Maine Citizen's Guide to the

Referendum Election

Tuesday, November 3, 2009

In Accordance with
the June 19, 2009 and September 2, 2009
Proclamations of the Governor and with the
Acts Passed by the 124th Legislature
at the First Regular Session

Matthew Dunlap
Secretary of State

Appropriation 010-29A-4213-012

State of Maine
Office of the Secretary of State
Augusta, Maine 04333

Dear Fellow Citizen,

The information in this booklet is intended to help voters learn about the questions that will appear on the November 3, 2009 Referendum Election ballot. Referendum elections are an important part of the heritage of public participation in Maine. I hope you will help keep our democracy strong by reviewing this information and then casting your ballot.

For information about how and where to vote, please contact your local municipal clerk or call Maine's Division of Elections at 624-7650. Information is also available online at www.maine.gov/sos.

Inside this booklet, you will find:

- each of the seven referendum questions;
- the legislation each question represents;
- a summary of the intent and content of the legislation;
- an explanation of the significance of a "yes" or "no" vote;
- an analysis of the debt service on the bond issue;
- an estimate of the fiscal impact of each referendum question on state revenues, appropriations and allocations; and
- public comments filed in support of or in opposition to each ballot measure.

The Department of the Secretary of State, the Attorney General, the State Treasurer and the Office of Fiscal and Program Review have worked together to prepare this booklet. We hope you find it helpful and we encourage you to exercise your right to vote.

Sincerely,

Matthew Dunlap
Secretary of State

Features in this Guide

Chapter 316 of the Public Laws of 2005, passed by the First Special Session of the 122nd Legislature, added several features to the Guide.

In addition to the Intent and Content summaries prepared by the Office of the Attorney General, and the Treasurer's Statement and analysis of the debt service on the bond issue, this Guide also includes an estimate of the fiscal impact of each statewide referendum on state revenues, appropriations and allocations. The fiscal impact estimate must summarize the aggregate impact that each ballot measure will have on the General Fund, the Highway Fund, Other Special Revenue Funds and the amounts distributed by the state to local units of government.

In addition the Guide may also include public comments in support of or in opposition to each ballot measure. As required by this law, a person filing a public comment for publication must pay a fee of $500 to the Secretary of State. Fees filed with public comments will be deposited in the Public Comment Publication Fund. The money in this fund must be used for the purpose of publishing the Secretary of State's Guide to the Referendum Election.

Pursuant to Chapter 316 of the Public Laws of 2005, the Secretary of State adopted rules regarding the publication of public comment by proponents and opponents of ballot measures. Chapter 520, Rules Regarding Publication of Public Comments on Statewide Referenda, are available on the Secretary of State's web site at:

http://www.maine.gov/sos/cec/rules/29/250/250c520.doc

STATE OF MAINE
Referendum Election, November 3, 2009

Listing of Referendum Questions

Question 1: People's Veto

Do you want to reject the new law that lets same-sex couples marry and allows individuals and religious groups to refuse to perform these marriages?

Question 2: Citizen Initiative

Do you want to cut the rate of the municipal excise tax by an average of 55% on motor vehicles less than six years old and exempt hybrid and other alternative-energy and highly fuel-efficient motor vehicles from sales tax and three years of excise tax?

Question 3: Citizen Initiative

Do you want to repeal the 2007 law on school district consolidation and restore the laws previously in effect?

Question 4: Citizen Initiative

Do you want to change the existing formulas that limit state and local government spending and require voter approval by referendum for spending over those limits and for increases in state taxes?

Question 5: Citizen Initiative

Do you want to change the medical marijuana laws to allow treatment of more medical conditions and to create a regulated system of distribution?

Question 6: Bond Issue

Do you favor a $71,250,000 bond issue for improvements to highways and bridges, airports, public transit facilities, ferry and port facilities, including port and harbor structures, as well as funds for the LifeFlight Foundation that will make the State eligible for over $148,000,000 in federal and other matching funds?

Question 7: Constitutional Amendment

Do you favor amending the Constitution of Maine to increase the amount of time that local officials have to certify the signatures on direct initiative petitions?

Treasurer's Statement

The State of Maine borrows money by issuing bonds. Bonding is a multi-step process which can generally be described as follows:

1. The Legislature decides what it believes should be funded from bond proceeds (money acquired from the sale of bonds) and puts the bonds out for voter approval as required by the State Constitution.

2. The voters, at a statewide election, approve or reject each bond proposal.

3. The State Treasurer issues bonds to pay for those projects approved by the voters or otherwise authorized by the Constitution. A person or institution purchasing the bonds is, in effect, loaning the State of Maine money in return for interest payments during the term of the bond.

4. The Treasurer distributes the money acquired from the sale of bonds in accordance with the legislation authorizing bonds for approved projects.

5. The Treasurer makes payments twice yearly to bond purchasers until the debt is retired.

The following is a summary of the general obligation bond debt of the State of Maine as of **September 1, 2009**.

Bonds Outstanding (Issued and Maturing through 2019):

	Principal	Interest	Total
Highway Fund	$120,345,000.00	$ 25,637,702.20	$145,982,702.20
General Fund	$387,345,000.00	$ 58,431,955.37	$445,776,955.37
Total	**$507,690,000.00**	**$ 84,069,657.57**	**$591,759,657.57**

9/1/2009 Unissued Bonds Authorized by Voters:	**$ 83,439,000.00**
Unissued Bonds Authorized by the Constitution and Laws:	**$ 99,000,000.00**
Total Unissued Bonds:	**$182,439,000.00**
Less Bond Anticipation Notes Issued this Fiscal Year:	**$ -**
Total Available from Authorized but Unissued:	**$182,439,000.00**
Total Amount that must be paid in the present fiscal year for Bonded Debt already Outstanding (for FY2010):	**$106,976,462.09**

If the bonds submitted here are approved by voters and issued for the full statutory period authorized, an estimate of the total interest and principal that may reasonably be expected to be paid is **$90,843,750.00,** representing **$71,250,000.00** in principal and **$19,593,750.00** in interest.

David Lemoine

David Lemoine, Treasurer of State

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Question 1: People's Veto

Do you want to reject the new law that lets same-sex couples marry and allows individuals and religious groups to refuse to perform these marriages?

State of Maine

To the Governor of the State of Maine:

In accordance with Section 17 of Article IV, Part Third of the Constitution of the State of Maine, the undersigned electors of the State of Maine, qualified to vote for Governor, residing in said State, whose names have been certified, hereby propose to veto Public Law 2009, Chapter 82, entitled "An Act to End Discrimination in Civil Marriage and Affirm Religious Freedom".

Approved	Chapter
May 6, 2009	82
By Governor	Public Law

In the Year of Our Lord
Two Thousand and Nine

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 19-A MRSA §650, as enacted by PL 1997, c. 65, §2, is repealed.

Sec. 2. 19-A MRSA §650-A is enacted to read:

§ 650-A. Codification of marriage

Marriage is the legally recognized union of 2 people. Gender-specific terms relating to the marital relationship or familial relationships, including, but not limited to, "spouse," "family," "marriage," "immediate family," "dependent," "next of kin," "bride," "groom," "husband," "wife," "widow" and "widower," must be construed to be gender-neutral for all purposes throughout the law, whether in the context of statute, administrative or court rule, policy, common law or any other source of civil law.

Sec. 3. 19-A MRSA §650-B is enacted to read:

§ 650-B. Recognition of marriage licensed and certified in another jurisdiction

A marriage of a same-sex couple that is validly licensed and certified in another jurisdiction is recognized for all purposes under the laws of this State.

Sec. 4. 19-A MRSA §651, sub-§2, as amended by PL 1997, c. 537, §12 and affected by §62, is further amended to read:

2. Application. The parties wishing to record notice of their intentions of marriage shall submit an application for recording notice of their intentions of marriage. The application may be issued to any 2 persons otherwise qualified under this chapter regardless of the sex of each person. The application must include a signed certification that the information recorded on the application is correct and that the applicant is free to marry according to the laws of this State. The applicant's signature must be acknowledged before an official authorized to take oaths. Applications recording notice of intentions to marry must be open for public inspection in the office of the clerk. When the

application is submitted, the applicant shall provide the clerk with the social security numbers of the parties. The application must include a statement that the social security numbers of the parties have been provided to the clerk. The clerk shall record the social security numbers provided by each applicant. The record of the social security numbers is confidential and is not open for public inspection.

Sec. 5. 19-A MRSA §655, sub-§3 is enacted to read:

3. Affirmation of religious freedom. This Part does not authorize any court or other state or local governmental body, entity, agency or commission to compel, prevent or interfere in any way with any religious institution's religious doctrine, policy, teaching or solemnization of marriage within that particular religious faith's tradition as guaranteed by the Maine Constitution, Article 1, Section 3 or the First Amendment of the United States Constitution. A person authorized to join persons in marriage and who fails or refuses to join persons in marriage is not subject to any fine or other penalty for such failure or refusal.

Sec. 6. 19-A MRSA §701, as amended by PL 2007, c. 695, Pt. C, §4, is further amended to read:

§ 701. Prohibited marriages; exceptions

~~**1. Marriage out of State to evade law.** When residents of this State, with intent to evade this section and to return and reside here, go into another state or country to have their marriage solemnized there and afterwards return and reside here, that marriage is void in this State.~~

1-A. Certain marriages performed in another state not recognized in this State. Any marriage performed in another state that would violate any provisions of subsections 2 to ~~54~~ if performed in this State is not recognized in this State and is considered void if the parties take up residence in this State.

2. Prohibitions based on degrees of consanguinity; exceptions. This subsection governs marriage between relatives.

A. A ~~man may not marry his mother, grandmother, daughter, granddaughter, sister, brother's daughter, sister's daughter, father's sister, mother's sister, the daughter of his father's brother or sister or the daughter of his mother's brother or sister. A woman may not marry her father, grandfather, son, grandson, brother, brother's son, sister's son, father's brother, mother's brother, the son of her father's brother or sister or the son of her mother's brother or sister~~ person may not marry that person's parent, grandparent, child, grandchild, sibling, nephew, niece, aunt, uncle or first cousin.

B. Notwithstanding paragraph A, a ~~man~~ person may marry ~~the daughter of his father's brother or sister or the daughter of his mother's brother or sister, and a woman may marry the son of her father's brother or sister or the son of her mother's brother or sister~~ that person's first cousin as long as, pursuant to sections 651 and 652, the ~~man or woman~~ person provides the physician's certificate of genetic counseling.

3. Persons under disability. A person who is impaired by reason of mental illness or mental retardation to the extent that that person lacks sufficient understanding or capacity to make, communicate or implement responsible decisions concerning that person's property or person is not capable of contracting marriage. For the purposes of this section:

A. "Mental illness" means a psychiatric or other disease that substantially impairs a person's a mental health; and

B. "Mental retardation" means a condition of significantly subaverage intellectual functioning resulting in or associated with concurrent impairments in adaptive behavior and manifested during the developmental period.

4. Polygamy. A marriage contracted while either party has a living wife or husband from whom the party is not divorced is void.

~~**5. Same sex marriage prohibited.** Persons of the same sex may not contract marriage.~~

Intent and Content
Prepared by the Office of the Attorney General

This referendum asks whether Maine voters want to reject or accept amendments to the state's marriage laws that were enacted by the Legislature and approved by the Governor in May 2009. The new law would allow same-sex couples to marry in Maine. It also would recognize such marriages lawfully performed in other states. It would allow individuals who are authorized to perform marriages to refuse to perform a marriage for a same-sex couple. Finally, the law does not allow any court or governmental body to compel, prevent or interfere in any way with a religious institution's doctrines, policies, teaching or practices regarding marriage.

After the legislation making the above changes was enacted in May, 2009, petitioners collected a sufficient number of signatures of registered voters to refer it to the people for a vote at a statewide election. The effect of the legislation has been suspended pending the outcome of the election.

A "YES" vote would reject the new law and continue to prohibit same-sex couples from marrying.

A "NO" vote would allow the new law to take effect, permitting same-sex couples to marry.

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

Fiscal Notes and Detail. Increasing the number of marriages may subsequently generate additional divorce proceedings, increasing court costs by minor amounts. The collection of additional filing fees for court proceedings will increase General Fund revenue by minor amounts.

As Maine tax law currently exempts certain transactions between family members, the bill may reduce Real Estate Transfer Tax collections affecting General Fund revenue and Other Special Revenue Funds revenue dedicated to the Housing Opportunities for Maine Fund. The General Fund impact may be offset by reduced eligibility and net benefits paid under the Maine Resident Property Tax and Rent Refund Program.

The net effect on state costs and revenue is not expected to be significant. This fiscal note assumes no change to federal income tax filing status and, therefore, no effect on Maine individual income tax liability.

Net fiscal impact not significant.

Public Comments

No public comments were filed in support of or in opposition to Question 1.

Question 2: Citizen Initiative

Do you want to cut the rate of the municipal excise tax by an average of 55% on motor vehicles less than six years old and exempt hybrid and other alternative-energy and highly fuel-efficient motor vehicles from sales tax and three years of excise tax?

State of Maine

"An Act to Decrease the Automobile Excise Tax and Promote Energy Efficiency"

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2001, c. 671, §32, is further amended to read:

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in ~~subparagraph~~ subparagraphs (3) and (4): a sum equal to ~~24~~ 12 mills on each dollar of the maker's list price for the first or current year of model, ~~17 1/2~~ 8 mills for the 2nd year ~~, 13 1/2~~ and 4 mills for the 3rd ~~year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th~~ and succeeding years. The minimum tax is $5 for a motor vehicle other than a bicycle with motor attached, $2.50 for a bicycle with motor attached, $15 for a camper trailer other than a tent trailer and $5 for a tent trailer. The excise tax on a stock race car is $5.

(1) On new registrations of automobiles, trucks and truck tractors, the excise tax payment must be made prior to registration and is for a one-year period from the date of registration.

(2) Vehicles registered under the International Registration Plan are subject to an excise tax determined on a monthly proration basis if their registration period is less than 12 months.

(3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.

(4) For the first 3 model years of a hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle with a highway fuel economy estimate of at least 40 miles per gallon as tested by the United States Environmental Protection Agency there is no excise tax imposed. For the 4th and succeeding model years of the vehicle, the excise tax due is a sum equal to 4 mills on each dollar of the maker's list price.

For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1, paragraph C, the excise tax must be prorated for the number of months in the registration.

Sec. 2. 36 MRSA §1752, sub-§1-G, as enacted by PL 1997, c. 791, Pt. A, §1, is repealed.

Sec. 3. 36 MRSA §1760, sub-§79-A is enacted to read:

79-A. Clean fuel vehicles. The sale or lease price of a new hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle with a highway fuel economy estimate of at least 40 miles per gallon as tested by the United States Environmental Protection Agency.

Summary

This bill decreases the excise tax imposed on motor vehicles for the first year from 24 mills to 12 mills, for the 2nd year from 17 1/2 mills to 8 mills and for the 3rd year from 13 1/2 mills to 4 mills and imposes a 4 mills rate for the 4th and succeeding years. This bill also exempts from the excise tax imposed on motor vehicles the first 3 model years of a hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a highly energy efficient vehicle that has a highway fuel economy estimate of at least 40 miles to the gallon. After the first 3 years, the rate of excise tax is the same as on other motor vehicles of the same age.

This bill also exempts from the sales tax 100% of the sale or lease price of a new hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle with a highway fuel economy estimate of at least 40 miles per gallon.

Intent and Content
Prepared by the Office of the Attorney General

This initiated legislation would reduce the rate of the excise tax on motor vehicles less than six years old. This is the tax that owners of vehicles pay each year in order to register their vehicles. The excise tax is collected and retained by the city or town where the owner of the vehicle resides. If the vehicle owner lives in the unorganized territory, the tax is deposited in the unorganized territory fund in the county where the owner resides.

The extent of the rate cut varies depending on the age of the vehicle. The legislation provides a rate cut of about 50% for one and two-year old vehicles (from 24 mills to 12 mills in year one, and 17 ½ to 8 mills in year two); 70% for a 3-year old vehicle (from 13 ½ to 4 mills); 60% for a 4-year old vehicle (from 10 to 4 mills); and 38% for a 5-year old vehicle (from 6 ½ to 4 mills). The legislation does not change the current rate of excise tax (4 mills) for vehicles older than 5 years. Each mill constitutes a tax of one dollar for every $1,000 of the manufacturer's suggested retail price for the vehicle. (For example, a 4-mill tax rate means that the vehicle owner would pay a tax of $4 for every $1,000 of the suggested retail price for that vehicle.)

