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Date: (Filing No. H-)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 199, L.D. 281, “Resolve, To Modify the State Valuation of the Town of Madison To Reflect the Loss in Valuation of the Madison Paper Company and To Modify the State Valuation of the Town of Skowhegan To Reflect the Loss in Valuation of the S.D. Warren Company”

Amend the resolve by striking out the title and substituting the following:

'Resolve, To Modify the State Valuation of the Towns of Madison, Skowhegan, East Millinocket and Jay To Reflect the Loss of Valuation of Major Taxpayers in Those Towns'

Amend the resolve by striking out everything after the title and before the summary and inserting the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the value of property within a municipality is a major factor in the calculation of municipal revenue sharing and general purpose aid for local schools; and

Whereas, the Town of Madison derives a large portion of its tax valuation from the presence of the Madison Paper Company, the Town of Skowhegan derives a large portion of its tax valuation from the presence of the S.D. Warren Company, the Town of East Millinocket derives a large portion of its tax valuation from the Great Northern Paper Company and the Town of Jay derives a large portion of its tax valuation from the Verso Paper Company; and

Whereas, between the 2013 and 2014 tax years, the value of the Madison Paper Company has been reduced by \$149,700,000, representing 65% of its taxable value; the value of the S.D. Warren Company has been reduced by \$100,000,000, representing 18% of its taxable value; the value of the Great Northern Paper Company has been reduced by \$21,900,000, representing approximately 73% of its taxable value; and the value of the Verso Paper Company has been reduced by \$200,095,110, representing 24.5% of its taxable value, as a result of the weakness in the market for printed paper products; and

COMMITTEE AMENDMENT

1 **Whereas**, prior to this decrease, the Madison Paper Company represented
2 approximately 40% of the tax base of the Town of Madison, the S.D. Warren Company
3 represented approximately 53% of the tax base of the Town of Skowhegan, the Great
4 Northern Paper Company represented approximately 28.8% of the tax base of the Town
5 of East Millinocket and the Verso Paper Company represented approximately 75.7% of
6 the tax base of the Town of Jay; and

7 **Whereas**, unless immediate action is taken to account for this decrease in valuation,
8 the Town of Madison, the Town of Skowhegan, the Town of East Millinocket and the
9 Town of Jay will experience the loss of significant revenues based on the decreased
10 valuation of the Madison Paper Company, the S.D. Warren Company, the Great Northern
11 Paper Company and the Verso Paper Company; and

12 **Whereas**, in the absence of legislative action, the state valuation of the Town of
13 Madison, the Town of Skowhegan, the Town of East Millinocket and the Town of Jay
14 will not be adjusted to reflect this significant reduction in value for 2 years; and

15 **Whereas**, in the absence of legislative action, the distribution of general purpose aid
16 for local schools to Regional School Unit No. 59, a school unit composed entirely of the
17 Town of Madison; to Regional School Unit No. 54, a school unit composed of the towns
18 of Skowhegan, Canaan, Cornville, Mercer, Smithfield and Norridgewock; to School
19 Union No. 113, a school union composed of East Millinocket, Medway and Woodville
20 and to Regional School Unit No. 73, a school unit composed of Jay, Livermore and
21 Livermore Falls will be calculated on the basis of an inaccurate equalized valuation for at
22 least 3 years; and

23 **Whereas**, in the judgment of the Legislature, these facts create an emergency within
24 the meaning of the Constitution of Maine and require the following legislation as
25 immediately necessary for the preservation of the public peace, health and safety; now,
26 therefore, be it

27 **Sec. 1. Modify 2015 state valuations and state-municipal revenue sharing.**

28 **Resolved:** That, notwithstanding the Maine Revised Statutes, Title 30-A, section 5681
29 and Title 36, sections 208-A and 305, the State Treasurer shall use the following figures
30 for state-municipal revenue sharing for fiscal year 2015-16: for the Town of Madison,
31 the 2015 state valuation is deemed to be \$349,850,000; for the Town of Skowhegan, the
32 2015 state valuation is deemed to be \$1,003,800,000; for the Town of East Millinocket,
33 the 2015 state valuation is deemed to be \$70,900,000; and for the Town of Jay, the 2015
34 state valuation is deemed to be \$801,950,000; and be it further

35 **Sec. 2. Modify state valuations; education funding; Madison. Resolved:**

36 That, notwithstanding the Maine Revised Statutes, Title 20-A, section 15672, subsection
37 23, paragraph C and Title 36, sections 208-A and 305, for the purpose of calculating
38 property fiscal capacity for education funding under Title 20-A for fiscal year 2015-16 to
39 fiscal year 2018-19, the Commissioner of Education shall use the following figures for
40 the Town of Madison: the 2015 state valuation is deemed to be \$349,850,000; the 2014
41 state valuation is deemed to be \$356,600,000; the 2013 state valuation is deemed to be
42 \$355,750,000; and the 2012 state valuation is deemed to be \$361,450,000; and be it
43 further

