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## UNORGANIZED TERRITORY TAX DISTRICT

### GENERAL INFORMATION

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The unorganized territory is presently comprised of the following:

- 9,418,434.46 acres of land, of which:
  - 7,526,646.27 acres are in tree growth (for which the unorganized territory does not receive reimbursement from the State of Maine), and,
  - 1,102,311.07 acres are exempt from property tax.
- There are 419 townships. One hundred twenty nine of these townships have a full-time resident population of 7,843 people. In addition, the 2000 census estimated that there are 9,260 seasonal structures within the unorganized territory, housing approximately 24,075 non-residents.
- There are 75 offshore islands with only one of these islands having a full-time population of four people.
- There are 415 miles of summer roads and 541 miles of winter roads to maintain.
- There is unorganized territory located within twelve of the sixteen counties in the State of Maine. However, municipal type services are only required in nine of these twelve counties.
- In FY05 the municipal type services were contracted at the county level at a cost to the unorganized territory taxpayers of \$4.5 million. Education, tax-assessing, planning and zoning, general assistance, forest fire protection, and fiscal administrative services were provided at the state level at an annual cost to the unorganized territory taxpayers of approximately \$10.6 million. In addition, the unorganized territory taxpayers paid approximately \$3.1 million in county taxes.

The unorganized territory does not receive school subsidy nor tree growth reimbursement from the State of Maine.

## **STATE SERVICES**

The Legislature allocates and appropriates General Fund monies to the majority of state agencies who provide services to the unorganized territory. However, the General Fund appropriations are offset by transfers made to the Undedicated General Fund for actual expenditures made on behalf of the unorganized territory. The Fiscal Administrator of the Unorganized Territory, in compliance with Title 36, MRSA, §1605, SUB§2-A, transfers on October 31 of each year, an amount equal to 90% of the preceding fiscal year's expenditure. Then, in June of each year, the Fiscal Administrator verifies the total expenditures made by state agencies on behalf of the unorganized territory and transfers any remaining costs above the October 31<sup>st</sup> transfer to the Undedicated General Fund. Thus, the General Fund does not ultimately finance any services provided to the unorganized territory.

Within the state government structure, services to the unorganized territory are provided by:

**Maine Department of Education, Division of School Operations** – Serves as the administrative unit responsible for education and related services for the 1,145 students residing in the unorganized territory. Of these 1,145 students, 948 are tuitioned to local school units and 197 students attend the six unorganized territory operated schools located in the unorganized territory.

**Maine Department of Audit, Unorganized Territory Division** – The Fiscal Administrator of the Unorganized Territory provides information and assistance to the Legislature, the unorganized territory taxpayers, and state and county offices which request funds for providing services in the unorganized territory. The Administrator's primary responsibilities include the review, analysis, and investigation of the budgets and expenditures of all county and state agencies requesting funds from the unorganized territory. This is to ensure a complete and accurate annual analysis. The annual analysis is submitted to the joint standing committee of the Legislature having jurisdiction over taxation and to each legislator and office of the county commissioners having unorganized territory within their districts.

In addition, the Fiscal Administrator drafts and submits the annual Municipal Cost Components legislation in order for taxes to be levied; attends and participates in public hearings on county budgets and legislative hearings relative to the unorganized territory; publishes and distributes an annual financial report to interested taxpayers, legislators and county commissioners; and is Chair of the Commission on Municipal Deorganization.

**Maine Department of Conservation, Forest Fire Control Division** – Provides first response forest fire protection to the unorganized territory including fire prevention, fire detection, fire suppression, fire planning, and the maintenance of forest fire equipment.

## **State Services (cont'd)**

**Maine Department of Health and Human Services, Special Services/Emergency Assistance** – Designates and oversees agents who provide general assistance to the unorganized territory citizens.

**Maine Department of Conservation, Land Use Regulation Commission** – Serves as the planning and zoning board for the unorganized territory and other areas of Maine lacking local governments empowered to exercise land use authority.

**Maine Department of Administrative and Financial Services, Revenue Services, Property Tax Division** – Responsible for the assessment and collection of property taxes for the 419 townships and numerous coastal islands within the unorganized territory. The Bureau also maintains control of vehicle and boat excise taxes for the unorganized territory.