Hybrid gasoline-electric vehicles, vehicles powered by fuel cells or hydrogen, and other vehicles with estimated fuel consumption rates of at least 40 miles per gallon on the highway according to United States Environmental Protection Agency testing, would be entirely exempt from excise tax during the first three years. After three years, the tax rate would be the same as for all other motor vehicles of the same age. These vehicles also would be completely exempt from sales tax.

If approved, this citizen initiated legislation would take effect 30 days after proclamation of the vote.

A "YES" vote favors enactment of the initiated legislation.

A "NO" vote opposes enactment of the initiated legislation.

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

Fiscal Notes and Detail. The implementation of this initiated bill is contingent upon approval by the voters at referendum in November of 2009. If adopted, it will exempt from sales and use tax the sale or lease price of a new hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle with fuel economy of at least 40 miles per gallon effective January 1, 2010. The exemption from sales and use tax will reduce General Fund revenue by $2,417,512 in fiscal year 2009-10 and $4,835,025 in fiscal year 2010-11. This exemption will also reduce Local Government Fund revenue by $127,238 in fiscal year 2009-10 and $254,475 in fiscal year 2010-11.

This bill also proposes to reduce the excise tax imposed on certain motor vehicles. This would result in a reduction in General Fund revenues of $71,028 in fiscal year 2009-10 and $142,057 in fiscal year 2010-11. It would also reduce Other Special Revenue Funds revenue by $792,977 in fiscal year 2009-10 and $1,585,955 in fiscal year 2010-11 for excise tax collected through the International Registration Plan. Since these revenues are used to reimburse municipalities through the Municipal Excise Tax Reimbursement program, reimbursements to municipalities would be reduced by $316,012 in fiscal year 2009-10 and $632,025 in fiscal year 2010-11. Any remaining revenues collected through the International Registration Plan are transferred to the Highway Fund. Accordingly, Highway Fund revenue would decrease by $476,965 in fiscal year 2009-10 and $953,930 in fiscal year 2010-11.

The bill would decrease excise tax revenue to municipalities beginning in January 2010 by an estimated $83.2 million annually. Based on data from the Secretary of State, Bureau of Motor Vehicles and Maine Revenue Services, these changes would reduce municipal motor vehicles excise taxes by 40%. Total municipal motor vehicle excise tax revenue in calendar year 2006 as reported to Maine Revenue Services was $207.9 million.

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	$2,488,540	$4,977,871	$5,477,097	$6,008,950
Highway Fund	$476,965	$953,930	$953,930	$953,930
Appropriations/Allocations				
Other Special Revenue Funds	($316,012)	($632,025)	($632,025)	($632,025)
Revenue				
General Fund	($2,488,540)	($4,977,871)	($5,477,097)	($6,008,950)
Highway Fund	($476,965)	($953,930)	($953,930)	($953,930)
Other Special Revenue Funds	($920,215)	($1,840,430)	($1,865,878)	($1,893,870)

Public Comments

No public comments were filed in support of Question 2.

Public Comment in Opposition

Comment submitted by:

Jill Goldthwait
Albert Meadow Road
Bar Harbor, ME 04609

Any hope of a strong economy in rural Maine depends on a safe and reliable transportation infrastructure. I live and work in rural Maine and right now our roads and bridges are anything but safe and reliable. They are desperately in need of smart, strategic investment and that is why I oppose Question 2 and urge you to vote No.

For businesses that do continue to struggle along in western, northern and eastern Maine, the "information highway" is not enough to make up for our vast geography and a deteriorating road network. Any business that must move product to anywhere else in the state, the country, or the world is faced with costly challenges to get that product to market. Giant potholes, crumbling road edges and washed out roadbeds put drivers and vehicles at risk every day.

A quality road system is essential for all facets of our economy, including tourism, manufacturing, agriculture and the natural resource industries, as well as high-tech enterprises such as research and development. Question 2 works directly against that goal by cutting almost in half the amount of revenue available to maintain and repair local roads.

Keeping taxes as low as possible is also important, but Question 2 may provide no tax relief at all. It will more likely just shift the costs of maintaining our roads onto the real estate property tax. A reduction in local road maintenance and repair throughout the state is not going to improve Maine's economy. It will do the opposite. Turning our backs on basic infrastructure maintenance will make Maine less attractive to entrepreneurs and investors from other states and create additional obstacles for the Maine-based businesses that are trying their best to keep and add jobs.
Vote NO on Question 2.

Public Comment in Opposition

Comment submitted by:

Roger J. Katz
PO Box 1051
Augusta, ME 04332-1051

Your elected municipal officials encourage Maine voters to Vote No on Question 2.

Motor vehicle excise taxes are local taxes. They are collected in your hometown and the voters at town meeting or your elected representatives decide how to spend that revenue for the betterment of your community. Question 2 drastically reduces this source of revenue by 40%.

Statewide, towns and cities spend $235 million per year maintaining over 13,000 miles of local roads and over 800 local bridges. This includes plowing snow and sanding streets in the winter as well as road reconstruction and bridge repair in the summer. This work is crucial to our economy and our safety.

90% of the funds used to repair local roads and bridges comes from the motor vehicle excise taxes; just 10% from state aid. Although there is no requirement that excise taxes be dedicated for road repair, the facts clearly show that they are. The amount all our towns and cities spend on roads and bridges put together is equal to all motor vehicle excise taxes plus all state aid. This is no coincidence.

If Question 2 is adopted, the quality of our roads and local bridges will deteriorate.

In addition, Question 2 will only benefit people who own newer cars and hybrid-type cars. According to the Bureau of Motor Vehicles, nearly 70% of registered cars in Maine will not qualify for any benefit under this proposal. Only the owners of newer and specialty cars will get a tax break, but new cars and hybrids do just as much damage to roads as other cars.

This proposal only benefits a few. Most of us will see poorer roads or increased property taxes to make up for the lost revenue, or some combination of both.

Public Comment in Opposition

Comment submitted by:

Richard A. Gould
12 E. Road
Greenville, ME 04441

I have spent my life working in and protecting Maine's natural environment. I have served as the Chair of the Legislature's Natural Resources Committee and I'm currently a member of the Board of Environmental Protection. I'm a code enforcement officer, a hunter, fisherman and a former selectman in my home community of Greenville. I'm proud that Maine is a national leader in preserving and protecting the quality of our woods, water and air.

Unfortunately, some groups promoting the excise tax initiative are clothing their schemes in pro-environment terms in a cynical attempt to manipulate the voters. Such is the case with Question 2, a damaging proposal that cuts municipal revenues used for road repairs and maintenance.

All vehicles benefit from local efforts to plow snow and fill potholes. Hybrid cars and other alternative technology cars are no different. While these cars may have less impact on the environment (which is good), they impact our roadways and have as much need for snowplowing and other types of road maintenance as any other car.

Furthermore, the organization which drafted this initiative publicly admitted that the special tax breaks for hybrid cars was included in the initiative as a political strategy to get "more votes."

In my opinion, the proponents of Question 2 are not overly concerned about the quality of Maine's environment; they seem to want to weaken our towns and increase the pressure on the property tax. The protection of our environment is too important to be used for political purposes. The focus of Question 2 is not the environment. The issue is the importance of the excise tax in maintaining our road infrastructure in municipalities. The alternative is the most regressive tax we have. The property tax!

Don't be fooled. Protect our roads. Vote No on Question 2.

Question 3: Citizen Initiative

Do you want to repeal the 2007 law on school district consolidation and restore the laws previously in effect?

State of Maine

"An Act to Repeal the School District Consolidation Laws"

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA §1, sub-§20-A, as enacted by PL 2007, c. 240, Pt. XXXX, §1, is repealed.

Sec. 2. 20-A MRSA §1, sub-§23-B, as enacted by PL 2007, c. 240, Pt. XXXX, §2, is repealed.

Sec. 3. 20-A MRSA §1, sub-§24-B, as enacted by PL 2007, c. 240, Pt. XXXX, §3, is repealed.

Sec. 4. 20-A MRSA §1, sub-§24-C, as enacted by PL 2007, c. 240, Pt. XXXX, §4, is repealed.

Sec. 5. 20-A MRSA §1, sub-§26, as amended by PL 2007, c. 240, Pt. XXXX, §5, is further amended to read:

26. School administrative unit. "School administrative unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, community school district~~, regional school unit~~ or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except that it does not include a career and technical education region. ~~Beginning July 1, 2009, "school administrative unit" means the state-approved unit of school administration and includes only a municipal school unit and a regional school unit formed pursuant to chapter 103-A.~~

Sec. 6. 20-A MRSA §1201, as repealed by PL 2007, c. 240, Pt. XXXX, §6, is reenacted to read:

§1201. Criteria for establishing a school administrative district

The following criteria shall apply to establishing a school administrative district.

1. Number of municipalities. The district shall have 2 or more member municipalities.

2. Number of students. The district shall have, as recorded in the last return under section 6004:

A. Three hundred or more resident public secondary school students;

B. One hundred or more resident public secondary school students, if the state board determines the formation of a larger district is educationally, economically or geographically not feasible;

C. Fifty or more resident public secondary school students if:

(1) The proposed district has on file with the state board a duly authorized and executed 2-year to 10-year contract offer from a municipality having 100 or more resident public secondary school students; and

(2) If the combined number of resident public secondary school students in these 2 school administrative units exceeds 300; and

D. Any number of secondary school students, if the new district is composed in whole or in part of a community school district:

(1) Offering a program of education for grades 9 through 12; and

(2) Formed on or before, and operating on April 1, 1957.

Sec. 7. 20-A MRSA §1202, as repealed by PL 2007, c. 240, Pt. XXXX, §7, is reenacted to read:

§1202. Formation of district

The residents of 2 or more municipalities may form a school administrative district which shall be a body politic and corporate by completing the following steps.

1. Application vote. At a duly called special or regular meeting or city election the voters of a municipality may instruct its school board to file an application with the state board. The article to be inserted in the warrant for the meeting shall be in the following form:

"To see if the municipality will vote to instruct its school board to file an application with the State Board of Education for the purpose of forming a school administrative district with the following towns: ..... (naming them)"

2. Initial application. If the article is approved, the school board shall file an initial application with the state board.

A. The application shall include a list of the names of the municipalities that propose to form the school administrative district, an adequate study outlining the desirability and the educational feasibility of the proposed district and whatever other information the state board may deem necessary and proper.

B. In municipalities which have less than 300, but more than 99 resident pupils, the application shall state in detail the educational, economic and geographic reasons for the formation of the proposed school administrative district.

C. An application shall be filed on a form prepared by the state board.

3. Calling of a joint meeting. If the state board finds the proposed school administrative district eligible and approves its initial application, the state board shall notify the municipal officers and the members of the school boards in the municipalities within the proposed district of a date, time and place of a joint meeting of the municipal officers and the school board members from each municipality.

A. The notice shall be in writing and sent by registered or certified mail, return receipt requested, to the addresses as shown on the application.

B. The notice shall be mailed at least 10 days prior to the date set for the meeting.

4. Joint meeting. The following shall govern the joint meeting.

A. At least 1/2 of the total number of municipal officers and school committee members eligible to vote at the joint meeting shall be present to constitute a quorum. If there is no quorum, those present shall report to the state board that a quorum was not present and request the state board to issue a new notice.

B. The school boards and municipal officers of each municipality shall each caucus and select 3 of their members to represent their municipality in the joint meeting. Other members may not vote in the joint meeting.

C. Those with voting rights shall, by majority vote:

(1) Elect a chairman and a secretary;

(2) Determine the total number of school directors to represent each municipality and the method of apportioning voting power among directors consistent with this section and sections 1251 and 1252;

(3) Determine the method of sharing costs under section 1301; and

(4) Determine the date when all the municipalities in the proposed district shall vote on the articles of district formation. The date shall be at least 60 days from the date on which it is determined.

D. The chairman and secretary shall prepare a report describing the number of directors and the representation from each municipality. They shall sign and forward that report to the state board.

5. Calling municipal elections. If the state board finds the report of the joint meeting to be in order, the state board shall order the municipal officers of the municipalities involved to call town meetings or city elections on the date established pursuant to subsection 4, paragraph C, subparagraph (4) for the purpose of voting on the questions required by this subchapter relating to the formation of a school administrative district.

A. Municipalities voting on the questions of district formation under Title 30-A, sections 2528 to 2531-A shall open the polls at 10 a.m. and shall close the polls at 7 p.m.

B. In other municipalities the municipal officers shall direct that the town meeting or city election shall open at 7:30 p.m.

C. All school administrative units shall vote upon the questions of school district information in the same fashion as the units conduct other business at regular or special town meetings, except that school administrative units electing municipal officers by secret ballot may use that method for electing school board directors.

6. Articles to be voted on. The articles to be voted on shall be in the following form.

A. "Article .....: To see if the municipality will vote to join with the municipalities of (naming them) to form a school administrative district."

B. "Article .....: To see if the municipality will vote to approve the allocation of representation within the district on the Board of School Directors as recommended by the school committees and municipal officers as follows: The total number of directors shall be ..... (number)"

C. "Article .....: To choose ..... (number) school director(s) to represent the municipality (or subdistrict) on the board of school directors of the school administrative district."

D. If the state board has authorized an alternative method of sharing costs, the municipality shall vote on the following article.

> Article .....: To see if the costs of operating "School Administrative District ..... (number) " shall be shared among the towns of ..... (naming them) in accordance with (per pupil, state valuation, a combination thereof or any other formula authorized by the Legislature).

E. If coterminous school districts exist or there is outstanding indebtedness for school construction or other school property in any of the municipalities concerned, the following additional article must also be acted on.

> "Article .....: To see if the municipality will vote to authorize the district to assume full responsibility for amortizing the following listed indebtedness now outstanding in the school administrative units planning to form the school administrative district." (The list must include the name of the obligated school administrative unit, type of obligation, amount unpaid, interest rate and the payment schedule for all outstanding school indebtedness of all the school administrative units comprising the school administrative district under consideration.)

F. If a school administrative district is to be formed under this section, or if the proposed school administrative district plans to contract with a designated private school for the education of its students in grades 9 through 12, voters shall act on the following article.

> "Article .....: To see if the municipality will vote to join with the municipalities of ..... (naming them) to form a school administrative district, which district is hereby authorized and directed to accept the contract offer of ..... for the schooling of pupils in grades 9 through 12."

7. Majority vote. Approval of each article shall be by a majority vote of those voting in each municipality on each article.

8. Special provision for community school districts. A community school district may be changed to a school administrative district if each municipality within the district acts affirmatively on the following articles.

A. Existing community school districts may become school administrative districts on approval of the state board and may suspend operation as a community school district if each of the participating municipalities acts affirmatively on an article similar in form to the following, prior to accepting the other articles required in this section.

> "Article .....: To see if the municipality will vote to authorize the ..... (name) Community School District, of which this municipality is a part, to suspend operation as a community school district and organize and operate as a school administrative district in accordance with action on the following article."

B. Municipalities, including all of those participating in an existing community school district, may form a school administrative district on approval of the state board and suspend the operation of the community school district if each of the participating municipalities acts affirmatively on an article similar in form to the following, and acts affirmatively on each of the other articles required in this section.

"Article .....: To see if the municipality will vote to authorize the suspension of the ..... (name) Community School District in order to organize and operate as a part of a larger school administrative district."

C. In approving one of these articles, all acts of a community school district in contracting their indebtedness shall be ratified and confirmed.

D. The board of directors of the school administrative district shall pay to the trustees of the former community school district within their jurisdiction sufficient funds each year to amortize all outstanding capital indebtedness existing at the time the community school district was suspended.

Sec. 8. 20-A MRSA §1203, as repealed by PL 2007, c. 240, Pt. XXXX, §8, is reenacted to read:

§1203. Issuance of a certificate of organization

Certificates of organization shall be issued as follows.

1. Report of vote. The clerks of the municipalities which have voted on the questions regarding the formation of the school administrative district shall report to the state board the results of the vote in a manner determined by the state board.

2. Finding recorded. If the state board finds that a majority of voters in each school administrative unit forming the school administrative district have voted in favor of each of the articles of formation, elected the necessary school directors and taken all other necessary steps in the formation of the proposed school administrative district in conformity with law, the state board shall make and record its finding that the school administrative district is in compliance.

