

MAINE STATE LEGISLATURE

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Proposed Amendment to Section 3713, subsection 11; Retroactive Application

Question:

If the Legislature were to repeal 20 M.R.S.A. § 3713, Subsection 11, (Local Leeway Funds) with the provision that it be applied retroactively to November 1, 1975, could it be applied retroactively to those municipalities which have adopted School Budgets after November 1, 1975, but before Subsection 11 is repealed?

Facts:

1. Presently the fiscal year for the majority of the State's municipalities is the same as the calendar year. 30 M.R.S.A., Section 101-A requires all municipalities to "adopt a school budget for a period to include the next full fiscal year, beginning on July 1 and ending on June 30th. The change to a uniform school budget year shall be accomplished no later than the fiscal year which ends June 30, 1977."

2. The State's share of local leeway funds (20 M.R.S.A., Section 3713, subsection 11) shall be paid not later than the last month of the school administrative unit's (which include municipal or quasi-municipal corporations; 20 M.R.S.A., Section 851) fiscal year. Municipalities, in their efforts to comply with 30 M.R.S.A., Section 101-A, will have to adopt conversion year budgets ending on June 30, 1976. The superintendents of the schools in Maine anticipate that the State will be obligated to pay in June, 1976, \$2,632,376.97 to the municipalities as the State's share of the local leeway expenditures which the municipalities will incur in their conversion year budgets.

Answer:

The Legislature may enact retroactive legislation to the extent it doesn't impair the obligation of contracts between municipalities and third parties. Maine Constitution, Article 1, Section 11; United States Constitution, Article 1, Section 10; In Re Opinion to the Senate, 275 A 2d 256, 258 (R. I., 1971). It is a question of fact to be determined on a case by case analysis whether a given municipality has contractually obligated its portion of the State's share of leeway money. In Re Opinion, supra, at 258; Keefe v. Clark, 322 U. S. 393, 395 (1944); Sacramento Municipal Utility District v. Spink, 303 P. 2d 46, 54 (Cal., 1956).