

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 2211

H. P. ■■■■ 2344

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 24. The Committee on Appropriations and Financial Affairs suggested and 3,000 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Davies of Orono

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

RESOLUTION, Proposing an Amendment to the Constitution to Require the Governing Body of State and Local Units of Government to Establish Reasonable Expenditure Limits for their Respective Units; to Provide Property Tax Relief by Requiring Property Tax Exemption on the First \$10,000 on an Owner's Principal Place of Residence; to Provide Property Tax Relief to Renters; and to Finance Property Tax Relief by Providing that a One Percent Sales and Use Tax shall be Collected by the State and Distributed to Local Governments.

Constitutional amendment. RESOLVED: Two-thirds of each branch of the Legislature concurring, that the following amendment to the Constitution of this State be proposed:

Constitution, Art. I, § 22, sub-§ 1 is enacted to read:

1. **Control of appropriations.** The governing body of the state and local units of government shall establish reasonable expenditure limits for their respective units.

Constitution, Art. I, §§ 22-A to 22-C are enacted to read:

Section 22-A. Residential homestead tax exemption. Notwithstanding any other provisions of the Constitution, commencing with the unit of government's fiscal year which begins after June 30, 1979 the principal place of residence owned and occupied by any person shall be exempt from real property taxation in the amount of the product of \$10,000 and the average ratio of assessed valuation to full market value that is employed in the assessment of real estate in each municipality and in the unorganized territory.

The ration of assessed valuation to full market value is to be determined annually by the State Tax Assessor for each municipality and for the unorganized territory.

Section 22-B. Sales and use tax designation. Except as otherwise provided in Article IX, section 19, the State shall collect a one percent sales and use tax to be returned to municipal governments. This money shall be set aside in a local government fund and shall be distributed to the municipalities in a manner to be determined by the State Legislature. This provision takes effect July 1, 1979.

Section 22-C. Renters relief. Property tax relief shall be provided by the State to renters who are paying a portion of their rental fees for local property taxes on their principal place of residence.

Constitutional referendum procedure; form of question; effective date. Resolved: That the city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, at the next general election in the month of November or special statewide election on the Tuesday following the first Monday of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

"Shall the Constitution be amended, as proposed by the first special session of the 108th Legislature, to require state and local governments to establish reasonable expenditure limits for their respective units; to provide property tax relief by requiring a property tax exemption on \$10,000 of the full fair market value of an owner's principal place of residence; to provide property tax relief to renters; and to finance property tax relief by providing that a one percent sales and use tax shall be collected by the state and distributed to local governments?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within the corresponding square below the words "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns, and, if it

appears that a majority of the legal votes are in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment shall become part of the Constitution on the date of the proclamation.

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purpose of this referendum.

STATEMENT OF FACT

This resolution will require the governing body of state and local units of government to establish reasonable expenditure limits for their respective units; will provide property tax relief by requiring a tax exemption on \$10,000 of the full fair market value of the principal place of residence of any owner; will provide property tax relief to renters; and will finance property tax relief by providing that a one percent sales and use tax shall be collected by the State and distributed to local governments.