

**CHAPTER 115****UNORGANIZED TERRITORY EDUCATIONAL AND SERVICES TAX****§1601. Unorganized Territory Tax District**

The Legislature hereby creates a tax district to be known as the Unorganized Territory Tax District. It shall include all of the unorganized territory of the State and any areas which may subsequently become a part thereof. [PL 1977, c. 698, §8 (NEW).]

**SECTION HISTORY**

PL 1977, c. 698, §8 (NEW).

**§1602. Annual tax**

**1. Annual levy of tax.** A tax, to be known as the Unorganized Territory Educational and Services Tax, shall be levied each year upon all nonexempt real and personal property located in the Unorganized Territory Tax District on April 1st of each year. The State Tax Assessor shall fix the status of all taxpayers and of all such property as of that date.

[PL 1977, c. 698, §8 (NEW).]

**2. Computation and determination of tax.** The tax shall be computed and apportioned on the basis of the State Tax Assessor's determination of the value of that property.

[PL 1977, c. 698, §8 (NEW).]

**3. Determination of original tax.** The State Tax Assessor shall determine the amount of tax due from each taxpayer. The State Tax Assessor shall notify each taxpayer in writing, not later than August 1st annually.

[PL 1989, c. 508, §11 (AMD).]

**4. Establishment of mill rate.**

A. The State Tax Assessor shall establish a separate mill rate for each county, which is calculated to raise the amount certified by the Legislature as the cost of county-provided services in the unorganized territory. [PL 1983, c. 471, §16 (NEW).]

B. The State Tax Assessor shall establish a district-wide mill rate calculated to raise the cost of all other portions of the municipal cost component certified by the Legislature. [PL 2007, c. 541, Pt. F, §3 (AMD).]

B-1. [PL 1991, c. 622, Pt. T, §1 (RP).]

C. The rates calculated under paragraphs A and B shall be added and rounded to the next highest 1/4 of a mill to determine the mill rate for the municipal cost component which will be assessed against the taxable property in each county. [PL 1983, c. 471, §16 (NEW).]

[PL 2007, c. 541, Pt. F, §3 (AMD).]

**5. Due dates; interest.** Taxes levied under this section must be paid to the State Tax Assessor on or before October 1st of each year. A person who fails to pay the tax on or before October 1st is liable for interest on the tax pursuant to section 186, except that the rate of interest beginning on October 1, 2019 equals the maximum rate posted on the Treasurer of State's publicly accessible website according to section 505, subsection 4.

[PL 2019, c. 401, Pt. A, §17 (NEW).]

**SECTION HISTORY**

PL 1977, c. 698, §8 (NEW). PL 1981, c. 364, §24 (AMD). PL 1983, c. 471, §16 (AMD). PL 1985, c. 458, §1 (AMD). PL 1989, c. 508, §11 (AMD). PL 1989, c. 881, §1 (AMD). PL 1991, c. 622, §T1 (AMD). PL 2007, c. 541, Pt. F, §3 (AMD). PL 2019, c. 401, Pt. A, §17 (AMD).

### **§1603. Definition of "municipal cost component"**

**1. Definition.** For the purposes of this chapter, "municipal cost component" means the cost of funding services in the Unorganized Territory Tax District that would not be borne by the State if the Unorganized Territory Tax District were a municipality, but does not include a state cost allocation charge, including, without limitation, reimbursement to the General Fund for departmental functions such as accounting, personnel administration and supervision. "Municipal cost component" also includes the cost of funding obligations of the unorganized territory under the terms of a tax increment financing district approved by the Commissioner of Economic and Community Development pursuant to Title 30-A, chapter 206. The "municipal cost component" includes, but is not limited to:

A. The cost of education, as would be determined by the Essential Programs and Services Funding Act if the unorganized territory were a municipality; [PL 2005, c. 686, Pt. A, §65 (AMD).]

B. The cost of services the state funds in the unorganized territory that are funded locally by a municipality; the cost of forest fire protection to be included in the cost component must be determined in accordance with Title 12, section 9205-A and collected in the same manner as other portions of the municipal cost component; [PL 2007, c. 627, §34 (AMD).]

