

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1422

H.P. 986

House of Representatives, March 22, 2005

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Help Voters Control the Cost of Government

Reference to the Committee on State and Local Government suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MERRILL of Appleton.
Cosponsored by Senator STRIMLING of Cumberland and
Representatives: BOWEN of Rockport, CURLEY of Scarborough, KAELIN of Winterport,
MILLETT of Waterford, RICHARDSON of Warren, SAVIELLO of Wilton, Senators:
NUTTING of Androscoggin, RAYE of Washington.

2 **Constitutional amendment. Resolved:** Two thirds of each
branch of the Legislature concurring, that the following
amendment to the Constitution of Maine be proposed:

4 **Constitution, Art. IX, §24** is enacted to read:

6 **Section. 24. Balanced budget; establishment of Special**
8 **Reserve Account; limitation on issuance of bonds.**

10 **1. Amount of expenditures authorized.** The Legislature
shall pass in the first year of each biennium a balanced General
12 Fund budget based on best estimates of projected revenue. If the
budget is enacted as an emergency measure pursuant to Article IV,
14 Part Third, Section 16, the Legislature may authorize
expenditures up to an amount that does not exceed the projected
16 revenues for the biennium. If the budget is not enacted as an
emergency measure pursuant to Article IV, Part Third, Section 16,
18 the Legislature may authorize expenditures only up to an amount
that equals 95% of projected revenues for the biennium, unless a
20 sum equal to 5% of the projected revenues is held by the State in
the special reserve account established pursuant to subsection 3.

22 **2. Impact of revised projections.** If at any time revisions
24 to revenue projections result in the failure of a duly enacted
budget to meet the revenue and expenditure requirements set forth
26 in subsection 1, the Legislature shall enact a supplemental
budget that results in conformity with the revenue and
28 expenditure requirements set forth in subsection 1.

30 **3. Special reserve account.** The Legislature shall
establish a special reserve account. Funds in this account may
32 be expended only:

34 A. Through enactment of an emergency measure pursuant to
Article IV, Part Third, Section 16; or

36 B. Through enactment of a measure that is expressly
38 conditioned on the people's ratification by a referendum
vote pursuant to Article IV, Part Third, Section 19.

40 **4. Limitation on issuance of bonds.** Notwithstanding
42 Sections 14, 14-A, 14-B, 14-C and 14-D, the Legislature may not
issue bonds pursuant to those sections unless the special reserve
44 account established pursuant to subsection 3 contains funds in an
amount that equals or exceeds 5% of the total budget in the
46 biennium in which the bonds are authorized.

48 **5. Other borrowing.** Any money the State acquires by
creating an obligation that will extend beyond the term of the

Legislature that creates it must be authorized by a 2/3 majority
of the Legislature.

6. Transition period. Notwithstanding subsection 1, in the
first biennium in which this section is in effect, the
Legislature may authorize expenditures in excess of an amount
that equals 95% of projected revenues for the biennium if the
State holds an amount equal to 5% of the projected revenues for
that year in a reserve fund.

; and be it further

Constitutional referendum procedure; form of question; effective date. Resolved: That the municipal officers 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 a 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:

"Do you favor amending the Constitution of Maine to require a balanced budget, establish a special reserve account and place a limitation on the issuance of bonds?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within the corresponding square below the word "Yes" or "No." The ballots must 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 cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution of Maine on the date of the proclamation; and be it further

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 purposes of this referendum.

SUMMARY

This bill proposes an amendment the Constitution of Maine to require a balanced budget, establish a special reserve account and place a limitation on the issuance of bonds.