3. School administrative district number assigned. The state board, having made its finding, shall assign a number to each school administrative district in the order of their formation. The official title of the school administrative district shall be "School Administrative District No..... ."

4. Certificate of organization. The state board shall, immediately after making its finding, issue a certificate of organization.

5. Certificate issued, filed and recorded. The original certificate shall be delivered to the school directors on the day that they organize and a copy, attested by the secretary of the state board, shall be filed and recorded in the office of the Secretary of State.

6. Issuance of certificate evidence of organization. The issuance of the certificate shall be conclusive evidence of the lawful organization of the school administrative district.

Sec. 9. 20-A MRSA §1204, as repealed by PL 2007, c. 240, Pt. XXXX, §9, is reenacted to read:

§1204. Transfer of property and assets

The transfer of school property and assets shall be as follows.

1. Board of directors. The directors of a school administrative district shall determine what school property of the municipalities and former school administrative units in their district are necessary to carry out the functions of their district and:

A. Request in writing that the school board of each school administrative unit or the municipal officers transfer title of their school property and buildings to the school administrative district; or

B. Assume all the duties and liabilities under lease agreements with the Maine School Building Authority if the title is held by the authority.

2. Transfer. The school board or municipal officers shall make the transfer notwithstanding any other provision in the charter of the school administrative unit or municipality or other provision of law.

3. Maine School Building Authority. The Maine School Building Authority, on the completion of all rental payments and other conditions in the lease, shall transfer the title to the school administrative district notwithstanding any provision in the lease or other provision of the law.

4. Financing assumed debts. If a school administrative district has assumed the outstanding indebtedness of a former school administrative unit:

A. The directors of the school administrative district may, notwithstanding any other statute or any provision of any trust agreement, use any sinking fund or other money set aside by the school administrative unit to pay off the indebtedness for which the money was dedicated;

B. The municipality within a school administrative district may, by vote of its voters, raise, appropriate and transfer money to the school administrative district solely for school construction purposes; and

C. A municipality, within a proposed school administrative district that has applied to the state board, may, by vote of its voters, raise and appropriate money for school construction purposes to be transferred to the proposed school administrative district, if and when the district takes over the operation of the public school within its jurisdiction.
The municipality may only withdraw this appropriation:

(1) If the formation of the district fails to be approved by the municipalities within the district or by the state board; or

(2) If 9 months or more after the original vote, the electorate of the town vote to withdraw the appropriation.

Sec. 10. 20-A MRSA §1205, as repealed by PL 2007, c. 240, Pt. XXXX, §10, is reenacted to read:

§1205. Operational date and transfer of authority

The operational date and transfer of authority of a school administrative district shall be as follows.

1. Operational date. A school administrative district shall become operative on the date set by the state board as provided in section 1253.

2. Transfer of governing authority. The school directors shall, on the date established in subsection 1, assume responsibility for the management and control of the public schools within the former school administrative units within the district and these former school administrative units on that date have no further responsibility for the operation or control of the public schools within the district.

3. Transfer of school accounts. Notwithstanding section 15004 or any charter of a community school district or coterminous district, the balance remaining in the school accounts of the municipalities, community school district or coterminous school districts within the school administrative district shall be paid to the treasurer of the district in equal monthly installments over the remainder of the fiscal year in which the district is formed.

4. Teacher contracts. The contracts between the municipalities within the district and all teachers shall automatically be assigned to the school administrative district as of the date the district becomes operative. The district shall assign teachers to their duties and make payments upon their contracts.

5. Superintendent contracts. The contracts between the superintendents and municipalities within the district shall be transferred to the school administrative district. The board of directors shall determine the superintendents' duties within the district and pay that proportion of the salaries paid for by the former school administrative units in the district.

Sec. 11. 20-A MRSA §1305-C, as enacted by PL 2007, c. 240, Pt. XXXX, §11, is repealed.

Sec. 12. 20-A MRSA c. 103, sub-c. 6, as repealed by PL 2007, c. 240, Pt. XXXX, §12, is reenacted to read:

SUBCHAPTER 6
REORGANIZATIONS

§1401. Additions

A municipality not originally in a school administrative district may be included as follows.

1. Application. The board of directors of the municipality wishing to join with an existing school administrative district may file an application with the commissioner on a form to be provided by him.

A. The commissioner shall study the need for the municipality to join the school administrative district and recommend an agreement by which the municipality may become a member.

B. The agreement may contain a new method of sharing costs among the member municipalities of the district in accordance with section 1301. The article set out in section 1202, subsection 6, paragraph D, authorizing units to vote on alternate methods of sharing costs shall be used if the agreement recommended by the commissioner contains a provision for using one of the alternate methods of sharing costs.

C. This agreement shall be forwarded to the secretary of the school administrative district and to the clerk of the municipality desiring to join the district.

2. First meeting. Within 45 days after receipt of the agreement by the municipal clerk, a regular or special town meeting or city election in the joining municipality, shall vote on the agreement. The vote shall conform to the following procedure.

A. The article voted on shall be:

"Article .....: Shall the municipality vote to join School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated ..... l9..?

Yes ..... No ....."

(A copy of the agreement shall be posted with each warrant.)

B. The election of the directors and the vote on the agreement shall be conducted on the same day. This election shall follow the procedures used for the election of municipal officials by the municipality.

C. The vote on the agreement shall be called using the same methods as the municipality uses in conducting its business at regular or special town meetings or city elections.

D. If the municipality is organized under a special legislative charter, it shall call a referendum following the procedures outlined in its charter.

E. The municipal clerk shall send a certified copy of the results of the vote to the secretary of the school administrative district.

3. Second meeting. If the board of directors finds that the vote was in the affirmative, the board shall call a district referendum within 45 days in accordance with sections 1351 to 1354 to vote on the following article.

Article .....: Shall the district vote to admit the municipality of .....(name the municipality) into School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated ..... 19.....?

Yes ..... No ....."

(A copy of the agreement shall be posted with each warrant.)

A. The municipal clerks within the district shall forward to the commissioner a certified report of the total number of affirmative and negative votes cast on the article.

B. On receipt of the results of the voting from all municipalities, the commissioner shall compute and record the result of the voting.

4. Commissioner finding. If the commissioner finds that a majority of the voters of the district and a majority of the voters of the municipality favor admission of the municipality into the district, he shall make a finding to that effect.

A. The commissioner shall notify by registered mail the clerk of the municipality seeking to join the school administrative district and the secretary of the school administrative district of the results of the vote.

B. If the commissioner's finding is that a majority is for joining, he shall issue an amended certificate for the school administrative district, which shall be filed in the same manner as the original certificate.

5. Certificate. The issuance of an amended certificate shall be conclusive evidence of the admission of that municipality to the school administrative district.

§1402. Combining of districts

If one school administrative district wishes to join with another school administrative district, the following procedure shall be used.

1. Application. Each district's board of directors shall file an application with the commissioner on a form to be prepared by him.

A. The commissioner shall receive the applications, make a study of the necessity for combining the districts and recommend an agreement by which the districts may combine.

B. This agreement shall be forwarded to the secretary of each school administrative district.

2. Meeting. Within 45 days after receipt of the agreement each district's board of directors shall call a district meeting in accordance with sections 1351 to 1354 to vote on the following article.

"Article ..... To see if School Administrative District No.... will vote to join School Administrative District No.... in a merger to form a larger district subject to the terms and conditions of the agreement prepared by the commissioner dated ..... 19.....

Yes ..... No ....."

(A copy of the agreement shall be posted with each warrant.)

3. Return. The secretary of each school administrative district shall file a return with the commissioner immediately following the votes in the district on the question of merger.

4. Commissioner's finding. If the commissioner finds that a majority of the voters in each district have voted in favor of the merger, he shall make a finding to the effect.

5. Notice. The commissioner shall notify by registered mail the secretary of each district of the results of the vote.

6. Certificate. If the commissioner's finding is that a majority is for merging, he shall issue a new certificate for the enlarged school administrative district and assign a number. The certificate shall be filed in the same manner as the original certificate.

7. Evidence. The issuance of the certificate by the commissioner shall be conclusive evidence of the merger of the school administrative districts.

§1403. Dissolution of a district

1. Ten percent petition. Upon receipt of a petition which seeks to dissolve a school administrative district and establishes a maximum figure for the cost of preparing a dissolution agreement signed by 10% of the number of voters in a municipality who voted at the last gubernatorial election, the municipal officers shall call and hold a special election, in the manner provided for the

calling and holding of town meetings or city elections to vote on the dissolution of the school administrative district.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the petition shall be held by the municipal officers.

B. The petition must be approved by secret ballot by a 2/3 vote of the voters present and voting before it may be presented to the board of directors and the commissioner. Voting in towns shall be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528, and voting in cities shall be conducted in accordance with Title 21-A.

2. Form. The question to be voted upon shall be in substantially the following form:

"Article .....: Be it resolved by the residents of the Town of ..... that a petition for dissolution be filed with the directors of School Administrative District No. .....and with the commissioner, that the dissolution committee be authorized to expend $..... and that the (municipal officers; i.e. selectmen, town council, etc.) be authorized to issue notes in the name of the Town of ..... or otherwise pledge the credit of the Town of ..... in an amount not to exceed $..... for this purpose?

Yes ..... No ....."

3. Notice of vote; finding by commissioner. If residents of a participating municipality vote favorably on a petition for dissolution, the clerk shall immediately give written notices, by registered mail, to the secretary of the school administrative district and the commissioner which shall include:

A. The petition adopted by the voters, including the positive and negative votes cast; and

B. An explanation by the municipal officers, stating to the best of their knowledge, the reason or reasons why the municipality seeks to dissolve the district.

4. Agreement for dissolution; notice; changes in agreement; final agreement. The agreement for dissolution shall comply with the following.

A. The commissioner, after consultation with the district board of directors, municipal officers of the participating municipalities, and representatives of the group which filed the petition with the municipality, shall direct the municipal officers of each municipality to select representatives to a committee as follows: One member from the municipal officers, the group filing the petition; and one member from the general public; and one member from the group filing the petition if the group is represented in the municipality, otherwise an additional one member of the general public. The commissioner shall also direct the directors representing each municipality to select one member of the board of directors who represents that municipality to serve on the committee. The municipal officer and the member of the board of directors shall serve on the committee only so long as they hold their respective offices. Vacancies will be filled by the municipal officers and board of directors. The chairman of the board of directors shall call a meeting of the committee within 30 days of the filing of the notice of the vote in subsection 3. The chairman of the board shall open the meeting by presiding over the election of a chairman of the committee. The responsibility for the preparation of the agreement shall rest with the committee, subject to the approval of the commissioner. The committee may draw upon the resources of the department for information not readily available at the local level and employ competent advisors within the fiscal limit authorized by the voters. The agreement shall be submitted to the commissioner within 90 days after the

committee is formed. Extensions of time may be granted by the commissioner upon the request of the committee.

(1) The agreement shall contain provisions to provide educational services for all students in the district. The agreement shall provide that during the first year following the dissolution, students may attend the school they would have attended if the district had not dissolved. The allowable tuition rate for students sent from one municipality to another in the former school administrative district shall be determined under section 5805, subsection 1, except that it shall not be subject to the state per pupil average limitation in section 5805, subsection 2.

(2) The agreement shall establish the dissolution to take effect at the end of the district's fiscal year.

(3) The agreement shall establish that the dissolution will not cause a need within 5 years from the effective date of dissolution for school construction projects which would be eligible for state funds. This limitation does not apply where a need for school construction existed prior to the effective date of the dissolution or where a need for school construction would have arisen even if the district had not dissolved.

(4) The agreement shall establish how transportation services will be provided.

(5) The agreement shall provide for administration of the new administrative units, which should not include the creation of new supervisory units if at all possible.

(6) The agreement shall make provision for the distribution of financial commitments arising from outstanding bonds, notes and any other contractual obligations that extend beyond the proposed date of dissolution.

(7) The agreement shall make appropriate provision for the distribution of any outstanding financial commitments to the superintendent of the school administrative district.

(8) The agreement shall provide for the continuation and assignment of collective bargaining agreements as they apply to the new or reorganized school administrative unit for the duration of those agreements and shall provide for the continuation of representational rights.

(9) The agreement shall provide for the continuation of continuing contract rights under section 13201, subsection 2.

(10) The agreement shall provide for the disposition of all real and personal property and other monetary assets.

(11) The agreement shall provide for the transition of administration and governance of the schools to properly elected governing bodies of the newly created administrative units and shall provide that the governing bodies shall not be elected simultaneously with the vote on the article to dissolve unless the commissioner finds there are extenuating circumstances which necessitate simultaneous elections.

B. Within 60 days of the receipt of the agreement, the commissioner shall either give it conditional approval or recommend changes. The changes shall be based upon the standards set forth in paragraph A and the commissioner's findings of whether the contents of the plan

will provide for appropriate educational and related services to the students of the district and for the orderly transition of assets, governance, and other matters related to the district.

C. If the commissioner gives conditional approval of the agreement, he shall notify the directors and the municipal officers by registered mail of the time and place of a public hearing at least 20 days prior to the date set for the hearing, to discuss the merits of the proposed agreement of dissolution. The chairman of the board of directors will conduct the hearing.

(1) The directors shall post a public notice in each municipality of the time and location of the hearing at least 10 days before the hearing.

(2) Within 30 days following the hearing, the committee shall forward the final agreement to the commissioner.

D. If the commissioner recommends changes he shall:

(1) Send the agreement back to the committee for necessary corrections;

(1-A) Establish a maximum time within which to make the corrections; and

(2) Indicate that the corrected agreement shall be returned to the commissioner for conditional approval before it goes to public hearing as set forth in paragraph C.

5. Date of vote; notice; warrant; polling hours. The date and time for voting shall be established as follows.

A. The commissioner shall determine the date upon which all municipalities shall vote upon the dissolution agreement submitted to them. The election shall be held as soon as practicable and the commissioner shall attempt to set the date of the vote to coincide with a statewide election.

B. At least 35 days before the date set in paragraph A, the board of directors shall give written notice by registered or certified mail to the town or city clerk of each municipality having a right to vote on the dissolution agreement.

C. The town or city clerk shall immediately notify the municipal officers upon receipt of the notice, and the municipal officers shall meet and immediately issue a warrant for a special town meeting or city election, as the case may be, to be held on the date designated by the commissioner. No other date may be used.

D. In the respective warrants, the municipal officers shall direct that the polls shall be open at 10 o'clock in the forenoon and shall remain open until 8 o'clock in the afternoon.

6. Public hearing; voting procedures. The following requirements apply to the voting procedures.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the dissolution question shall be held by the municipal officers.

B. Except as otherwise provided in this section, the voting at the meetings held in towns shall be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528.

C. The voting at the meeting held in cities shall be conducted in accordance with Title 21-A.

7. Article. The article shall be in the following form.

"Article ..... : Shall School Administrative District No. ..... be dissolved subject to the terms and conditions of the dissolution agreement dated.....19.....?

Yes..... No....."

8. Ballots; posting of agreement. The dissolution agreement need not be printed on the ballot. Copies of the agreement shall be posted in each participating municipality in the same manner as specimen ballots are posted under Title 30-A, section 2528.

9. Restriction on dissolution petitions. No participating municipality within a district may petition for dissolution within 2 years after the date of:

A. A municipal vote on a petition for dissolution if the petition received less than 60% of the votes cast; or

B. A district vote on a dissolution agreement if the agreement received less than 45% of the votes cast.

10. Costs of dissolution agreements. If the school administrative district votes to permit dissolution, then the district shall reimburse the petitioning municipality for the authorized expenses incurred by the dissolution committee. If the district votes not to permit dissolution, then the district will not be required to reimburse the petitioning municipality for those expenses.

11. Determination of vote. The town and city clerks shall, within 24 hours of determination of the result of the vote in their respective municipalities, certify the total number of votes cast in the affirmative and the total number of votes cast in the negative on the article to the board of directors.

12. Determination of results; notification of commissioner; execution of agreement. Determination of results shall comply with the following.

A. Upon receipt of the results of the voting from all municipalities, the board of directors shall meet and shall compute and record the total number of votes cast in the municipalities in the affirmative and in the negative on the dissolution article.

B. The board of directors shall notify the commissioner by registered mail or by hand delivery of the results of the vote.

C. If the commissioner finds that a majority of the voters voting on the article have voted in the affirmative, he shall notify the directors of the district to take steps to dissolve the district in accordance with the terms of the agreement for dissolution.

