

## §5681. State-municipal revenue sharing

### 1. Findings and purpose. The Legislature finds that:

A. The principal problem of financing municipal services is the burden on the property tax; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. To stabilize the municipal property tax burden and to aid in financing all municipal services, it is necessary to provide funds from the broad-based taxes of State Government. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

### 2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Population" means the population as determined by the latest Federal Decennial Census or the population as determined and certified by the Department of Health and Human Services, whichever is later. For the purposes of this section, the Department of Health and Human Services shall determine the population of each municipality at least once every 2 years. For the purposes of the distributions required by this section, beginning July 1, 2009, "population" means the most current population data available as of the January 1st prior to the fiscal year of distribution. [PL 2007, c. 662, §1 (AMD).]

B. "Property tax burden" means the total real and personal property taxes assessed in the municipal fiscal year pertaining to the latest state valuation, except the taxes assessed on captured value within a tax increment financing district, divided by the latest state valuation certified to the Secretary of State. In the case of a municipality that qualifies for an adjustment for sudden and severe disruption of valuation under Title 36, section 208-A, the amount of money that municipality uses from undesignated fund balances in the municipal fiscal year must be added to the total real and personal property taxes assessed in each fiscal year that municipality qualifies for an adjustment in the determination of the property tax burden. [PL 2023, c. 629, §1 (AMD); PL 2023, c. 629, §3 (AFF).]

C. [PL 2009, c. 213, Pt. S, §1 (RP); PL 2009, c. 213, Pt. S, §16 (AFF).]

D. [PL 2009, c. 213, Pt. S, §2 (RP); PL 2009, c. 213, Pt. S, §16 (AFF).]

E. "Disproportionate tax burden" means the total real and personal property taxes assessed in the municipal fiscal year pertaining to the latest state valuation, except the taxes assessed on captured value within a tax increment financing district, divided by the latest state valuation certified to the Secretary of State and reduced by .01. In the case of a municipality that qualifies for an adjustment for sudden and severe disruption of valuation under Title 36, section 208-A, the amount of money that municipality uses from undesignated fund balances in the municipal fiscal year must be added to the total real and personal property taxes assessed in each fiscal year that municipality qualifies for an adjustment in the determination of the property tax burden. Beginning on July 1, 2013 and each July 1st thereafter, if the total revenue-sharing distribution as calculated by subsection 5 is distributed to the municipalities without transfer or reduction, the reduction factor must be increased by either .0005 or the percentage increase necessary to equal the statewide average property tax rate, whichever increase is smaller, until the fiscal year when the percentage reduction factor reaches the statewide average property tax rate. [PL 2023, c. 629, §2 (AMD); PL 2023, c. 629, §3 (AFF).]

F. "Statewide average property tax rate" means the total real and personal property taxes assessed in all municipalities in the municipal fiscal year pertaining to the latest state valuation, except the taxes assessed on captured value within a tax increment financing district, divided by the total latest state valuation certified to the Secretary of State. [PL 2011, c. 656, §2 (NEW).]

[PL 2023, c. 629, §§1, 2 (AMD); PL 2023, c. 629, §3 (AFF).]

**3. Revenue-sharing funds.** To strengthen the state-municipal fiscal relationship pursuant to the findings and objectives of subsection 1, there is established the Local Government Fund. To provide additional support for municipalities experiencing a higher-than-average property tax burden, there is established the Disproportionate Tax Burden Fund.

[PL 2009, c. 213, Pt. S, §3 (AMD); PL 2009, c. 213, Pt. S, §16 (AFF).]

**4. Sharing the Local Government Fund.**

[PL 1999, c. 731, Pt. U, §3 (RP).]

**4-A. Distribution of Local Government Fund.** The Treasurer of State shall transfer the balance in the Local Government Fund on the 20th day of each month. Money in the Local Government Fund must be distributed to each municipality in proportion to the product of the population of the municipality multiplied by the property tax burden of the municipality.

