



127th MAINE LEGISLATURE

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Legislative Document

No. 282

H.P. 200

House of Representatives, February 5, 2015

An Act To Modify the State Valuation of the Town of Madison To Reflect the Loss in Valuation of the Madison Paper Company, To Modify the State Valuation of the Town of Skowhegan To Reflect the Loss in Valuation of the S.D. Warren Company and To Amend the Law Governing School Subsidy Distribution in the Circumstance of Sudden Loss in Municipal Valuation

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

Handwritten signature of Robert B. Hunt in cursive.

ROBERT B. HUNT
Clerk

Presented by Representative McCABE of Skowhegan.
Cosponsored by Senator WHITTEMORE of Somerset and
Representatives: DUNPHY of Embden, FARRIN of Norridgewock, PICCHIOTTI of Fairfield,
SHORT of Pittsfield, SKOLFIELD of Weld, STETKIS of Canaan.

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

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

5 **Whereas,** the Town of Madison derives a large portion of its tax valuation from the
6 presence of the Madison Paper Company, and the Town of Skowhegan derives a large
7 portion of its tax valuation from the presence of the S.D. Warren Company; and

8 **Whereas,** between the 2013 and 2014 tax years, the value of the Madison Paper
9 Company has been reduced by \$149,700,000, representing 65% of its taxable value, and
10 the value of the S.D. Warren Company has been reduced by \$100,000,000, representing
11 18% of its taxable value, as a result of the weakness in the market for printed paper
12 products; and

13 **Whereas,** prior to this decrease, the Madison Paper Company represented
14 approximately 40% of the tax base of the Town of Madison, and the S.D. Warren
15 Company represented approximately 9.5% of the tax base of the Town of Skowhegan;
16 and

17 **Whereas,** unless immediate action is taken to account for this decrease in valuation,
18 the Town of Madison and the Town of Skowhegan will experience the loss of significant
19 revenues based on the decreased valuation of the Madison Paper Company and the S.D.
20 Warren Company; and

21 **Whereas,** in the absence of legislative action, the state valuation of the Town of
22 Madison and the Town of Skowhegan will not be adjusted to reflect this significant
23 reduction in value for 2 years; and

24 **Whereas,** in the absence of legislative action, the distribution of general purpose aid
25 for local schools to Regional School Unit No. 59, a school unit composed entirely of the
26 Town of Madison, and to Regional School Unit No. 54, a school unit composed of the
27 towns of Skowhegan, Canaan, Cornville, Mercer, Smithfield and Norridgewock, will be
28 calculated on the basis of an inaccurate equalized valuation for at least 3 years; and

29 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
30 the meaning of the Constitution of Maine and require the following legislation as
31 immediately necessary for the preservation of the public peace, health and safety; now,
32 therefore,

33 **Be it enacted by the People of the State of Maine as follows:**

34 **Sec. 1. 20-A MRSA §15672, sub-§23, ¶C,** as enacted by PL 2013, c. 203, §1, is
35 amended to read:

36 C. For fiscal year 2015-16 and each subsequent fiscal year, the average of the
37 certified state valuations for the 3 most recent years prior to the most recently
38 certified state valuation, except that, for a municipality that has experienced a net