13. Recount; checklists and ballots; disputed ballots. The following provisions apply to recounts, checklists, ballots and disputed ballots.

A. If, within 7 days of the computation and recording of the results of the voting from all municipalities, the municipal officers of any participating municipality request to the commissioner in writing a recount of the votes in the district, the commissioner shall immediately cause the checklists and all the ballots cast in all of the participating municipalities to be collected and kept at the commissioner's office so they may be recounted by interested municipalities.

B. The town clerks of the participating municipalities are authorized to deliver the checklists and ballots to the commissioner, notwithstanding any other provision of law to the contrary.

C. The commissioner shall resolve any question with regard to disputed ballots.

14. Execution of agreement; certified record; certificate of withdrawal. When the agreement for dissolution has been put in effect by the directors of the school administrative district, the directors shall notify the commissioner by certified mail that the agreement of dissolution has been executed.

A. A complete certified record of the transaction involved in the dissolution shall be filed with the commissioner.

B. The commissioner shall immediately issue a certificate of dissolution to be sent by certified mail for filing with the directors of the school administrative district and shall file a copy in the office of the Secretary of State.

15. Indebtedness; indebtedness defined; indebtedness after dissolution. The following provisions apply to outstanding indebtedness.

A. Whenever a district having outstanding indebtedness dissolves, the district shall remain intact for the purpose of securing and retiring the indebtedness; the dissolution agreement may provide for alternate means for retiring outstanding indebtedness.

B. "Outstanding indebtedness" means bonds or notes for school construction projects issued by the board of directors pursuant to the authorization established under chapter 609 or Title 20, sections 3457 to 3460 or obligations to the Maine School Building Authority pursuant to any contract, lease or agreement made by the board of directors pursuant to approval thereof in a district meeting of the school administrative district, but does not include any indebtedness of any municipality assumed by the school administrative district at the time of formation nor any contract, lease or agreement of the Maine School Building Authority to which by operation of law the school administrative district has become the assignee.

16. General purpose aid. When a school administrative district dissolves, the general purpose aid for the individual municipalities must be computed in accordance with chapter 606-B.

17. Committee recall. If the commissioner determines that the dissolution committee has failed to comply with the requirements of this section, he may authorize the municipal officers and the district's board of directors to recall their representatives and to appoint new representatives to the committee.

§1404. Reorganization of a school administrative district as a community school district

1. Petition for reorganization. The residents of a municipality within a school administrative district may petition for dissolution of the school administrative district and reorganization as a community school district, which will operate grades 9 to 12 and any combination of kindergarten through grade 8 in accordance with chapter 105, in the manner authorized by section 1403 for dissolution of a district. The articles to be voted upon shall clearly set forth that a community school district will be formed upon the dissolution of the school administrative district.

2. Vote required. If the commissioner is petitioned pursuant to the authority of subsection 1, the board of directors of the school administrative district shall require the member municipalities of the district to vote on an article which shall be substantially as follows.

"Article .....: Shall School Administrative District No. ..... be dissolved subject to the terms and conditions of the dissolution agreement dated ..... 19 ....., and the towns of ..... form a community school district which shall be responsible for the operation of grades .....?

Yes ..... No ....."

3. Governing body of community school district. A school administrative district which dissolves and simultaneously forms a new community school district pursuant to this section shall have a single governing body which shall consist of a school committee performing all of the duties of the school committee and the board of trustees set forth in chapter 105.

4. Commissioner. The commissioner shall carry out his duties under sections 1403 and 1602 regarding the dissolution of a school administrative district and the creation of a new community school district, except that the municipal officers and the board of directors shall be responsible for developing a plan to provide for the continuity of the educational program for each municipality to be included within the dissolution agreement.

5. Outstanding indebtedness of the school administrative district and liability of the community school district. If a school administrative district is dissolved and a community school district is formed, the community school district shall become liable for the school administrative district's outstanding indebtedness as defined in section 1403, except as otherwise provided for in subsection 6.

6. Outstanding indebtedness of school administrative district; liability of individual municipalities. If the school administrative district is dissolved and the ensuing community school district does not include all grades kindergarten through 12, each member municipality shall be individually liable for any outstanding indebtedness which the school administrative district had relative to the grades which will be operated exclusively by that municipality or as otherwise provided for in the dissolution agreement.

7. General purpose aid. When a school administrative district dissolves and a new community school district is formed, the general purpose aid for the community school district and the individual municipalities shall be computed in accordance with chapter 605.

§1405. Withdrawal of a single municipality from a school administrative district

1. Petition. The residents of a participating municipality within a school administrative district composed of 3 or more municipalities may petition to withdraw from the district in the same manner as they would petition for the dissolution of a school administrative district in accordance with section 1403, except that only a simple majority vote of those casting valid ballots in the municipality is required before the petition may be presented to the board of directors and to the commissioner.

2. Procedure. The steps set forth in section 1403 for dissolution apply to the withdrawal of a member municipality from a school administrative district, except that:

A. The responsible committee for preparing the withdrawal agreement shall be limited to individuals from the municipality;

B. Instead of a district election, a municipal election shall be conducted and a 2/3 vote of those casting valid ballots in the municipality is required before it may withdraw;

C. Wherever there is reference in section 1403 to the term "dissolution," or other terms not consistent with withdrawal, the term "withdrawal" or other appropriate language shall be substituted;

D. All public hearings required under section 1403 shall be conducted by the municipal officers; and

E. A municipality may not petition for withdrawal within 2 years after the date of:

(1) A municipal vote on a petition for withdrawal if the petition received less than 45% of the votes cast; or

(2) A municipal vote on a withdrawal agreement if the agreement received less than 60% of the votes cast.

3. Cost of advisors. The expense of employing competent advisors by the municipality petitioning to withdraw shall be borne by the municipality and the expense of employing competent advisors by the district shall be borne by the district with the municipality bearing its share according to the district's cost-sharing agreement.

4. Commissioner recommended dissolution. The commissioner's responsibilities to initiate dissolution proceedings are as follows.

A. If a member town representing more than 50% of the total population in a district votes to withdraw from the district, then the commissioner shall analyze the educational impact of the town's withdrawal upon the district. The district's board of directors and the municipal officers from the remaining towns shall be consulted.

B. If the commissioner finds that it is impractical for the remaining towns to continue as a district, then he shall initiate the dissolution process set out in section 1403 by having the district submit the following article to the voters at a district meeting called in accordance with sections 1351 to 1354.

"Article .....: Be it resolved by the voters of School Administrative District No. ..... that a dissolution committee be appointed and authorized to expend $....., and the directors of School Administrative District No. ..... be authorized to issue notes or otherwise pledge the credit of School Administrative District No. ..... in an amount not to exceed $..... for this purpose?

Yes ..... No ....."

C. If the voters approve the article by a majority vote of those voting and present, then the rest of the dissolution process set forth in section 1403 shall apply except:

(1) A 2nd member from the general public shall be selected by the municipal officers to fill the position on the dissolution committee normally held by a representative of the group which would have filed the dissolution petition; and

(2) Costs of preparing a dissolution agreement shall be borne solely by the district.

5. Transfer of property. The district's board of directors may negotiate with the withdrawal committee regarding an equitable division of the district's property between the district and the municipality represented by the committee and transfer title of the property to the municipality following withdrawal. The board of directors shall determine that the district's educational program

shall not be disrupted solely because of the transfer of any given property before it may complete the transfer.

§1406. Transfer of a municipality from one school administrative district to another

1. Petition to commissioner. The board of directors of 2 school administrative districts may petition the commissioner by joint resolution to permit a municipality to transfer from one school administrative district to another, provided that that municipality is being transferred to a district contiguous to the municipality.

2. Transfer agreement. The boards of directors of the 2 districts and the municipal officers of the municipality involved shall form a committee to prepare a transfer agreement within 60 days after being notified by the commissioner to prepare the agreement. Extensions of time may be granted by the commissioner.

A. The committee shall consider the standards set forth in section 1403, subsection 4, paragraph A in preparing the agreement.

B. The approval process for the agreement shall follow the steps set forth in section 1403, subsection 4 to subsection 16.

C. The following question shall appear on the ballot when the transfer of a municipality is considered.

"Article .....: Shall School Administrative District No. ..... vote to permit the municipality of ..... to transfer into School Administrative District No. ..... as a participating municipality of that district subject to the terms and conditions of the agreement of transfer approved by the commissioner dated ..... 19.....?

Yes ..... No ....."

(A copy of the agreement shall be posted with each warrant which directs the citizens to vote upon the question.)

D. The article must be approved by a majority of votes cast in both districts and by a majority of votes cast in the municipality to be transferred before the agreement may take effect.

E. A complete certified record of the transaction involved in the transfer shall be filed with the commissioner. He shall issue immediately a certificate of transfer to the secretary of each school administrative district by registered mail to be filed with the directors of the districts involved and shall file a copy of the certificate of transfer in the office of the Secretary of State.

3. Outstanding indebtedness. Whenever a municipality, or a part of a municipality, is detached from a district having outstanding indebtedness, the municipality or part of a municipality shall remain as part of the district from which it was detached for the purposes of paying its proper portion of such indebtedness until the indebtedness shall be redeemed. The municipality or part of a municipality shall not be part of the district from which it was detached for the purpose of any outstanding indebtedness incurred subsequent to the date of the certificate of transfer.

§1407. Closing an elementary school

1. Vote; cost of election. An elementary school in a member municipality of a school administrative district may not be closed pursuant to section 4102, subsection 3 unless the voters in

the member town vote on the following article in accordance with the procedure set forth in sections 1351 to 1354.

"Article .....: Shall the board of directors of School Administrative District No. ..... be authorized to close ..... (name of school)?

Yes ..... No ....."

(The election must be conducted only within that member municipality, and the costs of the election are borne by the district.)

2. Expense of keeping the school open. If the voters vote to keep the school open, the member municipality is liable for some additional expense for actual local operating costs and transportation operating costs as defined in section 15672. The determination of costs is subject to the approval of the commissioner. The cost to be borne by the town voting to keep an elementary school open is the amount that would be saved if the school were closed. Any additional costs that must be borne by the member municipality must be part of the article presented to the voters at the meeting to determine whether the school should remain open.

3. Costs and procedures during subsequent years. During any year subsequent to the year during which an elementary school remains open contrary to the school administrative district board of director's vote to close that elementary school, as a result of a municipal referendum, the elementary school will be open without any additional cost to the municipality except as described in paragraphs A and B.

A. If the school administrative district board of directors again vote to close the elementary school and the voters of the member municipality again vote to keep the elementary school open, as described in this paragraph, then the elementary school will remain open and the member municipality will be obligated to pay the additional costs as described in subsection 2.

B. If the school administrative district board of directors again votes to close the elementary school and the voters of the member municipality fail to vote to keep the elementary school open, then the elementary school is closed. In this event, the elementary school may be reopened only if the school administrative district board of directors vote to reopen the school.

4. Definition of elementary school closing. In this section, an elementary school closing shall be any action or actions by the school administrative district that have the effect of providing no instruction for any students at that elementary school.

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 1, paragraph B, then the amount of this additional expense shall be subtracted from the school administrative district budget before each member municipality's assessment is computed. This additional expense shall be paid by the member municipality which is liable in equal monthly amounts, unless the school administrative district and that member municipality mutually agree to another method of payment.

§1408. State board review of commissioner's decisions

A school administrative unit or other interested parties may request that the state board reconsider decisions made by the commissioner under this subchapter. The state board may have the authority to overturn decisions made by the commissioner. In exercising this power, the state board is limited by this subchapter.

§1409. Rules

The state board may adopt rules to carry out this subchapter.

Sec. 13. 20-A MRSA c. 103-A, as amended, is repealed.

Sec. 14. 20-A MRSA §1602, as repealed by PL 2007, c. 240, Pt. XXXX, §14, is reenacted to read:

§1602. Formation

A community school district may be formed by the residents of 2 or more municipalities only if the voters of each of those municipalities have voted to create the district.

1. Municipal vote. If the school board of each municipality's school administrative unit votes to join with another municipality to form a community school district, then the municipal officers of each municipality shall call a meeting of the voters of their respective municipality in a manner provided by law for the calling of town meetings. Those meetings shall vote to either favor or oppose articles in substantially the following forms.

A. "Article .....: To see if the municipality of ..... (name) will vote to join with the municipalities of ..... (naming them) to form a community school district to be known as ..... Community School District which shall be responsible for the operation of grades ..... (naming them)."

B. "Article .....: To see if the costs of operating ..... Community School District shall be shared among the municipalities of ..... (naming them) in accordance with (per student, state valuation, a combination thereof or any other formula authorized by the Legislature)."

C. "Article .....: To see if the municipality of ..... (name) will vote to have the community school district's school committee perform the duties of the board of trustees."

2. State board declaration. Each municipal clerk shall file a return of the votes cast at the meeting with the state board. If the state board determines that a majority of those voting in each of the municipalities favored the articles in subsection 1, paragraphs A and B, then the state board shall so declare. With the declaration, the commissioner shall issue to the community school district a certificate of organization which shall be conclusive evidence of its lawful organization. The community school district shall bear the name voted on.

3. Petition to reorganize to rename. The district school committee may petition the state board to change the name of the community school district or to change the number of grades which the community school district is responsible for operating.

A. The state board shall authorize the change if it finds the change to be in the best interest of the community school district.

B. If the State Board of Education authorizes the change, then the governing body of the community school district shall notify the municipal officers in each of the member towns who shall call a meeting of the inhabitants of their respective towns in the manner provided by law for calling of town meetings and those meetings shall vote to favor or oppose articles in substantially the following forms.

(1) "Article ..... : To see if the town will vote to authorize the ..... Community School District to change its name to ..... Community School District."

(2) "Article.....: To see if the town will vote to authorize the ..... Community School District to be responsible for the operation of grades ....."

C. The clerk in each of the member towns shall file a return of the votes cast in the town meeting with the state board. If the state board finds that a majority of those voting in each of the towns favor the articles, then the community school district shall be reorganized accordingly.

4. Board to file return. Whenever the community school district is reorganized in the manner authorized in subsection 3 or under section 1751, the board of trustees shall file a return to that effect with the state board. A copy, certified by the commissioner, of the return shall be conclusive evidence of the reorganization of the community school district.

Sec. 15. 20-A MRSA §1604, as repealed by PL 2007, c. 240, Pt. XXXX, §15, is reenacted to read:

§1604. Transition to new district

1. Transfer of contracts. At the start of the school year after organization:

A. The contracts between the municipalities within the community school district and all teachers shall automatically be assigned to the community school district and the district shall be responsible for assigning teachers to their duties and making payments on their contract; and

B. The contracts between the superintendents and municipalities within the community school district shall automatically be assigned to the district.

(1) The superintendents' duties with regard to the community school district shall be determined by the district school committee.

(2) The community school district shall thereafter pay the proportionate part of the superintendents' salary that the municipalities were liable to pay.

2. Transfer of assets. Each municipality within the community school district, at the same time, shall transfer to the district:

A. All school supplies and equipment purchased for and in use by the school grades encompassed by the community school district formation; and

B. All real property, as requested by the district school committee, which was formerly used for the school grades encompassed by the district formation. The municipal officers shall execute quitclaim deeds for the transfer of real property requested by the district school committee.

3. Initial budget. The district school committee shall be responsible for preparing and submitting a budget to the voters, as authorized by section 1701, prior to the start of the first year.

4. Operational date. At the start of the school year after organization, the community school district shall become operative and the district school committee shall assume the sole management

and control of the operation of all the public schools within the community school district for the authorized grade levels. It shall also adopt bylaws and an official seal.

Sec. 16. 20-A MRSA §1701-C, as enacted by PL 2007, c. 240, Pt. XXXX, §16, is repealed.

Sec. 17. 20-A MRSA §1751, as repealed by PL 2007, c. 240, Pt. XXXX, §17, is reenacted to read:

§1751. Additions to, dissolution of and withdrawal from a district

1. Additions. The inhabitants of any territory within any town, not originally in the district, may be included upon vote of all towns concerned in a manner similar to that prescribed for establishing the community school district in section 1602 under such terms and arrangements as may be recommended by the community school district's school committee.

2. Dissolution. The residents of a participating municipality within a community school district may petition and vote to dissolve the district in the same manner as a participating municipality within a school administrative district may petition and vote to dissolve a school administrative district in accordance with section 1403.

3. Withdrawal. The residents of a participating municipality within a community school district may petition and vote to withdraw from the district in the same manner as a participating municipality within a school administrative district may petition to withdraw in accordance with section 1405.