[PL 1999, c. 731, Pt. U, §4 (NEW).]

**4-B. Distribution of Disproportionate Tax Burden Fund.** The Treasurer of State shall transfer the balance in the Disproportionate Tax Burden Fund on the 20th day of each month. Money in the Disproportionate Tax Burden Fund must be distributed to each municipality in proportion to the product of the population of the municipality multiplied by the disproportionate tax burden of the municipality.

[PL 1999, c. 731, Pt. U, §4 (NEW).]

**5. Transfers to funds.** Before January 1, 2025, no later than the 10th day of each month, the State Controller shall transfer to the Local Government Fund 5% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, former subsection 1, paragraphs A to F and L, and credited to the General Fund without any reduction, except that for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19 the amount transferred is 2%, for fiscal year 2019-20 the amount transferred is 3%, for fiscal year 2020-21 the amount transferred is 3.75% and for fiscal year 2021-22 the amount transferred is 4.5% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, former subsection 1, paragraphs A to F and L, and credited to the General Fund without any reduction, and except that the postage, state cost allocation program and programming costs of administering state-municipal revenue sharing may be paid by the Local Government Fund.

Beginning January 1, 2025, no later than the 10th day of each month, the State Controller shall transfer to the Local Government Fund 5% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8 and Title 36, section 2552, subsection 1-A, and credited to the General Fund without any reduction, except that the postage, state cost allocation program and programming costs of administering state-municipal revenue sharing may be paid by the Local Government Fund. Twenty percent of the amounts transferred to the Local Government Fund each month must be transferred to the Disproportionate Tax Burden Fund and distributed pursuant to subsection 4-B.

A. [PL 2009, c. 213, Pt. S, §4 (RP); PL 2009, c. 213, Pt. S, §16 (AFF).]

B. [PL 2009, c. 213, Pt. S, §4 (RP); PL 2009, c. 213, Pt. S, §16 (AFF).]

C. [PL 2023, c. 412, Pt. XXX, §1 (RP); PL 2023, c. 412, Pt. XXX, §15 (AFF).]

D. [PL 2023, c. 412, Pt. XXX, §1 (RP); PL 2023, c. 412, Pt. XXX, §15 (AFF).]

E. [PL 2023, c. 412, Pt. XXX, §1 (RP); PL 2023, c. 412, Pt. XXX, §15 (AFF).]

F. [PL 2023, c. 412, Pt. XXX, §1 (RP); PL 2023, c. 412, Pt. XXX, §15 (AFF).]

G. [PL 2023, c. 412, Pt. XXX, §1 (RP); PL 2023, c. 412, Pt. XXX, §15 (AFF).]

H. [PL 2023, c. 412, Pt. XXX, §1 (RP); PL 2023, c. 412, Pt. XXX, §15 (AFF).]  
[PL 2023, c. 412, Pt. XXX, §1 (AMD); PL 2023, c. 412, Pt. XXX, §15 (AFF).]

**5-A. Temporary exception.**

[PL 1995, c. 665, Pt. E, §1 (NEW); MRSA T. 30-A §5681, sub-§5-A (RP).]

**5-B. Fund for the Efficient Delivery of Local and Regional Services.**

[PL 2009, c. 213, Pt. S, §5 (RP); PL 2009, c. 213, Pt. S, §16 (AFF).]

**5-C. Transfers to General Fund.** For the months beginning on or after July 1, 2009, \$25,383,491 in fiscal year 2009-10, \$38,145,323 in fiscal year 2010-11, \$40,350,638 in fiscal year 2011-12, \$44,267,343 in fiscal year 2012-13, \$73,306,246 in fiscal year 2013-14 and \$85,949,391 in fiscal year 2014-15 from the total transfers pursuant to subsection 5 must be transferred to General Fund undedicated revenue. The amounts transferred to General Fund undedicated revenue each fiscal year pursuant to this subsection must be deducted from the distributions required by subsections 4-A and 4-B based on the percentage share of the transfers to the Local Government Fund pursuant to subsection 5. The reductions in this subsection must be allocated to each month proportionately based on the budgeted monthly transfers to the Local Government Fund as determined at the beginning of the fiscal year.