## **COUNTY SERVICES**

County services such as: road and bridge maintenance and repair, snow removal, structural fire protection, solid waste disposal, polling places, and animal control may, in accordance with Title 30A, MRSA, Chapter 305, be either provided or contracted by the county commissioners in the following counties.

**Aroostook  
Franklin  
Hancock  
Kennebec  
Oxford  
Penobscot  
Piscataquis  
Somerset  
Washington**

In the fall of the year, each of the above named counties produces an unorganized territory budget.

**NOTE:** This budget is separate from the county budget. The law requires that a public hearing on this budget be held at the same time as the county budget hearing. These budgets are submitted to the Fiscal Administrator of the Unorganized Territory for review, analysis, and investigation. They are then included in the legislation and analysis submitted by the Fiscal Administrator to the Legislature for its consideration.

## **MUNICIPAL COST COMPONENTS LEGISLATION**

The Fiscal Administrator of the Unorganized Territory drafts and submits the Municipal Cost Components legislation no later than March 1 of each year. This legislation consists of the budgeted state services minus anticipated revenues such as revenue sharing and the use of the undesignated fund balance. It also consists of the unorganized territory budgeted tax assessment for each of the counties that provide municipal type services.

A public hearing on this legislation is held before the Joint Standing Committee on Taxation. The legislation is then voted on by both houses of the Legislature (a 2/3 vote is required because it is emergency legislation) and signed into law by the Governor.

## **TAXES**

Once the Municipal Cost Components legislation is enacted, the Division of Unorganized Territory Property Tax within the Maine Department of Administrative and Financial Services issues the tax bills. The bills are mailed no later than August 1 of each year. The tax is due by October 1.

The mill rate in the unorganized territory consists of three components. They are:

1. County services budget (specific to the county in which the taxpayer owns property) divided by the county valuation = Mill Rate
2. State services budget (minus budgeted revenue) divided by the entire unorganized territory valuation = Mill Rate (NOTE: This mill rate is consistent for every taxpayer in the unorganized territory)
  - A. The above two mill rates are added and rounded up to the nearest  $\frac{1}{4}$  mill = Mill Rate.
3. County Tax (specific to the county in which the taxpayer owns property) divided by the county valuation = Mill Rate.

Numbers 2A and 3 mill rates are added to get the county tax rate for the individual counties in the unorganized territory.

**UNORGANIZED TERRITORY COUNTY TOTALS  
FISCAL YEAR 2005**

**REAL ESTATE**

<u>COUNTY</u>	<u>VALUATION</u>	<u>TAX RATE</u>	<u>TAX</u>
Aroostook	\$ 402,515,423	0.00754	\$ 3,034,966.29
Franklin	135,004,242	0.01117	1,507,997.38
Hancock	98,212,352	0.00620	608,916.58
Kennebec	2,381,312	0.00884	21,050.80
Knox	8,122,865	0.00574	46,625.25
Lincoln	7,240,679	0.00557	40,330.58
Oxford	133,552,520	0.00805	1,075,097.79
Penobscot	183,458,154	0.00962	1,764,867.44
Piscataquis	450,002,459	0.00798	3,591,019.62
Somerset	442,538,017	0.00765	3,385,415.83
Waldo	722,050	0.00637	4,599.46
Washington	183,272,431	0.00894	1,638,455.53
<b>TOTAL</b>	<b>\$ 2,047,022,504</b>		<b>\$ 16,719,342.55</b>

**PERSONAL PROPERTY**

<u>COUNTY</u>	<u>VALUATION</u>	<u>TAX RATE</u>	<u>TAX</u>
Aroostook	\$ 3,791,712	0.00754	\$ 28,589.51
Franklin	1,156,720	0.01117	12,920.56
Hancock	608,740	0.00620	3,774.19
Kennebec	214,910	0.00884	1,899.80
Knox	15,500	0.00574	88.97
Lincoln	6,000	0.00557	33.42
Oxford	213,890	0.00805	1,721.81
Penobscot	909,505	0.00962	8,749.44
Piscataquis	1,778,485	0.00798	14,192.31
Somerset	11,456,669	0.00765	87,643.52
Waldo	10,000	0.00637	63.70
Washington	1,424,055	0.00894	12,731.05
<b>TOTAL</b>	<b>21,586,186</b>		<b>172,408.29</b>

Total Valuations	2,068,608,690
Total Taxes	16,891,750.84