C. The cost of reimbursement by the State for services a county provides to the unorganized territory in accordance with Title 30-A, chapter 305. A county may not be reimbursed for services provided on or after January 1, 1979, unless a legislative allocation is obtained pursuant to this chapter. If a county receives, in addition to its budget, funds that are designated by the Legislature for a specific purpose and the county does not spend those funds for that specific purpose in that fiscal year, then the reimbursement under this chapter to that county for the next fiscal year must be reduced by an amount equal to the amount of funds so designated that were not expended for that specific purpose; and [PL 2007, c. 627, §34 (AMD).]

D. The cost for payments that the unorganized territory is required to make pursuant to the terms of a tax increment financing district approved by the Commissioner of Economic and Community Development pursuant to Title 30-A, chapter 206 with respect to taxable property in the Unorganized Territory Tax District. [PL 2009, c. 619, Pt. B, §1 (AMD).]

[PL 2009, c. 619, Pt. B, §1 (AMD).]

### **SECTION HISTORY**

PL 1977, c. 698, §8 (NEW). PL 1979, c. 440, §1 (AMD). PL 1979, c. 646, §3 (AMD). PL 1983, c. 471, §17 (AMD). PL 1983, c. 556, §19 (AMD). PL 1987, c. 737, §§C80,C106 (AMD). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,C10 (AMD). RR 1993, c. 1, §107 (COR). PL 1995, c. 565, §1 (AMD). PL 1999, c. 554, §1 (AMD). PL 2005, c. 683, §A65 (AMD). PL 2007, c. 627, §34 (AMD). PL 2009, c. 619, Pt. B, §1 (AMD).

### **§1604. Determination; procedure**

**1. Recommendation to the Legislature.** The administrator of the unorganized territory shall submit to the Legislature, by March 1st, annually, a bill listing the requests of all counties and agencies under this chapter.

[PL 1985, c. 459, Pt. C, §14 (RPR).]

**2. Legislative determination of municipal cost components.** The Legislature shall consider the requests for funding under this chapter and by June 1st of each year enact legislation determining the amounts of the municipal cost component for services provided by each county and the amount of all other portions of the municipal cost component.

[PL 1985, c. 459, Pt. C, §14 (RPR).]

**2-A. Legislative amendment of components.** Notwithstanding subsection 2, the Legislature may amend enacted legislation that determines the amounts of the municipal cost components.

[PL 1991, c. 528, Pt. LL, §2 (NEW); PL 1991, c. 528, Pt. RRR (AFF); PL 1991, c. 591, Pt. LL, §2 (NEW).]

**3. Contracts.** Each county or agency that contracts with another entity to provide services funded under this chapter shall enter into a written contract with the providing agency. A copy of each contract must be maintained in the office of the county or agency entering into the contract. A copy of each contract must be provided to the fiscal administrator of the unorganized territory, who shall maintain copies in that fiscal administrator's office.

[PL 2025, c. 113, Pt. D, §82 (AMD).]

**4. Property.** All real and personal property which is purchased to provide services for which reimbursement is requested under this chapter shall be held by the State or county in trust for the unorganized territory. Any income from the use or sale of that property held by the State shall be credited to the Unorganized Territory Education and Services Fund. Income from the use or sale of that property held by a county shall be credited to the unorganized territory fund of that county.

[PL 1985, c. 459, Pt. C, §14 (NEW).]

When it is proposed that an area of the unorganized territory becomes organized into a town or plantation, the fiscal administrator of the unorganized territory shall make recommendations to the Legislature regarding the disposition of property obtained with funds under this chapter. [PL 1985, c. 459, Pt. C, §14 (NEW).]

#### SECTION HISTORY

PL 1977, c. 698, §8 (NEW). PL 1979, c. 520, §§8,9 (AMD). PL 1981, c. 364, §§25,26 (AMD). PL 1981, c. 702, §J (AMD). PL 1983, c. 471, §18 (AMD). PL 1983, c. 827, §4 (AMD). PL 1985, c. 459, §C14 (RPR). PL 1991, c. 528, §LL2 (AMD). PL 1991, c. 528, §RRR (AFF). PL 1991, c. 591, §LL2 (AMD). PL 2025, c. 113, Pt. D, §82 (AMD).

