



127th MAINE LEGISLATURE

LD 1699

LR 2817(06)

An Act To Provide Relief for Significant Reductions in Municipal Property Fiscal Capacity

Fiscal Note for Bill as Engrossed with:

H "A" (H-670)

H "B" (H-673)

Committee: Not Referred

Fiscal Note

One-time use of GPA debt service savings

Fiscal Detail and Notes

A school administrative unit's (SAU's) required contribution to its total cost of education is determined by multiplying the full-value education mill rate by the "property fiscal capacity" as defined in Title 20-A, §15672, sub-§23, ¶C. This bill modifies the way the "property fiscal capacity" is determined for municipalities under certain conditions in fiscal year 2016-17 only.

Requiring the Department of Education to identify savings from unused debt service within the General Purpose Aid for Local Schools program to fund the provisions in this legislation without impacting the mill rate expectation established in Public Law 2015, c. 389, Part C, section 11 for fiscal year 2016-17 will allow municipalities unaffected by this legislation to receive the same amount of state subsidy they would have received absent this legislation. Those SAU's affected by this legislation will receive more state subsidy than would have been received had this legislation not been in place. The impact on each individual SAU affected by this legislation in fiscal year 2016-17 can not be determined at this time. Without this bill any unused debt service funds would be carried forward into fiscal year 2017-18 to be available for other expenditures within GPA.

Additional costs to the Department of Administrative and Financial Services associated with certifying a municipality's valuation can be absorbed within existing budget resources.