal property tax burden and to aid in financing all municipal services. Two percent (2%) of income, sales, use and service provider taxes are collected and distributed as monthly payments to all municipalities according to Revenue Sharing I distribution formula. This program updates individual municipalities' statistics annually which are used to determine the distribution ratio; responds to municipalities' questions and audits confirmations; provides annual distribution estimates by municipality; and maintains and updates website (facilitating electronic deposit) monthly.

	<u>Actual</u> 2023-24	<u>Current</u> 2024-25	<u>Budgeted</u> 2025-26	<u>Budgeted</u> 2026-27
Program Summary - OTHER SPECIAL REVENUE FUNDS				
All Other	199,121,102	208,603,769	208,603,769	208,603,769
Total	199,121,102	208,603,769	208,603,769	208,603,769

2025-26 2026-27

Initiative: Adjusts funding to align with revenue projections from the December 1, 2024 revenue forecast.

OTHER SPECIAL REVENUE FUNDS

All Other			7,704,200	14,052,408
Total			7,704,200	14,052,408

<u>Actual</u> 2023-24	<u>Current</u> 2024-25	<u>Budgeted</u> 2025-26	<u>Budgeted</u> 2026-27
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Revised Program Summary - OTHER SPECIAL REVENUE FUNDS

All Other	199,121,102	208,603,769	216,307,969	222,656,175
Total	199,121,102	208,603,769	216,307,969	222,656,175