#### §1605. Unorganized Territory Education and Services Fund

**1. Fund established.** The Legislature hereby creates the Unorganized Territory Education and Services Fund. The State Tax Assessor shall deposit in the fund all Unorganized Territory Educational and Services Tax money and county tax money, assessed pursuant to Title 30-A, section 706, that the assessor collects.

[PL 2025, c. 113, Pt. D, §83 (AMD).]

**2. Disbursements.** Each agency making disbursements for expenses attributable to the municipal cost component shall, by June 30th of each year, submit an accounting of all expenditures made for the fiscal year ending on that date to the Treasurer of State with a copy to the fiscal administrator of the unorganized territory. Upon receipt of the accounting, the Treasurer of State shall transfer from the fund sufficient money to pay the expenses attributable to the municipal cost component, including the amount charged to the fund under Title 12, section 9205-A. Any expenditures made or identified after those reported to the Treasurer of State on June 30th shall be identified separately and included in the report for the next fiscal year.

[PL 1985, c. 459, Pt. C, §15 (RPR).]

**2-A. Advance payment to General Fund.** On October 31st of each year, the Treasurer of State shall transfer from the Unorganized Territory Education and Services Fund to the General Fund an amount equal to 90% of the total amount transferred pursuant to subsection 2 and this subsection in the preceding fiscal year. This payment must be taken as a credit against the disbursement required by subsection 2.

[PL 1991, c. 528, Pt. O (NEW); PL 1991, c. 528, Pt. RRR (AFF); PL 1991, c. 591, Pt. O (NEW).]

**2-B. Indian Township services.** On or before October 15th immediately following the date of assessment, the State Tax Assessor shall certify to the fiscal administrator of the unorganized territory the total amount of property tax assessed on reservation out-parcels situated in the Passamaquoddy Tribe reservation at Indian Township in Washington County under authority of section 1602. On October 31st of each year in which the Passamaquoddy Tribe provides governmental services to these reservation out-parcels, the Treasurer of State shall pay to the Passamaquoddy Tribe from the Unorganized Territory Education and Services Fund an amount equal to the property taxes assessed on reservation out-parcels in consideration for any and all governmental services as may be provided by the Passamaquoddy Tribe for the benefit of nonreservation Indian Township property owners. For the purposes of this subsection, "reservation out-parcel" means a parcel of real property situated in Indian Township, assessed by the State and included in the relevant state valuation certified by the State Tax Assessor.

[PL 1997, c. 524, §1 (NEW); PL 1997, c. 524, §2 (AFF).]

**3. Balance carried forward.** Any unexpended balance may not lapse but must be carried forward to the same fund for the next fiscal year and must be available for the purposes authorized by this chapter. Any unexpended balance remaining in the fund at the end of the year, not including amounts set aside in any capital reserve accounts, that is in excess of 10% of the amount of expenditures for that year must be used to reduce the amount to be collected in taxes during the next year.

[PL 1995, c. 328, §1 (AMD).]

**4. Fund accounting.** The State Controller shall establish an Unorganized Territory Education and Services Fund that reflects all of the activity of that fund within the state accounting system chart of accounts in accordance with the standards of a governmental accounting standards board as they apply to financial statements of the fund.

[PL 2007, c. 541, Pt. D, §1 (NEW).]

## SECTION HISTORY

PL 1977, c. 698, §8 (NEW). PL 1979, c. 520, §10 (AMD). PL 1983, c. 556, §20 (AMD). PL 1985, c. 459, §C15 (AMD). PL 1987, c. 737, §§C81,C106 (AMD). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,C10 (AMD). PL 1991, c. 528, §O (AMD). PL 1991, c. 528, §RRR (AFF). PL 1991, c. 591, §O (AMD). PL 1995, c. 328, §1 (AMD). PL 1997, c. 524, §1 (AMD). PL 1997, c. 524, §2 (AFF). PL 2007, c. 541, Pt. D, §1 (AMD). PL 2025, c. 113, Pt. D, §83 (AMD).

## §1606. Property taxes credited on assessments; quarterly payments for unorganized territory services and annually for county taxes

**1. Credit and appropriation of special funds or taxes for political subdivisions.** Notwithstanding any other statute to the contrary, the gross amount of property taxes assessed upon real and personal property in the unorganized territory through the State Tax Assessor for the benefit of any special fund or political subdivision of the State may be credited on the books of the State to the special fund or to the proper fiscal officer of the political subdivision. The Treasurer of State shall pay to that fiscal officer the amount of the tax so assessed, in equal quarterly amounts for unorganized territory services, on or before the last day of July, October, January and April and an annual installment for county taxes on or before October 15th following the date of the assessment. The amount of the assessment is appropriated for the purposes of this subsection.

