

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
108TH LEGISLATURE  
FIRST SPECIAL SESSION

(Filing No. H-1289)

"C"  
HOUSE AMENDMENT" "to COMMITTEE AMENDMENT"C" to H.P. 2345,  
L.D. 2212, RESOLUTION, Proposing an Amendment to the Constitution  
to Limit the Amount of Revenues which may be Raised by Taxes in any  
Fiscal Year.

Amend the amendment by striking out everything after the  
title and inserting in its place the following:

'Amend the resolution by striking out all of the title and  
inserting in its place the following:

'RESOLUTION, Proposing an Amendment to the Constitution to  
Limit the Amount of State Government Spending and Taxes in Any  
Fiscal Year.'

Further amend the resolution by striking out everything after  
the first paragraph and inserting in its place the following:

'Constitution, Art. I, §22, is amended by adding after the  
first sentence the following:

There is hereby established a limit on the total amount of appro-  
priations and subsequently the amount of taxes which may be  
levied by the Legislature in any fiscal year on the people of  
this State. Effective with the first fiscal year beginning after  
the ratification of this section, and for each fiscal year there-  
after, the Legislature shall not appropriate funds nor impose  
taxes of any kind which, together with all other revenue of the  
State, federal aid excluded, will total more than 7.75% of the  
personal income of Maine for the previous fiscal year or the  
average of personal income of Maine for the previous five calendar  
years, whichever is greater. "Personal income of Maine" means  
the total income received by persons in Maine from all sources,  
as defined and officially reported by the United States Department  
of Commerce or its successor agency.

For any fiscal year, in the event that state revenues, excluding federal aid, do exceed 7.75% of the personal income of Maine reported for the previous fiscal year or the average of personal income of Maine for the previous five calendar years, whichever is greater, the excess shall be refunded pro rata on the income taxes annual returns filed following the close of such fiscal year.

The limitation of this section shall not apply to taxes, the revenues of which are dedicated to the payment of principal and interest on bonds or other evidence of indebtedness authorized by the State. The tax limitation of this section may be exceeded only if all of the following conditions are met: The Legislature declares by vote of two-thirds of its membership an emergency; the declaration shall be a bill that receives a public hearing and it shall be specific as to the nature of the emergency, the method by which the emergency will be funded and the justification

of the revenue source chosen. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the specific emergency request. The tax limitation may be exceeded only for the fiscal year in which the emergency is declared; in the next and subsequent fiscal years the tax limitation of this section shall again take effect. In no event shall any part of the amount representing a refund under this section be the subject of any emergency request.

A new program or an increase <sup>or decrease</sup> in the level of service under an existing program shall not be required by the Legislature of units of local government, of authorities created by the State, or of political subdivisions of the State, unless a state appropriation is made and disbursed sufficient to pay the local unit of government, authority or political subdivision for any increased costs of the program to such substate unit.

The proportion of state revenue paid to all units of local government, authorities created by the State, and political subdivisions of the State, taken as a group, shall not be reduced below that proportion in effect when this section is adopted.

Constitutional referendum procedure; form of question;  
effective date. Resolved: That the city aldermen, town select-  
men and plantation assessors of this State shall notify the in-  
habitants 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 passed by a  
\_\_\_\_\_ the first special session of the 108th Legislature  
to limit the amount of State Government spending and taxes in  
any fiscal year?"

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 amendment will limit the amount of appropriations which may be spent by the Legislature in any fiscal year. The limit is based upon the income of the people. It eliminates the local units of government from limitations. It provides for refund of excess revenues to the taxpayers on their subsequent tax returns.

Filed by Mr. Cunningham of New Gloucester

Reproduced and distributed under the direction of the Clerk of the House.  
(9/15/78)

(Filing No. H-1289)