[PL 2013, c. 368, Pt. J, §1 (AMD).]

**6. Plantations and unorganized territory.** For purposes of state-municipal revenue sharing, plantations and the unorganized territory shall be treated as if they were municipalities.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**7. Indian territory.** For purposes of state-municipal revenue sharing, the Passamaquoddy Tribe and the Penobscot Nation Indian Territories shall be treated as if they were municipalities. In the absence of a levy of real and personal property taxes in either or both Indian territories, the property tax assessment is computed by multiplying the state valuation for the Indian territory for the period for which revenue sharing is being determined by the most current average equalized property tax rate of all municipalities in the State at that time as determined by the State Tax Assessor.

[PL 1989, c. 871, §1 (NEW); PL 1989, c. 871, §22 (AFF).]

**8. Posting of revenue sharing projections.** For the purpose of assisting municipalities in a timely manner in their budget development process, the Treasurer of State shall post no later than April 15th of each year on the Treasurer of State's website the projected revenue sharing distributions as required by this section according to the most recently issued state revenue forecasts issued by the Revenue Forecasting Committee pursuant to Title 5, chapter 151-B for the subsequent fiscal year beginning on July 1st.

[PL 2023, c. 603, §1 (AMD).]

**SECTION HISTORY**

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,10 (AMD). PL 1989, c. 871, §§1,22 (AMD). PL 1991, c. 780, §Q1 (AMD). PL 1995, c. 665, §E1 (AMD). PL 1995, c. 665, §E4 (AFF). PL 1999, c. 528, §1 (AMD). PL 1999, c. 731, §§U1-5 (AMD). PL 2001, c. 439, §O1 (AMD). PL 2001, c. 559, §G1 (AMD). PL 2001, c. 714, §Y1 (AMD). PL 2003, c. 20, §W1 (AMD). PL 2003, c. 174, §1 (AMD). IB 2003, c. 2, §§2,3 (AMD). PL 2003, c. 673, §V5 (AMD). PL 2003, c. 673, §V29 (AFF). PL 2003, c. 689, §B6 (REV). PL 2005, c. 2, §§G1,H1 (AMD). PL 2005, c. 2, §G2 (AFF). PL 2005, c. 12, §E1 (AMD). PL 2005, c. 266, §1 (AMD). PL 2007, c. 240, Pt. NNN, §1 (AMD). PL 2007, c. 240, Pt. S, §§1, 2 (AMD). PL 2007, c. 437, §1 (AMD). PL 2007, c. 437, §22 (AFF). PL 2007, c. 662, §§1, 2 (AMD). PL 2009, c. 213, Pt. S, §§1-6 (AMD). PL 2009, c. 213, Pt. S, §16 (AFF). PL

2009, c. 462, Pt. E, §1 (AMD). PL 2009, c. 571, Pt. JJ, §1 (AMD). PL 2011, c. 1, Pt. N, §1 (AMD). PL 2011, c. 380, Pt. I, §1 (AMD). PL 2011, c. 656, §§1, 2 (AMD). PL 2013, c. 368, Pt. J, §1 (AMD). PL 2015, c. 267, Pt. K, §1 (AMD). PL 2019, c. 343, Pt. H, §1 (AMD). PL 2021, c. 29, Pt. F, §1 (AMD). PL 2021, c. 398, Pt. G, §1 (AMD). PL 2023, c. 412, Pt. XXX, §1 (AMD). PL 2023, c. 412, Pt. XXX, §15 (AFF). PL 2023, c. 603, §1 (AMD). PL 2023, c. 629, §§1, 2 (AMD). PL 2023, c. 629, §3 (AFF).

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