[PL 2007, c. 627, §35 (NEW).]

**2. Tax increment financing payments.** With respect to a tax increment financing district located in the unorganized territory and approved by the Commissioner of Economic and Community Development pursuant to Title 30-A, chapter 206, the Treasurer of State must deposit into the

development program fund established by a county for the tax increment financing district pursuant to Title 30-A, section 5227, subsection 3 the tax increment revenues on the captured assessed value, as that term is defined in Title 30-A, section 5222. The payment must be made on or before October 15th following the date of assessment or within 30 days after the taxes constituting the tax increment are paid, whichever is later. The amount of the assessment is appropriated for the purposes of this subsection.

[PL 2009, c. 619, Pt. B, §2 (AMD).]

**3. Deposits, abatements, interest payments and supplemental assessments.** Upon collection by the State Tax Assessor, taxes collected under subsection 1 must be deposited in the Unorganized Territory Education and Services Fund. All abatements of such taxes must be charged against the Unorganized Territory Education and Services Fund and all interest and supplemental assessments must be paid into the Unorganized Territory Education and Services Fund and neither may be charged against or credited to the special fund or political subdivision on account of which the tax was levied. Any excess of supplemental assessments over abatements accruing to the Unorganized Territory Education and Services Fund must be considered as reimbursement to the Unorganized Territory Education and Services Fund for administrative expenses connected with the assessment of those taxes.

[PL 2007, c. 627, §35 (NEW).]

**4. Intent.** The intent of the Legislature is to permit the administration of all real and personal property taxes in the unorganized territory through the Unorganized Territory Education and Services Fund as a matter of convenience and economy.

[PL 2007, c. 627, §35 (NEW).]

## SECTION HISTORY

PL 1977, c. 698, §8 (NEW). PL 1979, c. 666, §42 (NEW). PL 1983, c. 556, §20 (AMD). PL 1989, c. 373, §1 (AMD). PL 2007, c. 627, §35 (RPR). PL 2009, c. 619, Pt. B, §2 (AMD).

### §1607. Meaning of letters used in lists

In the lists made by the State Tax Assessor, in accordance with this chapter, for purposes of valuation and assessment, the following initial letters mean as follows: The letter "T." when used alone means Township; the letter "R." when used alone means Range; the letter "N." when used alone means North; "E." means East; "S." means South; "W." means West; the letters "N.W." means North West; "N.E." means North East; "S.W." means South West; and "S.E." means South East. [PL 1979, c. 666, §42 (NEW).]

## SECTION HISTORY

PL 1979, c. 666, §42 (NEW).

### §1608. Financial report

The fiscal administrator of the unorganized territory shall, by March 1st annually, publish a financial report of the status of the Unorganized Territory Education and Services Fund subject to the following provisions. [PL 1989, c. 857, §78 (AMD).]

**1. Record of financial transactions.** It shall contain a record of all financial transactions of the fund during the preceding fiscal year, including an itemized list of receipts and disbursements from the fund. It shall also contain an itemized record showing the sources of all revenue received by the fund and showing all disbursements for each agency under the municipal cost component by major items of expense comparable with the approved budgetary expenditure classifications under the captions of personal services, contractual services, commodities, debt service and capital expenditures.

[PL 1983, c. 508, §2 (NEW).]

**2. Statement of assets, liabilities, reserves and surplus.** It shall contain an itemized statement of the assets, liabilities, reserves and surpluses of the fund under each municipal cost component.

[PL 1983, c. 508, §2 (NEW).]

**3. Copies for distribution.** Copies of the report shall be given to each member of the Legislature and to each county commissioner in each county which contains unorganized territory. Copies shall be made available in convenient locations for taxpayers in the unorganized territory.

[PL 1983, c. 508, §2 (NEW).]

**4. Statement of availability.** All tax bills issued under this chapter shall include a statement that the report required by this section is available, if requested.