4. Transfer. The school committees of 2 community school districts may permit the transfer of a municipality from one community school district to another in the same manner the boards of directors of 2 school administrative districts may permit a transfer in accordance with section 1406.

5. Closing elementary school. If a community school district includes elementary grades, the closing of an elementary school in a member municipality pursuant to section 4102, subsection 3 must follow the procedures established in section 1407 for closing an elementary school in a member municipality in a school administrative district.

6. Substitution of terms. Whenever there is reference in sections 1403 and 1405 to 1407 to a school administrative district, for purposes of this section, the term "community school district" shall be substituted. Other terms consistent with the intent of subsections 2 to 5, to allow municipalities to withdraw or transfer from or to dissolve the district or keep a municipal elementary school open, may also be substituted as necessary.

Sec. 18. 20-A MRSA §1901, as repealed by PL 2007, c. 240, Pt. XXXX, §18, is reenacted to read:

§1901. Formation

1. Commissioner's authority. The commissioner shall adjust the grouping of school administrative units within the State in accordance with this section.

2. Size. A school union shall include not less than 35 nor more than 75 teachers unless the commissioner, upon request of a school board, finds that because of geographic location or other reasons, it is to the advantage of the State and the municipalities that a school union shall include fewer than 35 or more than 75 teachers.

3. Combining unions. On presentation of a written plan of organization which has been approved by the school boards involved, the commissioner may combine 2 or more school unions, or their parts, into a larger school union.

A. The new school union shall be administered by a superintendent of schools and staff assistants, who may be employed by the union committee as provided in section 1051.

B. The commissioner may adjust disbursements for supervision so that there will be no loss in state support because of the reorganization.

4. Exception for existing school unions with over 35 teachers. Existing school unions employing over 35 teachers shall not be regrouped unless the proposed regrouping has been approved by a majority of the school board members in the school administrative units involved.

5. School administrative units with more than 75 teachers. A school administrative unit with more than 75 teachers may employ a superintendent of schools without uniting with other school administrative units for this purpose.

A. The school administrative unit shall elect a superintendent in the same manner and for the same term, fix the salary and discharge the superintendent under the same conditions as superintendents employed under sections 1051 to 1054.

B. Annually and whenever a new superintendent is elected, the chairman and secretary of the school board shall certify to the commissioner, on the prescribed forms, all facts relative to the employment of the superintendent, including the amount of the salary to be paid.

6. Removal. If a school administrative unit having more than 75 teachers removes itself from an existing school union composed of not more than 2 units, the remaining unit shall, with the consent of its school board and the commissioner, be treated as though it had more than 75 teachers, provided that the remaining unit has more than 40 teachers.

7. Exception for remote administrative units. If the commissioner finds that a school administrative unit is remotely situated and that it is not practicable to combine it with other school administrative units for the purpose of employing a superintendent, the commissioner may place at the service of the school board of that unit the general agent for the schooling of the children in unorganized townships, or any other agent of the commissioner.

A. That agent shall, when assigned, serve as the superintendent of the school administrative unit. The agent shall have the same powers and shall perform the same service as superintendents of schools of municipalities. The agent's visits to the schools of the school administrative unit shall be at intervals as directed by the commissioner.

B. The treasurer of the school administrative unit shall pay to the agent a sum agreed upon by the agent and that school administrative unit. In case of dispute, the commissioner shall determine the amount to be paid.

8. Exception for school administrative unit with fewer than 35 teachers. If, because of geographic location or other circumstances, it is not practicable to combine a school administrative unit or a school union employing less than 35 teachers with other school administrative units to form a school union, the school board may provide supervisory service, when approved by the commissioner. The school administrative unit or school union may provide for supervisory services by:

A. Employing a qualified person to serve as superintendent and as a supervising principal;

B. Contracting with another school administrative unit or school union for supervisory services; or

C. Employing a qualified agent to fulfill supervisory needs.

Sec. 19. 20-A MRSA §2101, sub-§1, as repealed by PL 2007, c. 240, Pt. XXXX, §19, is reenacted to read:

1. Establishment. If a union school is desired, the municipalities shall apply to the commissioner. The commissioner shall prepare an agreement setting out the terms and conditions under which a union school may operate.

Sec. 20. 20-A MRSA §2101, sub-§2, as repealed by PL 2007, c. 240, Pt. XXXX, §20, is reenacted to read:

2. Approval. Before a union school may operate, each municipality shall approve the agreement by an affirmative vote acting under an appropriate article at a regular or special town meeting or city election.

Sec. 21. 20-A MRSA §2307, as enacted by PL 2007, c. 240, Pt. XXXX, §21, is repealed.

Sec. 22. 20-A MRSA c. 114, as amended, is repealed.

Sec. 23. 20-A MRSA §4102, last ¶, as enacted by PL 2007, c. 240, Pt. XXXX, §23, is repealed.

Sec. 24. 20-A MRSA §15671-A, sub-§2, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §24, is further amended to read:

B. For property tax years beginning on or after April 1, 2005, the commissioner shall calculate the full-value education mill rate that is required to raise the statewide total local share. The full-value education mill rate is calculated for each fiscal year by dividing the applicable statewide total local share by the applicable statewide valuation. The full-value education mill rate must decline over the period from fiscal year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill rate must be applied according to section 15688, subsection 3-A, paragraph A to determine a municipality's local cost share expectation. Full-value education mill rates must be derived according to the following schedule.

(1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 47.4% statewide total local share in fiscal year 2005-06.

(2) For the 2006 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2006-07.

(3) For the 2007 property tax year, the full-value education mill rate is the amount necessary to result in a 45.56% statewide total local share in fiscal year 2007-08.

(4) ~~Except as provided in subparagraph (6), for~~ For the 2008 property tax year ~~and subsequent tax years~~, the full-value education mill rate is the amount necessary to result in a 45.0% statewide total local share in fiscal year 2008-09 ~~and after~~.

~~(6) For school administrative units that do not conform to the requirements of chapter 103-A for the 2009 property tax year, the full-value education mill rate is the amount~~

~~necessary to result in a 46.14% statewide total local share in fiscal year 2009-10 and after.~~

Sec. 25. 20-A MRSA §15680, sub-§1, ¶A, as amended by PL 2007, c. 240, Pt. XXXX, §25, is further amended to read:

A. System administration. The per-pupil amount for "system administration" is the actual system administration expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, less revenues to system administration for services to other governments and refunds from a statewide school management association, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index~~. Beginning in school year 2008-2009, this per-pupil amount must be based on school year 2005-2006 system administration expenditures then reduced by 50% and inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index~~;

Sec. 26. 20-A MRSA §15680, sub-§1, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §26, is further amended to read:

B. Operation and maintenance of plant. The per-pupil amount for "operation and maintenance of plant" is the actual operation and maintenance of plant expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index~~. For school year 2008-2009, the resulting per-pupil amount must be reduced by 5%~~;

Sec. 27. 20-A MRSA §15681-A, sub-§2-A, as enacted by PL 2007, c. 240, Pt. XXXX, §27, is repealed.

Sec. 28. 20-A MRSA §15681-A, sub-§3-A, as enacted by PL 2007, c. 240, Pt. XXXX, §28, is repealed.

Sec. 29. 20-A MRSA §15688, sub-§2, as amended by PL 2007, c. 240, Pt. XXXX, §29, is further amended to read:

2. Member municipalities in school administrative districts or community school districts; total costs. For each municipality that is a member of a school administrative district~~,~~ or community school district ~~or regional school unit~~, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the school administrative district's~~,~~ or community school district's ~~or regional school unit's~~ total cost of education multiplied by the percentage that the municipality's most recent calendar year average pupil count is to the school administrative district's~~,~~ or community school district's ~~or regional school unit's~~ most recent calendar year average pupil count.

Sec. 30. 20-A MRSA §15688, sub-§3-A, as amended by PL 2007, c. 240, Pt. XXXX, §30, is further amended to read:

3-A. School administrative unit; contribution. For each school administrative unit, the commissioner shall annually determine the school administrative unit's required contribution, the required contribution of each municipality that is a member of the unit, if the unit has more than one

member, and the State's contribution to the unit's total cost of education in accordance with the following.

A. For a school administrative unit composed of only one municipality, the contribution of the unit and the municipality is the same and is the lesser of:

(1) The total cost described in subsection 1; and

(2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

B. ~~Except as provided in paragraph B-1, for~~ For a school administrative district~~,~~ or community school district ~~or regional school unit~~ composed of more than one municipality, each municipality's contribution to the total cost of education is the lesser of:

(1) The municipality's total cost as described in subsection 2; and

(2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

~~B-1. For a regional school unit, if the amount calculated pursuant to paragraph B is less than 2 mills multiplied by the property fiscal capacity of the municipality, the municipality's contribution to the total cost of education is an amount equal to 2 mills multiplied by the property fiscal capacity of the municipality. The difference in the amount calculated pursuant to paragraph B and the amount calculated pursuant to this paragraph, which amount may not be less than zero, must be used to proportionally lower the local contribution in the remaining municipalities.~~

C. For a school administrative district~~,~~ or community school district ~~or regional school unit~~ composed of more than one municipality, the unit's contribution to the total cost of education is the lesser of:

(1) The total cost as described in subsection 1; and

(2) The sum of the totals calculated for each member municipality pursuant to paragraph B, subparagraph (2)~~, plus the total calculated pursuant to paragraph B-1 if applicable~~.

D. The state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A or C, as applicable. The state contribution is subject to reduction in accordance with section 15690, subsection 1, paragraph C.

Sec. 31. 20-A MRSA §15690, sub-§1, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §31, is further amended to read:

B. For a school administrative district~~,~~ or a community school district ~~or a regional school unit~~, an article in substantially the following form must be used when the school administrative district~~,~~ or community school district ~~or regional school unit~~ is considering the appropriation of an amount up to its required contribution to the total cost of education as described in section 15688.

(1) "Article ....: To see what sum the district will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and to see what sum the district will raise and assess as each

municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688 (Recommend amount set forth below):

Total Appropriated (by municipality):	Total raised (district assessments by municipality):
Town A ($amount)	Town A ($amount)
Town B ($amount)	Town B ($amount)
Town C ($amount)	Town C ($amount)
School District	School District
Total Appropriated ($sum of above)	Total Raised ($sum of above)"

(2) The following statement must accompany the article in subparagraph (1). "Explanation: The school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the district must raise and assess in order to receive the full amount of state dollars."

Sec. 32. 20-A MRSA §15691-A, as enacted by PL 2007, c. 240, Pt. XXXX, §32, is repealed.

Sec. 33. 20-A MRSA §15696, as enacted by PL 2007, c. 240, Pt. XXXX, §33, is repealed.

Sec. 34. 20-A MRSA §15755, as repealed by PL 2007, c. 240, Pt. XXXX, §34, is reenacted to read:

§15755. Entitlement

The State's school administrative units and municipalities are entitled to the appropriations required by this chapter.

Sec. 35. 20-A MRSA §15904, sub-§3-A, as enacted by PL 2007, c. 240, Pt. XXXX, §35, is repealed.

Sec. 36. PL 2007, c. 240, Pt. XXXX, §36 is repealed.

Sec. 37. PL 2007, c. 240, Pt. XXXX, §37 is repealed.

Sec. 38. PL 2007, c. 240, Pt. XXXX, §38 is repealed.

Sec. 39. PL 2007, c. 240, Pt. XXXX, §39 is repealed.

Sec. 40. PL 2007, c. 240, Pt. XXXX, §40 is repealed.

Sec. 41. PL 2007, c. 240, Pt. XXXX, §41 is repealed.

Sec. 42. PL 2007, c. 240, Pt. XXXX, §42 is repealed.

Sec. 43. PL 2007, c. 240, Pt. XXXX, §43 is repealed.

Sec. 44. PL 2007, c. 240, Pt. XXXX, §44 is repealed.

Sec. 45. PL 2007, c. 240, Pt. XXXX, §45 is repealed.

Sec. 46. PL 2007, c. 240, Pt. XXXX, §46 is repealed.

Sec. 47. PL 2007, c. 240, Pt. XXXX, §47 is repealed.

Sec. 48. PL 2007, c. 240, Pt. XXXX, §48 is repealed.

Summary

This initiated bill repeals the laws related to the consolidation of school administrative units that were enacted by the First Regular Session of the 123rd Legislature in Public Law 2007, chapter 240, Part XXXX. It restores the laws that were amended or repealed to accommodate the consolidation.

Intent and Content
Prepared by the Office of the Attorney General

This citizen-initiated legislation would repeal the school district consolidation law that was enacted by the Legislature and signed by the Governor in June, 2007, and subsequently amended in 2008 and 2009, and would re-enact the laws governing school administrative units in Maine that were in effect prior to June 2007.

The 2007 school district consolidation law required every school administrative unit in the state to submit a reorganization plan or alternative plan to the state Department of Education by December 1, 2007, and to present it for voter approval at a local referendum election to be held on or before November 4, 2008. The goal of reorganization was to reduce the number of school administrative units in the state from 290 to approximately 80, by creating Regional School Units and eliminating school administrative districts (SADs), community school districts (CSDs), and school unions that were formed under the laws in effect before June 2007. Each new Regional School Unit was to serve at least 2,500 students, or at least 1,200 students if it was impractical to create a larger unit due to geography, density and distribution of the population, or transportation problems. Island and tribal schools, school administrative units that already served more than 2,500 (or 1,200) students, and units with existing administrative costs of less than 4% per pupil and at least three high performing schools within the unit were allowed to file alternative plans. Every school administrative unit in the state was required to submit a plan demonstrating how it would reduce administrative costs.

The 2008 amendments to the school district consolidation law allowed isolated, rural communities to form units of fewer than 1,200 but no fewer than 1,000 students, and also allowed for the creation of alternative organizational structures as a third option for complying with the law. The deadline for getting voter approval at a referendum election was extended from November 2008 to January 30, 2009. Penalties for noncompliance with the law's requirements, as amended, include reduced state subsidies for system administrative costs and a 2% increase in the education mill rate to be paid by a non-complying school unit.

In 2009, the law was further amended to delay penalties for one year for all school administrative units that are not yet in compliance.

All of the above provisions would be repealed by this citizen initiative, and the laws pertaining to school administrative units within the state that existed prior to June, 2007, would be re-enacted. The status of Regional School Units and alternative organizational structures already formed under the consolidation law will have to be addressed by the Legislature if this initiative is approved.

If approved, this citizen initiated legislation would take effect 30 days after proclamation of the vote.

A "YES" vote favors repeal of the 2007 school district consolidation law and its amendments.

A "NO" vote opposes repeal and favors leaving the 2007 school district consolidation law and its amendments in effect.

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

Fiscal Notes and Detail. The implementation of this initiated bill is contingent upon approval by the voters at referendum in November of 2009. If adopted, it will increase the total state and local cost of K-12 public education by approximately $67,114,843 in fiscal year 2010-11 in order to restore funding that was reduced to certain cost components within essential programs and services (EPS) to recognize savings that were anticipated to be achieved as a result of the consolidation of school administrative units. Beginning in the 2008-2009 school year, Public Law 2007, c. 240, Part XXXX reduced the system administration cost component of essential programs and services (EPS) by 50% and the operation and maintenance of plant, special education, and transportation cost components of EPS by 5% each. The fiscal year 2010-11 estimate is based on the projected cost to the State and local units of government to restore funding to these cost components in fiscal year 2008-09 increased by average growth in the State's real personal income of 2.28% for the 2010-2011 biennium and 1.53% for the 2012-2013 biennium.

The General Purpose Aid for Local Schools program within the Department of Education will require an additional General Fund appropriation of $36,913,164 in fiscal year 2010-11 for the State's share of restoring the funds. This estimate is based on the State funding 55% of 100% of the total state and local cost of EPS in fiscal year 2010-11. The increased costs to local towns and municipalities associated with funding the local share is estimated to be $30,201,679 in fiscal year 2010-11, or approximately 0.3 mills.

If approved by the voters, this legislation will not become fully operative until 45 days after the start of the Second Regular Session of the 124th Legislature in January of 2010. Given this timeframe, it is not known whether the State and local school administrative units will be able to implement the requirements of this legislation in time to affect the 2009-2010 school year. This fiscal note assumes that there will not be sufficient time and that the impact of this legislation will not affect the funding for K-12 public education until the 2010-2011 school year. However, if it is determined that this legislation will impact the 2009-10 school year, the Department of Education will require a General Fund appropriation of $32,956,239 for the State's share of restoring the funds in fiscal year 2009-10. The increase in costs to local towns and municipalities to fund the local share in fiscal year 2009-10 is estimated to be $31,727,252, or approximately 0.3 mills.

