

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1691

H.P. 1199

House of Representatives, June 15, 2005

An Act To Eliminate Pension Cost Reduction Bonding and Provide Replacement Budgeting Measures

Reported by the Majority from the Joint Standing Committee on Appropriations and
Financial Affairs pursuant to Joint Order 2005, H.P. 1194.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

PART CCC

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Sec. CCC-1. 36 MRSA §578, sub-§1, as amended by PL 1999, c. 708, §21, is further amended to read:

1. **Organized areas.** The municipal assessors or chief assessor of a primary assessing area shall adjust the State Tax Assessor's 100% valuation per acre for each forest type of their county by whatever ratio, or percentage of current just value, is applied to other property within the municipality to obtain the assessed values. Forest land in the organized areas, subject to taxation under this subchapter, must be taxed at the property tax rate applicable to other property in the municipality.

~~The State Tax Assessor shall pay any municipal claim found to be in satisfactory form within 120 days after receipt of the claim.~~

The State Tax Assessor shall determine annually the amount of acreage in each municipality that is classified and taxed in accordance with this subchapter. Each such municipality is entitled to annual payments from money appropriated by the Legislature if it submits an annual return in accordance with section 383 and if it achieves the appropriate minimum assessment ratio described in section 327. The State Tax Assessor shall pay any municipal claim found to be in satisfactory form by August 1st of the year following the submission of the annual return. The per acre reimbursement is 90% of the per acre tax revenue lost as a result of this subchapter. For purposes of this section, the tax lost is the tax that would have been assessed, but for this subchapter, on the classified forest lands if they were assessed according to the undeveloped acreage valuations used in the state valuation then in effect, or according to the current local valuation on undeveloped acreage, whichever is less, minus the tax that was actually assessed on the same lands in accordance with this subchapter. A municipality that fails to achieve the minimum assessment ratio established in section 327 loses 10% of the reimbursement provided by this section for each one percentage point the minimum assessment ratio falls below the ratio established in section 327.

No municipality may receive a reimbursement payment under this section that would exceed an amount determined by calculating the tree growth tax loss less the municipal savings in educational costs attributable to reduced state valuation.

A. The tree growth tax loss is the adjusted tax that would have been assessed, but for this subchapter, on the classified forest lands if they were assessed according to the undeveloped acreage valuations used in the state

2 valuation then in effect minus the tax that was actually
assessed on the same lands in accordance with this
subchapter.

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6 In determining the adjusted tax that would have been
assessed, the tax rate to be used is computed by adding the
additional school support required by the modified state
8 valuation attributable to the increased valuation of forest
land to the original tax committed and dividing this sum by
10 the modified total municipal valuation. The adjusted tax
rate is then applied to the valuation of forest land based
12 on the undeveloped acreage valuations, adjusted by the
certified ratio, to determine the adjusted tax.

14
16 B. The municipal savings in educational costs is determined
by multiplying the school subsidy index by the change in
state valuation attributable to the use of the valuations
18 determined in accordance with this subchapter on classified
forest lands rather than their valuation using the
undeveloped acreage valuations used in the state valuation
20 then in effect.

22 **Sec. CCC-2. Appropriations and allocations.** The following
24 appropriations and allocations are made.

26 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
28 **DEPARTMENT OF**

30 **Tree Growth Tax Reimbursement 0261**

32 Initiative: Reduces funds to reflect statutory change to timing
of payments from the Tree Growth Reimbursement Account, as
provided in this Part. Funds appropriated for fiscal year
34 2005-06 are deappropriated and effectively moved to fiscal year
2006-07 by partial deappropriation of previous appropriation for
36 2006-07.

38 GENERAL FUND	2005-06	2006-07
40 All Other	(\$5,400,000)	(\$100,000)
42 GENERAL FUND TOTAL	<u>(\$5,400,000)</u>	<u>(\$100,000)</u>

44 **PART DDD**

46 **Sec. DDD-1. Appropriations and allocations.** The following
48 appropriations and allocations are made.

50 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
DEPARTMENT OF

2 **Sec. JJJ-2. Funds deposited.** Any funds remaining from funds
3 appropriated to the Medical Care - Payments to Providers account
4 in Public Law 2005, chapter 386 to fund shortfalls in the account
5 for fiscal year 2004-05 must be calculated by the State
6 Controller, who shall transfer the funds to the MaineCare
7 Stabilization Fund by June 30, 2006.

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PART KKK

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11 **Sec. KKK-1. Calculation and transfer; General Fund savings**
12 **through increased efficiencies.** Notwithstanding any other provision
13 of law, the State Budget Officer shall calculate the amount of
14 savings that result from this Part that apply against each
15 General Fund account for all departments and agencies except
16 legislative branch departments and agencies from increased
17 efficiencies and shall transfer the amounts by financial order
18 upon approval of the Governor. These transfers are considered
19 adjustments to appropriations in fiscal years 2005-06 and
20 2006-07. The State Budget Officer shall provide the joint
21 standing committee of the Legislature having jurisdiction over
22 appropriations and financial affairs a report of the transferred
23 amounts not later than November 5, 2006.

24

25 **Sec. KKK-2. Appropriations and allocations.** The following
26 appropriations and allocations are made.

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ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

30

Executive Branch Departments and Independent Agencies - Statewide 0017

32

33 Initiative: Reduces funding to be realized through increased
34 efficiencies.

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GENERAL FUND	2005-06	2006-07
Unallocated	(\$1,886,468)	(\$1,886,468)
GENERAL FUND TOTAL	(\$1,886,468)	(\$1,886,468)

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SUMMARY

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PART A

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47 Part A repeals the authority for the Maine Municipal Bond
48 Bank to issue pension cost reduction bonds that was provided in
49 Public Law 2005, chapter 12, Part PPPP, section 1. It also
50 appropriates funds to the Teacher Retirement program within the
Department of Education to restore the deappropriations provided

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PART XX

Part XX provides guidance to the Department of Public Safety in the enforcement of laws pertaining to flavored malt beverages.

PART YY

Part YY proposes that the Governor direct the Workforce Cabinet to study the delivery of training and economic and workforce development programs in Maine and identify specific strategies to leverage both state and federal resources. It requires the Workforce Cabinet to develop recommendations to achieve cost savings and report its findings to the Governor by January 2, 2006. This Part also directs the State Budget Officer to calculate the amount of savings for all departments and agencies associated with this Part and to transfer the amounts by financial order upon the approval of the Governor. It also includes a statewide deappropriation in fiscal year 2006-07 for the projected savings.

PART ZZ

Part ZZ transfers a certain part of rents collected by the Department of Administrative and Financial Services from the Maine Military Authority to the General Fund.

PART AAA

Part AAA provides a gas tax refund for certain purchases by the State and adjusts appropriations and allocations to reflect the anticipated savings. It also requires the State Budget Officer to calculate the savings and transfer the amounts by financial order as an adjustment to appropriations and allocations.

PART BBB

Part BBB limits reimbursement of property taxes under the Business Equipment Tax Reimbursement program for the application period that begins on August 1, 2006 to 90% of the property taxes assessed and paid on eligible property.

PART CCC

Part CCC changes the timing of reimbursement under the tree growth tax laws.

PART DDD