[PL 1985, c. 459, Pt. C, §17 (NEW).]

#### SECTION HISTORY

PL 1983, c. 508, §2 (NEW). PL 1985, c. 459, §§C16,17 (AMD). PL 1985, c. 603, §8 (AMD). PL 1989, c. 857, §78 (AMD).

#### **§1609. Audit of municipal cost component and the Unorganized Territory Education and Services Fund**

The Unorganized Territory Education and Services Fund and each account of the municipal cost component must be audited annually. The audit must cover the last entire fiscal year and be completed no later than February 1st following the end of each fiscal year. The expenses of these auditing services are part of the municipal cost component and are paid out of the Unorganized Territory Education and Services Fund. The audit must be performed in accordance with generally accepted auditing standards and procedures pertaining to governmental accounting and must include a management letter covering the audit of the operational aspects of the fund, as well as suggestions that the auditor determines advisable for the proper administration of the fund. The auditor shall produce the audit report on the forms required by the accounting system established by the Office of the State Auditor in Title 5, section 243. [PL 1989, c. 857, §79 (AMD); PL 2013, c. 16, §10 (REV).]

The audit must include an accounting of receipts, expenditures, disbursements, allocations, apportionments and methods for calculating requests for transfers from the fund covering each account of the municipal cost component and the Unorganized Territory Education and Services Fund. The audit must also include a review of the accounting procedure used by agencies or governmental entities receiving transfers from the fund to determine whether the expenditures and transfers from the fund have been used in compliance with laws of this State. [PL 1989, c. 857, §79 (AMD).]

#### SECTION HISTORY

PL 1983, c. 508, §2 (NEW). PL 1989, c. 857, §79 (AMD). PL 2013, c. 16, §10 (REV).

#### **§1610. Adjustment**

**(REPEALED)**

#### SECTION HISTORY

PL 1985, c. 458, §2 (NEW). PL 2007, c. 438, §29 (RP).

#### **§1611. Limitation on municipal cost component**

**1. Growth limitation.** Except as otherwise provided in this section, the municipal cost component may not exceed the growth limitations established in subsection 2.

[PL 2005, c. 624, §1 (NEW).]

**2. Calculation of growth limitations.** The growth limitation factors are calculated as follows.

A. The growth limitation factor for the aggregate cost of the municipal cost components provided by the State is the same as the General Fund appropriation limitation factor calculated under Title 5, section 1534, subsection 2. [PL 2005, c. 624, §1 (NEW).]

B. [PL 2023, c. 603, §4 (RP).]

[PL 2023, c. 603, §4 (AMD).]

**3. Exceeding or increasing growth limitations.** Growth limitations on the municipal cost component may be exceeded or increased as follows.

A. A governmental body with the authority to approve the county municipal cost component under Title 30-A, chapter 305 may exceed or increase the county growth limitation only if that action is approved by a majority of the county budget committee or county budget advisory committee and the county commissioners. [PL 2005, c. 624, §1 (NEW).]

B. The Legislature may exceed or increase the municipal cost component growth limitation for a state component by including a provision in the municipal cost component legislation enacted pursuant to section 1604 that specifically states the intent of the Legislature to exceed or increase the growth limitation. [PL 2005, c. 624, §1 (NEW).]

[PL 2005, c. 624, §1 (NEW).]

**4. Application.** This section applies to municipal cost component fiscal years beginning on or after July 1, 2007.

[PL 2005, c. 624, §1 (NEW).]

#### SECTION HISTORY

PL 2005, c. 624, §1 (NEW). PL 2023, c. 603, §4 (AMD).

#### §1612. Payment in lieu of taxes in unorganized territory

**1. Payment in lieu of taxes in unorganized territory.** An owner of property that is exempt from taxation under section 652 and is located in an unorganized territory may make a voluntary payment in lieu of taxes to the State Tax Assessor.

[PL 2017, c. 193, §2 (NEW).]

**2. County unorganized territory fund.** The State Tax Assessor shall deposit a payment in lieu of taxes in subsection 1 into the county unorganized territory fund under Title 30-A, section 7502, subsection 1 of the county in which the property exempt from taxes is located.

[PL 2017, c. 193, §2 (NEW).]

#### SECTION HISTORY

PL 2017, c. 193, §2 (NEW).

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