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	$0	$36,913,164	$37,477,935	$38,051,348
Appropriations/Allocations				
General Fund	$0	$36,913,164	$37,477,935	$38,051,348

Public Comments

No public comments were filed in support of or in opposition to Question 3.

Question 4: Citizen Initiative

Do you want to change the existing formulas that limit state and local government spending and require voter approval by referendum for spending over those limits and for increases in state taxes?

State of Maine

"An Act to Provide Tax Relief"

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §1507, next to last ¶, as amended by PL 2005, c. 519, Pt. VV, §1, is repealed.

Sec. 2. 5 MRSA §1511, as amended by PL 2005, c. 519, Pt. VV, §2, is repealed.

Sec. 3. 5 MRSA §1522 is enacted to read:

§1522. Maine Budget Stabilization Fund

1. Establishment. The Maine Budget Stabilization Fund, referred to in this section as "the fund," is established and must be administered for the purposes identified in this section.

2. Transfers to fund; limits. The fund may receive transfers by the State Controller of unappropriated surplus at the close of a fiscal year as provided in section 2045 and any other funds identified by law. Amounts in the fund may not exceed 12% of the total General Fund revenues received in the immediately preceding fiscal year and may not lapse, but remain in a continuing carrying account to carry out the purposes of this section. The limit at the close of a fiscal year is based on the total General Fund revenues received in the fiscal year being closed.

3. Use of fund. The Legislature may authorize transfers, appropriations and allocations from the fund only to fund the costs of State Government up to the expenditure limit calculated under section 2044 in years when state revenues are less than the amount necessary to finance the level of expenditures permitted under section 2044.

4. Investment of funds; proceeds. The money in the fund may be invested as provided by law, with the earnings credited to the fund. At the close of every month during which the fund is at the 12% limitation described in subsection 2, the State Controller shall transfer the excess to the Tax Relief Reserve Fund established under section 2045.

Sec. 4. 5 MRSA §1523 is enacted to read:

§1523. Maine Highway Budget Stabilization Fund

1. Establishment. The Maine Highway Budget Stabilization Fund, referred to in this section as "the fund," is established and must be administered for the purposes identified in this section.

2. Transfers to fund; limits. The fund may receive transfers by the State Controller of unallocated Highway Fund surplus at the close of a fiscal year as provided in section 2046 and any other funds identified by law. Amounts in the fund may not exceed 12% of the total Highway Fund revenues received in the immediately preceding fiscal year and may not lapse, but remain in a

continuing carrying account to carry out the purposes of this section. The limit at the close of a fiscal year is based on the total Highway Fund revenues received in the fiscal year being closed.

3. Use of fund. The Legislature may authorize transfers, appropriations and allocations from the fund only to fund the costs of the Highway Fund budget up to the expenditure limit calculated under section 2044 in years when Highway Fund revenues are less than the amount necessary to finance the level of expenditures permitted under section 2044.

4. Investment of funds; proceeds. The money in the fund may be invested as provided by law with the earnings credited to the fund. At the close of every month during which the fund is at the 12% limitation described in subsection 2, the State Controller shall transfer the excess to the Highway Fund Reserve Fund established under section 2046.

Sec. 5. 5 MRSA c. 142, as amended, is repealed.

Sec. 6. 5 MRSA §1665, sub-§1, as amended by PL 2005, c. 601, §2, is further amended to read:

1. Expenditure and appropriation requirements. On or before September 1st of the even-numbered years, all departments and other agencies of the State Government and corporations and associations receiving or desiring to receive state funds under the provisions of law shall prepare, in the manner prescribed by the State Budget Officer, and submit to the officer estimates of their expenditure and appropriation requirements for each fiscal year of the ensuing biennium. The expenditure estimates must be classified to set forth the data by funds, organization units, character and objects of expenditure. The organization units may be subclassified by functions and activities, or in any other manner, at the discretion of the State Budget Officer.

~~All departments and other agencies receiving or desiring to receive state funds from the Highway Fund shall submit to the officer estimates of their expenditure and appropriation requirements for each fiscal year of the ensuing biennium that do not exceed the Highway Fund appropriation of the previous fiscal year multiplied by one plus the average real personal income growth rate or 2.75%, whichever is less. The Highway Fund highway and bridge improvement accounts are exempt from this spending limitation.~~

Sec. 7. 5 MRSA §1710-F, sub-§4, as enacted by PL 2005, c. 2, Pt. A, §8 and affected by §14, is repealed.

Sec. 8. 5 MRSA c. 167 is enacted to read:

CHAPTER 167
STATE TAX AND SPENDING LIMITATION

§2041. Expenditure and revenue requirements; construction of chapter

The following provisions of this section apply, notwithstanding any other provision of law.

1. Expenditure limitations. Annual authorized state appropriations and allocations may not exceed the limits provided in this chapter unless authorized by the procedures specified in this chapter.

2. Revenue increases. An increase in revenue may be adopted only as provided in section 2043.

3. Construction. It is the intent of the Legislature that this chapter be interpreted liberally to restrain excess growth of state and local government.

§2042. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Emergency. "Emergency" means extraordinary circumstances outside the control of the Legislature, including:

A. Catastrophic events such as natural disaster, terrorism, fire, war and riot;

B. Citizens' initiatives or other referenda; and

C. Court orders or decrees.

2. Increase in revenue. "Increase in revenue" means any legislation or tax levy that is estimated to result in a net gain in revenue of at least 0.01% of General Fund revenue in at least one fiscal year and:

A. Enacts a new tax;

B. Increases the rate or expands the base of an existing tax;

C. Repeals or reduces any tax exemption, credit or refund; or

D. Extends an expiring tax increase.

3. Inflation adjustment factor. "Inflation adjustment factor" means the increase in the Consumer Price Index for the most recently available calendar year as calculated by the United States Department of Labor, Bureau of Labor Statistics. The inflation adjustment factor may not be less than zero.

4. Population adjustment factor. "Population adjustment factor" means the average annual percentage increase in population for the 3 most recent years for which data is available as determined annually by the Executive Department, State Planning Office statewide based on federal census estimates. The population adjustment factor may not be less than zero.

5. Revenue. "Revenue" means taxes collected by the State.

6. State spending. "State spending" means any authorized state appropriations and allocations.

7. Tax. "Tax" means any amount raised for the general support of government functions. It does not include charges to cover the cost of specific goods or services provided or fees or other charges that are assessed for the purposes of covering the cost of administration of a government activity related to the purposes for which the fee is charged.

§2043. Approval of revenue increases

1. Approval of increases. To adopt an increase in revenue:

A. The measure must be approved by a majority vote of all the members of each House of the Legislature; and

B. Except as provided in subsection 2, the measure must be approved by a majority of the voters as described in subsection 3.

2. Exceptions. Voter approval under subsection 1, paragraph B is not required if:

A. Annual revenue is less than annual payments on general obligation bonds, required payments related to pensions and final court judgments; or

B. The measure is an emergency tax and the provisions of section 2048 are followed.

3. Approval by voters; emergency approval. The question of whether to adopt legislation to impose an increase in revenue must be submitted to the voters for approval at the next general election as defined in Title 21-A, section 1. If the Legislature determines by a majority vote that legislation to increase taxes should take effect sooner than the next general election, the Legislature may provide for submission of the question to the voters at any regular or special election as defined in Title 21-A, section 1.

4. Revenue estimates. A measure submitted to the voters under subsection 3 must include an estimate of the amount to be raised by the measure for the first 4 fiscal years of its implementation if the measure is submitted to the voters in the first year of a biennial budget and the first 3 fiscal years if submitted in the 2nd year of a biennial budget.

5. Notice. At least 30 days before an election required under subsection 3, the Secretary of State shall mail at the least cost a titled notice or set of notices addressed to "All Registered Voters" at each address of every active registered voter. Notices must include the following information and may not include any additional information:

A. The election date, hours, ballot title and text and local election office address and telephone number;

B. For each proposed increase in revenue, the estimated or actual total of state spending for the current fiscal year and each of the past 4 years and the overall percentage and dollar change; and

C. For the first full fiscal year of each proposed increase in revenue, estimates of the maximum dollar amount of each increase and of the first year's state spending without the increase.

Except by later voter approval, if an increase in revenue exceeds any estimate prepared under paragraph C for the same fiscal year, the tax increase is thereafter reduced in proportion to the amount of the excess, and the excess revenue that was collected must be transferred to the Tax Relief Reserve Fund under section 2045 in the next fiscal year. Ballot questions for increases in revenue must begin: "Do you favor (description of the tax increase) to increase state revenues by (amount of first or, if phased in, full fiscal year dollar increase) annually for the purpose of...?" The ballot question must also contain the information required by paragraphs B and C.

6. Costs. The State shall reimburse municipalities for the costs of a special election, as defined in Title 21-A, section 1, called under this section.

§2044. Expenditure limitation

1. State expenditure limitation. Beginning with the first fiscal year that begins after this section takes effect, the maximum annual percentage change in state spending in the categories specified in this subsection equals the inflation adjustment factor plus the population adjustment factor and any increases attributable to measures approved under section 2043. This limitation must be calculated separately for the following categories:

A. General Fund;

B. Highway Fund; and

C. Other Special Revenue Funds, for which separate individual limitations must be applied by program, including internal service accounts but not bond fund accounts.

2. Exceptions. The following may not be counted in calculating expenditure limitations under subsection 1:

A. Amounts returned to taxpayers as refunds of amounts exceeding the expenditure limitation in a prior year;

B. Amounts received from the Federal Government;

C. Amounts collected on behalf of another level of government;

D. Pension contributions by employees and pension fund earnings;

E. Pension and disability payments made to former government employees;

F. Amounts received as grants, gifts or donations that must be spent for purposes specified by the donor;

G. Amounts paid pursuant to a court award; or

H. Reserve transfers.

3. Approval of increases. To adopt an increase in state spending beyond the expenditure limitations under subsection 1:

A. The measure must be approved by a majority vote of all the members of each House of the Legislature; and

B. Except as provided in subsection 4, the measure must be approved by a majority of the voters as described in subsection 5.

4. Exceptions. Voter approval under subsection 3, paragraph B is not required if the state spending is a result of an increase in revenue approved under section 2043.

5. Approval by voters; emergency approval. The question of whether to adopt legislation to impose an increase in state spending beyond the expenditure limitation under subsection 1 must be submitted to the voters for approval at the next general election as defined in Title 21-A, section 1. If the Legislature determines by a majority vote that legislation to increase state spending beyond the limitation should take effect sooner than the next general election, the Legislature may provide for

submission of the question to the voters at any regular or special election as defined in Title 21-A, section 1.

6. Spending estimates. A measure submitted to the voters under subsection 3 must include an estimate of the state spending increase by the measure for the first 4 fiscal years of its implementation if the measure is submitted to the voters in the first year of a biennial budget and the first 3 fiscal years if submitted in the 2nd year of a biennial budget.

7. Notice. At least 30 days before an election required under subsection 5, the Secretary of State shall mail at the least cost a titled notice or set of notices addressed to "All Registered Voters" at each address of every active registered voter. Notices must include the following information and may not include any additional information:

A. The election date, hours, ballot title and text and local election office address and telephone number;

B. For each proposed state spending increase, the estimated or actual total of spending for the current fiscal year and each of the past 4 years and the overall percentage and dollar change; and

C. For the first full fiscal year of each proposed state spending increase, estimates of the maximum dollar amount of each increase and of fiscal year spending without the increase.

Except by later voter approval, if a state spending increase exceeds any estimate prepared under paragraph C for the same fiscal year, the state spending increase is thereafter reduced in proportion to the amount of the excess. Ballot questions for state spending increases must begin: "Do you favor increasing state spending by (amount of first or, if phased in, full fiscal year dollar increase) annually for the purpose of...?" The ballot question must also contain the information required by paragraphs B and C.

8. Costs. The State shall reimburse municipalities for the costs of a special election, as defined in Title 21-A, section 1, called under this section.

§2045. Transfers and refund of unappropriated General Fund surplus

1. Fund created. The Tax Relief Reserve Fund, referred to in this section as "the fund," is created for the purposes set forth in this chapter. Amounts in the fund may not lapse, but remain in a continuing carrying account to carry out the purposes of this section.

2. Transfer. At the close of each fiscal year, the State Controller shall identify the amount of General Fund unappropriated surplus and make the following transfers:

A. Eighty percent of the unappropriated surplus must be transferred to the fund; and

B. Twenty percent of the unappropriated surplus must be transferred to the Maine Budget Stabilization Fund established in section 1522.

3. Notification. By September 1st annually, the State Controller shall notify the Legislature and the State Tax Assessor of the amount in the fund as a result of the transfer required by subsection 2.

4. Refund. If the amount in the fund exceeds 1% of General Fund expenditures, the Legislature shall, by September 15th, enact legislation to provide for the refund to taxpayers of

amounts in the fund. Refunds may take the form only of temporary or permanent broad-based tax rate reductions.

5. Refund in case of legislative inaction. If the Legislature does not enact legislation by September 15th to provide refunds pursuant to subsection 4, then the State Controller shall, by September 30th, notify the State Tax Assessor of the amount in the fund. The State Tax Assessor shall calculate a one-time bonus personal exemption refund. The amount of the personal exemption refund must be calculated by dividing the amount in the fund identified by the State Controller under subsection 3 by the number of personal exemptions claimed on income tax returns filed for tax years beginning in the previous calendar year and rounded down to the nearest $5 increment. The State Tax Assessor shall issue a refund by October 15th to a taxpayer who filed an income tax return by April 15th of the same calendar year based on the number of personal exemptions claimed on the taxpayer's return without regard to the taxpayer's tax liability for the year.

§2046. Transfers and refund of unallocated Highway Fund surplus

1. Fund created. The Highway Fund Reserve Fund, referred to in this section as "the fund," is created for the purposes set forth in this chapter.

2. Transfer. At the close of each fiscal year, the State Controller shall identify the amount of Highway Fund unallocated surplus and make the following transfers:

A. Eighty percent of the unallocated surplus must be transferred to the fund; and

B. Twenty percent of the unallocated surplus must be transferred to the Maine Highway Budget Stabilization Fund established in section 1523.

3. Notification. By September 1st annually, the State Controller shall notify the Legislature of the amount in the fund as a result of the transfer required by subsection 2.

4. Refund. If the amount in the fund exceeds 1% of Highway Fund expenditures for the previous fiscal year, the State Tax Assessor shall calculate, based on the amount in the fund, a proportional reduction in the taxes on motor fuels under Title 36, Part 5 to become effective the following January 1st and remain in effect for one calendar year.

§2047. Revenues of Other Special Revenue Funds accounts

By September 1st annually, each state agency that manages an Other Special Revenue Funds account shall submit an annual report to the Legislature identifying revenues received in the preceding fiscal year that exceed the expenditure limitation established in section 2044 and any other uncommitted revenues received during the previous fiscal year and proposing a plan for refunding the amount identified that exceeds 10% of the previous fiscal year's expenditure.

§2048. Emergency taxes

1. Emergency taxes permitted; conditions. The State may impose emergency taxes only in accordance with this section:

A. The tax must be approved for a specified time period by a majority of the members of each House of the Legislature;

B. Emergency tax revenue may be spent only after other available reserves are depleted and must be refunded 180 days after the emergency ends if not spent on the emergency; and

C. The tax must be submitted for approval by the voters at the next regular election, as defined in Title 21-A, section 1.

2. Absence of approval. If not approved by the voters as provided in this section, an emergency tax expires 30 days following the election.

Sec. 9. 5 MRSA §13063-C, sub-§4, ¶B, as amended by PL 2005, c. 2, Pt. A, §9 and affected by §14, is further amended to read:

B. Notwithstanding section 1585, any balance remaining in the program after July 31, 2007 must be transferred to the Maine Budget Stabilization Fund as established in section ~~1532~~ 1522.

Sec. 10. 5 MRSA §17253, sub-§3, as amended by PL 2005, c. 2, Pt. A, §10 and affected by §14, is further amended to read:

3. Components of unfunded liability contribution. The annual valuation report prepared by the actuary in accordance with section 17107 must include identification of the impact on the employer contribution rate of any excess General Fund revenues transferred to the Retirement Allowance Fund ~~pursuant to section 1532~~.

