

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

8/29/78

FIRST SPECIAL SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 2212

H. P. ■ 2345

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. Cunningham of New Gloucester.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

RESOLUTION, Proposing an Amendment to the Constitution to Limit the Amount of Revenues which may be Raised by Taxes in any Fiscal Year.

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 is amended by adding after the first sentence the following:

There is hereby established a limit on the total appropriations by the Legislature and subsequently a limit on the total amount of taxes which may be levied by the Legislature in any fiscal year on the taxpayers of this State. Effective with the first fiscal year beginning after the ratification of this section, and for each fiscal year thereafter, the Legislature shall not appropriate funds nor impose taxes of any kind which, together with all other revenues of the State, federal aid excluded, will total more than 8% 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 Bureau of Taxation or its successor agency.

For any fiscal year, in the event that state revenues, excluding federal aid, do exceed 8% 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 sources 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 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 the costs of the program.

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.

The percentage ratio of appropriations and the subsequent taxes levied by units of local government, of authorities created by the State, or of political subdivisions of the State, relative to the gross personal income of the people within such unit of local government, authority, or political subdivision, that is in effect when this section is adopted shall remain in effect each fiscal year thereafter unless the budget of a higher percentage relative to the gross personal income of the people is approved by a referendum vote of the voters of such unit of local government, authority or political subdivision.

For the purposes of this section, quasi-governmental units such as public

utilities under the jurisdiction of the Public Utilities Commission whose revenues are derived from the sale of a product or service to a user at the discretion of the user are exempted.

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 limit the amount of revenues which may be raised by 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 Constitutional Resolution will limit the amount of appropriations and, consequently, the amount of revenues that may be raised by taxes in any fiscal year by all units of government to a percentage of the gross personal income of the people.