Sec. 11. 25 MRSA §1612, sub-§7, as amended by PL 2005, c. 2, Pt. A, §12 and affected by §14, is repealed.

Sec. 12. 30-A MRSA §706-A, sub-§3, ¶C is enacted to read:

C. The growth limitation factor may not exceed average real personal income growth plus forecasted inflation.

Sec. 13. 30-A MRSA §706-A, sub-§7, as affected by PL 2005, c. 2, Pt. B, §4 and amended by c. 12, Pt. WW, §10 and affected by §§13 and 14, is further amended to read:

7. Process for exceeding county assessment limit. A county may exceed or increase the county assessment limit only if approved by a vote of a majority of all the members of both the county budget committee or county budget advisory committee and the county commissioners and if approved by the voters at a referendum held at a regular or special election, as defined in Title 21-A, section 1.

~~Unless a county charter otherwise provides or prohibits a petition and referendum process, if a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the county, requesting a vote on the question of exceeding the county assessment limit is submitted to the county commissioners within 30 days of the commissioners' vote pursuant to this subsection, the article voted on by the commissioners must be submitted to the legal voters in the next regular election or a special election called for that purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters, the filing requirement contained in section 2528 does not apply and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the county commissioners and entered upon the county records.~~

Sec. 14. 30-A MRSA §706-B is enacted to read:

§706-B. Cost center budget summary format

Each county shall use the cost center budget summary format developed by the Department of Audit under Resolve 2005, chapter 136 in adopting budgets beginning with the first fiscal year that begins after 6 months from the effective date of this section.

Sec. 15. 30-A MRSA §5721-A, sub-§3, ¶C is enacted to read:

C. The growth limitation factor may not exceed average real personal income growth plus forecasted inflation.

Sec. 16. 30-A MRSA §5721-A, sub-§7, as affected by PL 2005, c. 2, Pt. C, §5 and amended by c. 12, Pt. WW, §12 and affected by §§15 and 16, is further amended to read:

7. Process for exceeding property tax levy limit. A municipality may exceed or increase the property tax levy limit only by the following means.

A. If the municipal budget is adopted by town meeting or by referendum, the property tax levy limit may be exceeded by the same process that applies to adoption of the municipal budget except that the vote must be by written ballot on a separate article that specifically identifies the intent to exceed the property tax levy limit and the action must be approved by the voters at a referendum held at a regular or special election, as defined in Title 21-A, section 1.

B. If the municipal budget is adopted by a town council or city council, the property tax levy limit may be exceeded only if approved by a majority vote of all the elected members of the town council or city council on a separate article that specifically identifies the intent to exceed the property tax levy limit and approved by the voters at a referendum held at a regular or special election, as defined in Title 21-A, section 1.

~~Unless a municipal charter otherwise provides or prohibits a petition and referendum process, if a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality, requesting a vote on the question of exceeding the property tax levy limit is submitted to the municipal officers within 30 days of the council's vote pursuant to this paragraph, the article voted on by the council must be submitted to the legal voters in the next regular election or a special election called for that purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the municipal officers and entered upon the municipal records.~~

Sec. 17. 30-A MRSA §5721-B is enacted to read:

§5721-B. Cost center budget summary format

Each municipality shall use the cost center budget summary format developed by the Department of Audit under Resolve 2005, chapter 136 in adopting budgets beginning with the first fiscal year that begins after 6 months from the effective date of this section.

Sec. 18. 36 MRSA §3321, as amended by PL 2007, c. 306, §9, is further amended to read:

§3321. Annual adjustment of tax rates

1. Generally. Beginning in 2003, and each calendar year thereafter, the excise tax imposed upon internal combustion engine fuel pursuant to section 2903, subsection 1 and the excise tax imposed upon distillates pursuant to section 3203, subsection 1 are subject to an annual rate of adjustment pursuant to this section. On or about ~~February~~ September 15th of each year, the State Tax Assessor shall calculate the adjusted rates by multiplying the rates in effect on the calculation date by an inflation index as computed in subsection 2. The adjusted rates must then be rounded to the nearest 1/10 of a cent and become effective on the first day of July immediately following the calculation if approved by the voters pursuant to subsection 5. The assessor shall publish the annually adjusted fuel tax rates and shall provide all necessary forms and reports to suppliers, distributors and retail dealers.

2. Method of calculation; inflation index defined. The inflation index for 2003 is 1.118, representing annual inflation adjustments for the years 1999 to 2002, inclusive. Starting in 2004 and every year thereafter, the inflation index is the Consumer Price Index as defined in section 5402, subsection 1 for the calendar year ending on the December 31st immediately preceding the calculation date, divided by the Consumer Price Index for the prior calendar year.

3. Exclusion. This section does not apply to internal combustion engine fuel purchased or used for the purpose of propelling jet or turbojet engine aircraft.

~~**4. Legislative review.** Starting in 2008 and each even-numbered year thereafter, the Department of Transportation shall submit an emergency bill by the cloture date established for departments and agencies for the first regular session of the Legislature that suspends the adjustment in fuel tax rates in the upcoming biennium resulting from the operation of this section.~~

5. Voter approval. Beginning with adjustments calculated following the effective date of this subsection, a change in the rate of excise tax resulting from the adjustment required in subsection 1 may take effect only if approved by a majority of the voters at a regular or special election as defined in Title 21-A, section 1. The question on the ballot must read:

"Do you favor increasing the rate of motor fuel taxes to account for inflation? If this question is approved the rate of tax on gasoline will increase from ____ ¢ per gallon to ____ ¢ per gallon and the rate of tax on diesel fuel will increase from ____ ¢ per gallon to ____ ¢ per gallon beginning next July 1st."

Sec. 19. 36 MRSA §7303 is enacted to read:

§7303. Cost center budget summary format

1. Annual report. Each county and municipality shall submit a copy of its cost center budget summary adopted pursuant to Title 30-A, sections 706-B and 5721-B, respectively, to the bureau within 30 days after final approval of the county or municipal budget.

2. Public access. Each county and municipality shall make copies of the cost center budget summary submitted pursuant to subsection 1 available to the public at least 2 weeks before any action is taken to adopt the budget. If the county or municipality has a publicly accessible website, the county or municipality shall include a copy of the cost center budget summary as proposed and as finally adopted on that website. The bureau shall include all adopted county and municipal budgets in the cost center budget summary format on its publicly accessible website.

Sec. 20. Maine Budget Stabilization Fund. The Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1522 is the successor in every way to the Maine Budget Stabilization Fund established under former Title 5, section 1532. All funds in the Maine Budget Stabilization Fund established under former Title 5, section 1532 are transferred to the Maine Budget Stabilization Fund established in Title 5, section 1522 on the effective date of this Act.

Sec. 21. Legislative intent; relationship to private and special law. It is the intent of the Legislature that the provisions of this Act supersede any conflicting provisions of private and special law relating to the determination of revenue, fees and expenditures.

Sec. 22. Application. This Act applies to fiscal years beginning on or after the date 4 months after the effective date of this Act.

Summary

This initiated bill imposes expenditure limitations on state and local government and requires voter approval of certain state tax increases.

Under this bill, growth in annual expenditures of the General Fund, the Highway Fund and Other Special Revenue Funds are limited according to increases in population and inflation. For the General Fund and Highway Fund budgets, revenues exceeding the expenditure limitation must be distributed by directing 20% of that excess to a budget stabilization fund and 80% of that excess to a tax relief fund. The budget stabilization funds may be used only in years when revenues are not sufficient to fund the level of expenditure permitted by the growth limits. The Tax Relief Reserve Fund must be used to provide tax relief through broad-based tax rate reductions or refunds proportional to individual income tax personal exemptions claimed in the previous tax year. The Highway Fund Reserve Fund must be used to provide a decrease in motor fuel taxes. For state agencies that manage Other Special Revenue Funds, the managers of those funds must report excess surpluses to the Legislature with a plan for refund of those revenues.

Under this bill, a state tax increase would require a majority vote of each House of the Legislature and majority approval of the voters.

This bill provides that state expenditure limits contained in the bill may be exceeded by a majority vote of each House of the Legislature and majority approval by the voters.

The bill adds the requirement of majority approval by the voters before municipal and county expenditure limits may be exceeded.

The bill requires majority approval by the voters for the annual indexing for inflation of motor fuel taxes.

The bill requires counties and municipalities to use a cost center budget summary format developed by the Department of Audit and requires information in that format to be made available to local voters, filed annually with Maine Revenue Services and posted on any publicly accessible website maintained by the county or municipality as well as on the Maine Revenue Services website.

Intent and Content
Prepared by the Office of the Attorney General

This initiated legislation changes existing law with regard to limits on spending by state, county and municipal governments, and state tax increases.

State government spending limits, tax increases and voter approval process

The initiative repeals the existing caps on spending of state General Funds and replaces it with a new formula that limits growth in spending for all state funds to the percentage increase in the Consumer Price Index for the most recent calendar year plus the percentage increase in state population for the three most recent years. The new formula also caps the Highway Fund and other Special Revenue Funds and requires separate calculations for these funds as well as for the General Fund. Certain expenditures are exempt from these spending limits, such as federal funds, pension fund contributions, disability payments and taxpayer refunds. Any spending over the limits set by the new formula would have to be approved as a separate measure, first by a majority of all the members of each house of the Legislature, and then by a majority of the voters at a statewide referendum election.

Any state tax increase projected to generate revenue equal to or exceeding 1/100 of one percent (.01%) of General Fund revenue in a fiscal year would require approval of a majority of all the members of each house of the Legislature and a majority of voters at a statewide referendum election. This requirement would apply to a new tax, an increase in a tax rate, the expansion of the tax base for an existing tax, an extension of a tax increase that was due to expire, or elimination of an existing tax exemption, credit or refund.

Under current law, the excise tax on motor fuels that goes into the Highway Fund is adjusted each year for inflation, based on the percentage increase in the Consumer Price Index. This initiative provides that an increase in the motor fuel tax to adjust for inflation would not take effect unless and until approved by a majority of the voters at a statewide referendum election.

Before each statewide referendum vote, specific information regarding the fiscal effects of a proposed tax increase or proposal to exceed the spending limit on state funds would have to be mailed to every registered voter in the state. The state would be required to reimburse municipalities for the cost of conducting any special statewide election for this purpose.

The initiative also creates certain reserve funds. At the end of each fiscal year, 80% of any General Fund revenues not spent would be transferred into a Tax Relief Reserve Fund which the Legislature would have to use to fund temporary or permanent broad-based tax rate reductions. Similarly, 80% of any excess revenues in the Highway Fund at the end of each fiscal year would be transferred to a new Highway Fund Reserve Fund. If the amount in this reserve fund exceeded 1% of Highway Fund expenditures, the State Tax Assessor would be required to reduce taxes on motor fuels proportionately for the following calendar year.

County and municipal government spending limits and voter approval process

The initiated legislation changes the existing spending limits for county and municipal governments to add that the growth in spending allowed cannot exceed the percentage change in personal income in Maine, averaged over the previous 10 years, plus the percentage change in the Consumer Price Index forecast for the next two calendar years.

Under existing law, counties may not exceed the spending limit without the approval of a majority of all members of the county budget or budget advisory committee and a majority of the county commissioners. A referendum vote may also be required if petitions are submitted with enough

voter signatures to trigger a referendum. The initiated legislation would repeal the optional referendum process and mandate it instead.

Municipalities could not spend over the revised caps without getting voter approval, either at a town meeting, or by a separate referendum vote for those municipalities governed by a city or town council.

If approved, this citizen initiated legislation would take effect 30 days after proclamation of the vote.

A "YES" vote favors enactment of the initiated legislation.

A "NO" vote opposes enactment of the initiated legislation.

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

Fiscal Notes and Detail. The implementation of this initiated bill is contingent upon approval by the voters at referendum in November of 2009. If adopted, the spending limits imposed by this bill are projected to allow growth in expenditures from prior year spending of 1.84% in fiscal year 2010-11, 3.22% in fiscal year 2011-12 and 3.15% in fiscal year 2012-13. Compared to projections of General Fund and Highway Fund revenue in the May 2009 revenue forecast, the spending limits exceed the projected growth of revenue and budgeted spending for these 2 major funds in fiscal year 2010-11 and therefore have no impact on those funds in that year.

General Fund revenue growth is projected to exceed the spending limits beginning in fiscal year 2012-13. Highway Fund revenue growth rates fall below the spending limits through fiscal year 2012-13. The extent to which the spending limits in this bill affect spending in the General Fund and Highway Fund will depend on the level of budgeted spending in any fiscal year. The limitation on the spending in this bill also applies to Other Special Revenue Funds of the State. The impact on those funding sources will vary significantly between the different accounts.

This legislation requires future statewide elections involving all municipalities to adopt increases in spending over expenditure limitations or to approve any tax and fee increases. If a special election is held, the State is required to reimburse the municipalities for the cost of the election. The Secretary of State estimates the total cost of one special election at $975,000. The legislation also requires the Secretary of State to send a notice to each active voter household providing information about the election. It is estimated that the maximum cost to produce and mail these notices would be $434,400.

The annual indexing of motor fuels would become contingent on voter approval beginning in fiscal year 2010-11. Consequently, the budgeted revenue associated with indexing would be removed from baseline revenue forecasts. This would have no effect on budgeted revenue in fiscal year 2010-11, but would decrease budgeted revenue beginning in fiscal year 2011-12. Budgeted Highway Fund revenue would decrease by $3,673,386 in fiscal year 2011-12 and $8,621,645 in fiscal year 2012-13. The contingent indexing would also decrease revenue to the General Fund and Other Special Revenue Funds of the Department of Inland Fisheries and Wildlife and the Department of Conservation.

This bill amends the year-end statutory transfers from the unappropriated surplus of the General Fund. It repeals the transfers to the State Contingent Account of up to $350,000 and the Loan Insurance Reserve within the Finance Authority of Maine of up to $1,000,000. It also repeals transfers to the Retirement Allowance Fund, the Reserve for General Fund Operating Capital, the

Retiree Health Insurance Internal Service Fund and the Capital Construction and Improvements Reserve Fund. The repeal of the current Maine Budget Stabilization Fund eliminates the funding source of the death benefit for law enforcement officers, firefighters and emergency medical services persons who die in the line of duty.

For the General Fund and the Highway Fund, the bill requires at the close of each fiscal year that 80% of any state surplus must be transferred to reserve funds to be used for tax relief and the remaining 20% must go to General Fund and Highway Fund Budget Stabilization Funds that may only be used if revenues are not sufficient to fund the level of expenditure permitted by the spending growth limits.

For state agencies that manage Other Special Revenue Funds, the managers of those funds must report excess surpluses to the Legislature with a plan for refund of those revenues.

If the balance in the Tax Relief Reserve Fund created in this bill funded by year-end transfers at the close of a fiscal year exceeds 1% of total General Fund expenditures, the Legislature must enact legislation by September 15th of that year to provide tax reductions. If the Legislature fails to enact legislation, the State Tax Assessor shall calculate a one-time bonus personal exemption refund.

If the Legislature calls itself into special session to enact legislation by the September 15th deadline, the Legislature will incur additional costs estimated to be $55,000 per day. The number of additional special session days and the timing of the additional costs can not be estimated.

This bill creates the Highway Fund Reserve Fund to receive transfers by the State Controller of 80% of the unappropriated surplus of the Highway Fund at the close of a fiscal year. The remaining 20% of the unappropriated surplus of the Highway Fund will be transferred to the Maine Highway Budget Stabilization Fund. If the amount in the Highway Fund Reserve Fund exceeds 1% of the Highway Fund expenditures for the previous fiscal year, the State Tax Assessor shall calculate a proportional reduction on motor fuel taxes to become effective the following January 1 and remain in effect for one calendar year.

The bill requires municipalities to use the cost center budget summary format and post the summary on a website if the municipality has a website. Approval by the voters at referendum would mean these requirements would not be imposed by the state and therefore no state mandate is created.

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	$0	$0	$4,254	$10,223
Highway Fund	$0	$0	$3,673,386	$8,621,645
Revenue				
General Fund	$0	$0	($4,254)	($10,223)
Highway Fund	$0	$0	($3,673,386)	($8,621,645)
Other Special Revenue Funds	$0	$0	($372,360)	($878,132)

Public Comments

No public comments were submitted in support of Question 4.

Public Comment in Opposition

Comment submitted by:

Mark L. Gray
Citizens Who Support Maine's Public Schools
35 Community Drive
Augusta, ME 04330

Maine teachers urge you to Vote No on Question 4.

Question 4, known as TABOR II, is simply a re-packaged version of the same TABOR proposal that was rejected by Maine voters in 2006. Colorado, the only State in the country with experience with such a proposal, is currently seeking to repeal the proposal in their State.

TABOR II would effectively lock Maine's economy into its current recessionary condition. Increases in State funding for our local public schools would be severely limited by the rigid formulas in the TABOR II proposal.

In 2004, Maine voters directed the State to fund 55% of the cost of public education. The State has not yet reached that goal. The "racket-down" effect of TABOR II will prevent the State from ever fulfilling this promise.

The current State budget for 2010 provides just 49% of the cost of our K-12 public schools. Local property taxes make up the difference. In 2011, the State will provide even less support for our K-12 public schools. The "racket-down" effect of TABOR II would re-set the base funding to this lower amount causing increased pressure to raise property taxes to make up for the shortfall. That is why Colorado voted to suspend TABOR for five years and many are working to repeal it all together.

TABOR II also mandates a government-by-referendum system for the State, for counties, and for municipalities. Again, this costly referendum system of government was rejected by Maine voters in 2006 and cost of such referendums has only increased over the past three years. Now is not the time to increase costs for State and local government operations.

Maine's teachers urge you to Vote No on Question 4.

Question 5: Citizen Initiative

Do you want to change the medical marijuana laws to allow treatment of more medical conditions and to create a regulated system of distribution?

State of Maine

"An Act to Establish the Maine Medical Marijuana Act"

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 15 MRSA §5821-A, as enacted by IB 1999, c. 1, §3, is amended to read:

§5821-A. Property not subject to forfeiture based on medical use of marijuana

~~Beginning January 1, 1999, property~~ Property is not subject to forfeiture under this chapter if the activity that subjects the person's property to forfeiture is ~~possession~~ medical use of marijuana and the person meets the requirements for medical use of marijuana under Title 22, ~~section 2383-B, subsection 5~~ chapter 558-C.

Sec. 2. 17-A MRSA §1111-A, sub-§1, as amended by PL 2001, c. 383, §135 and affected by §156, is further amended to read:

1. As used in this section the term "drug paraphernalia" means all equipment, products and materials of any kind that are used or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling or otherwise introducing into the human body a scheduled drug in violation of this chapter or Title 22, section 2383, except that this section does not apply to a person who is authorized to possess marijuana for medical use pursuant to Title 22, ~~section 2383-B, subsection 5~~ chapter 558-C, to the extent the drug paraphernalia is ~~required~~ used for that person's medical use of marijuana. It includes, but is not limited to:

A. Kits used or intended for use in planting, propagating, cultivating, growing or harvesting of any species of plant which is a scheduled drug or from which a scheduled drug can be derived;

B. Kits used or intended for use in manufacturing, compounding, converting, producing, processing or preparing scheduled drugs;

C. Isomerization devices used or intended for use in increasing the potency of any species of plant that is a scheduled drug;

D. Testing equipment used or intended for use in identifying or in analyzing the strength, effectiveness or purity of scheduled drugs;

E. Scales and balances used or intended for use in weighing or measuring scheduled drugs;

F. Dilutents and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used or intended for use in cutting scheduled drugs;

G. Separation gins and sifters, used or intended for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana;

H. Blenders, bowls, containers, spoons and mixing devices used or intended for use in compounding scheduled drugs;

I. Capsules, balloons, envelopes and other containers used or intended for use in packaging small quantities of scheduled drugs;

J. Containers and other objects used or intended for use in storing or concealing scheduled drugs; and

K. Objects used or intended for use in ingesting, inhaling or otherwise introducing marijuana, cocaine, hashish or hashish oil into the human body, such as:

(1) Metal, wooden, acrylic, glass, stone, plastic or ceramic pipes with or without screens, permanent screens, hashish heads or punctured metal bowls;

(2) Water pipes;

(3) Carburetion tubes and devices;

(4) Smoking and carburetion masks;

(5) Roach clips, meaning objects used to hold burning material, such as a marijuana cigarette that has become too small or too short to be held in the hand;

(6) Miniature cocaine spoons and cocaine vials;

(7) Chamber pipes;

(8) Carburetor pipes;

(9) Electric pipes;

(10) Air-driven pipes;

(11) Chillums;

(12) Bongs; or

(13) Ice pipes or chillers.

Sec. 3. 22 MRSA §2383, sub-§1, as amended by PL 2005, c. 386, Pt. DD, §3, is further amended to read:

1. Marijuana. Except as provided in ~~section 2383-B, subsection 5~~ chapter 558-C, a person may not possess marijuana.

A. A person who possesses a usable amount of marijuana commits a civil violation for which a fine of not less than $350 and not more than $600 must be adjudged, none of which may be suspended.

B. A person who possesses a usable amount of marijuana after having previously violated this subsection within a 6-year period commits a civil violation for which a fine of $550 must be adjudged, none of which may be suspended.

Sec. 4. 22 MRSA §2383-B, sub-§5, as amended by PL 2001, c. 580, §3, is repealed.

Sec. 5. 22 MRSA c. 558-C is enacted to read:

CHAPTER 558-C
MAINE MEDICAL MARIJUANA ACT

§2421. Short title

This chapter may be known and cited as "the Maine Medical Marijuana Act."

§2422. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Cardholder. "Cardholder" means a qualifying patient, a primary caregiver or a principal officer, board member, employee or agent of a nonprofit dispensary who has been issued and possesses a valid registry identification card.

2. Debilitating medical condition. "Debilitating medical condition" means:

A. Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's disease, agitation of Alzheimer's disease, nail-patella syndrome or the treatment of these conditions;

B. A chronic or debilitating disease or medical condition or its treatment that produces intractable pain, which is pain that has not responded to ordinary medical or surgical measures for more than 6 months;

C. A chronic or debilitating disease or medical condition or its treatment that produces one or more of the following: cachexia or wasting syndrome; severe nausea; seizures, including but not limited to those characteristic of epilepsy; or severe and persistent muscle spasms, including but not limited to those characteristic of multiple sclerosis; or

D. Any other medical condition or its treatment approved by the department as provided for in section 2424, subsection 2.

3. Enclosed, locked facility. "Enclosed, locked facility" means a closet, room, greenhouse or other enclosed area equipped with locks or other security devices that permit access only by a cardholder.

4. Felony drug offense. "Felony drug offense" means a violation of a state or federal controlled substance law that was classified as a felony in the jurisdiction where the person was convicted. It does not include:

A. An offense for which the sentence, including any term of probation, incarceration or supervised release, was completed 10 or more years earlier; or

B. An offense that consisted of conduct that would have been permitted under this chapter.

5. Medical use. "Medical use" means the acquisition, possession, cultivation, manufacture, use, delivery, transfer or transportation of marijuana or paraphernalia relating to the administration of marijuana to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

6. Nonprofit dispensary. "Nonprofit dispensary" means a not-for-profit entity registered under section 2428 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies or dispenses marijuana or related supplies and educational materials to cardholders. A nonprofit dispensary is a primary caregiver.

7. Physician. "Physician" means a person licensed as an osteopathic physician by the Board of Osteopathic Licensure pursuant to Title 32, chapter 36 or a person licensed as a physician or surgeon by the Board of Licensure in Medicine pursuant to Title 32, chapter 48.

8. Primary caregiver. "Primary caregiver" means a person who is at least 21 years of age who has agreed to assist with a qualifying patient's medical use of marijuana and who has never been convicted of a felony drug offense. Unless the primary caregiver is a nonprofit dispensary, the primary caregiver may assist no more than 5 qualifying patients with their medical use of marijuana.

9. Qualifying patient. "Qualifying patient" means a person who has been diagnosed by a physician as having a debilitating medical condition.

10. Registered nonprofit dispensary. "Registered nonprofit dispensary" means a nonprofit dispensary that is registered by the department pursuant to section 2428, subsection 2, paragraph A.

11. Registered primary caregiver. "Registered primary caregiver" means a primary caregiver who is registered by the department pursuant to section 2425, subsection 4.

12. Registered qualifying patient. "Registered qualifying patient" means a qualifying patient who is registered by the department pursuant to section 2425, subsection 1.

13. Registry identification card. "Registry identification card" means a document issued by the department that identifies a person as a registered qualifying patient, registered primary caregiver or a principal officer, board member, employee or agent of a nonprofit dispensary.

14. Usable marijuana. "Usable marijuana" means the dried leaves and flowers of the marijuana plant, and any mixture or preparation of those dried leaves and flowers, but does not include the seeds, stalks and roots of the plant and does not include the weight of other ingredients in marijuana prepared for consumption as food.

15. Visiting qualifying patient. "Visiting qualifying patient" means a patient with a debilitating medical condition who is not a resident of this State or who has been a resident of this State less than 30 days.

16. Written certification. "Written certification" means a document signed by a physician and stating that in the physician's professional opinion a patient is likely to receive therapeutic or palliative benefit from the medical use of marijuana to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition. A written certification may be made only in the course of a bona fide physician-patient relationship after the physician has completed a full assessment of the qualifying patient's medical history. The written certification must specify the qualifying patient's debilitating medical condition.

§2423. Protections for the medical use of marijuana

1. Qualifying patient. A qualifying patient who has been issued and possesses a registry identification card may not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for the medical use of marijuana in accordance with this chapter as long as the qualifying patient possesses an amount of marijuana that:

A. Is not more than 2 1/2 ounces of usable marijuana; and

B. If the qualifying patient has not specified that a primary caregiver is allowed under state law to cultivate marijuana for the qualifying patient, does not exceed 6 marijuana plants, which must be kept in an enclosed, locked facility unless they are being transported because the qualifying patient is moving or they are being transported to the qualifying patient's property.

2. Primary caregiver. A primary caregiver, other than a nonprofit dispensary, who has been issued and possesses a registry identification card may not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for assisting a qualifying patient to whom the primary caregiver is connected through the department's registration process with the medical use of marijuana in accordance with this chapter as long as the primary caregiver possesses an amount of marijuana that:

A. Is not more than 2 1/2 ounces of usable marijuana for each qualifying patient to whom the primary caregiver is connected through the department's registration process; and

B. For each qualifying patient who has specified that the primary caregiver is allowed under state law to cultivate marijuana for the qualifying patient, does not exceed 6 marijuana plants, which must be kept in an enclosed, locked facility unless they are being transported because the primary caregiver is moving.

3. Incidental amount of marijuana. Any incidental amount of seeds, stalks and unusable roots must be allowed and may not be included in the amounts specified in this section.

4. Presumption. There is a presumption that a qualifying patient or primary caregiver is engaged in the medical use of marijuana in accordance with this chapter if the qualifying patient or primary caregiver:

A. Is in possession of a registry identification card; and

B. Is in possession of an amount of marijuana that does not exceed the amount allowed under this chapter.

The presumption may be rebutted by evidence that conduct related to marijuana was not for the purpose of treating or alleviating the qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition in accordance with this chapter.

5. Cardholder not subject to arrest. A cardholder may not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for giving an amount of marijuana the person is allowed to possess under subsection 1 or 2 to a cardholder for the registered qualifying patient's medical use when nothing of value is transferred in return or for offering to do the same.

6. School, employer or landlord may not discriminate. A school, employer or landlord may not refuse to enroll or employ or lease to or otherwise penalize a person solely for that person's status as a registered qualifying patient or a registered primary caregiver unless failing to do so would put the school, employer or landlord in violation of federal law or cause it to lose a federal contract or funding.

7. Person may not be denied custody or visitation of minor. A person may not be denied custody or visitation of a minor for acting in accordance with this chapter unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

8. Registered primary caregiver may receive compensation for costs. A registered primary caregiver may receive compensation for costs associated with assisting a registered qualifying patient's medical use of marijuana as long as the registered primary caregiver is connected to the registered qualifying patient through the department's registration process. Any such compensation does not constitute the sale of controlled substances.

9. Physician not subject to penalty. A physician may not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by the Board of Licensure in Medicine or the Board of Osteopathic Licensure or by any other business or occupational or professional licensing board or bureau, solely for providing written certifications or for otherwise stating that, in the physician's professional opinion, a patient is likely to receive therapeutic benefit from the medical use of marijuana to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition except that nothing prevents a professional licensing board from sanctioning a physician for failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.

10. Person not subject to penalty for providing registered qualifying patient or registered primary caregiver marijuana paraphernalia. A person may not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for providing a registered qualifying patient or a registered primary caregiver with marijuana paraphernalia for purposes of a qualifying patient's medical use of marijuana.

11. Property not subject to forfeiture. Any marijuana, marijuana paraphernalia, licit property or interest in licit property that is possessed, owned or used in connection with the medical use of marijuana, as allowed under this chapter, or property incidental to such use, may not be seized or forfeited.

12. Person not subject to penalty for being in presence of medical use of marijuana. A person may not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, simply for being in the presence or vicinity of the medical use of marijuana as allowed under this chapter or for assisting a registered qualifying patient with using or administering marijuana.

13. Effect of registry identification card issued by another jurisdiction. A registry identification card, or its equivalent, that is issued under the laws of another state, district, territory, commonwealth or insular possession of the United States that allows the medical use of marijuana by a visiting qualifying patient has the same force and effect as a registry identification card issued by the department.

§2424. Rules

1. Rulemaking. The department may adopt rules to carry out the purposes of this chapter. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

2. Adding debilitating medical conditions. Not later than 120 days after the effective date of this chapter, the department shall adopt rules that govern the manner in which the department shall consider petitions from the public to add medical conditions or treatments to the list of debilitating medical conditions set forth in section 2422, subsection 2. In considering such petitions, the department shall include public notice of, and an opportunity to comment in a public hearing upon, such petitions. The department shall, after hearing, approve or deny such petitions within 180 days of their submission. The approval or denial of such a petition constitutes final agency action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Superior Court.

3. Registry identification cards. Not later than 120 days after the effective date of this chapter, the department shall adopt rules governing the manner in which it considers applications for and renewals of registry identification cards. The department's rules must establish application and renewal fees that generate revenues sufficient to offset all expenses of implementing and administering this chapter. The department may establish a sliding scale of application and renewal fees based upon a qualifying patient's family income. The department may accept donations from private sources in order to reduce the application and renewal fees.

§2425. Registry identification cards

1. Application for registry identification card; qualifications. The department shall issue registry identification cards to qualifying patients who submit the documents and information described in this subsection, in accordance with the department's rules:

A. Written certification;

B. Application or renewal fee;

C. Name, address and date of birth of the qualifying patient, except that if the applicant is homeless, no address is required;

D. Name, address and telephone number of the qualifying patient's physician;

E. Name, address and date of birth of each primary caregiver, if any, of the qualifying patient. A qualifying patient may designate only one primary caregiver unless the qualifying patient is under 18 years of age and requires a parent to serve as a primary caregiver or the qualifying patient designates a nonprofit dispensary to cultivate marijuana for the qualifying patient's medical use and the qualifying patient requests the assistance of a second caregiver to assist with the qualifying patient's medical use; and

F. If the qualifying patient designates one or 2 primary caregivers, a designation as to who will be allowed under state law to cultivate marijuana plants for the qualifying patient's medical use. Only one person may be allowed to cultivate marijuana plants for a qualifying patient.

2. Issuing registry identification card to minor. The department may not issue a registry identification card to a qualifying patient who is under 18 years of age unless:

A. The qualifying patient's physician has explained the potential risks and benefits of the medical use of marijuana to the qualifying patient and to a parent, guardian or person having legal custody of the qualifying patient; and

B. The parent, guardian or person having legal custody consents in writing to:

(1) Allow the qualifying patient's medical use of marijuana;

(2) Serve as one of the qualifying patient's primary caregivers; and

(3) Control the acquisition of the marijuana, the dosage and the frequency of the medical use of marijuana by the qualifying patient.

3. Department approval or denial. The department shall verify the information contained in an application or renewal submitted pursuant to this section and shall approve or deny an application or renewal within 30 days of receiving it. The department may deny an application or renewal only if the applicant did not provide the information required pursuant to this section or the department determines that the information provided was falsified. Rejection of an application or renewal is considered a final agency action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Superior Court.

4. Primary caregiver registry identification card. The department shall issue a registry identification card to each primary caregiver, if any, who is named in a qualifying patient's approved application pursuant to subsection 1, paragraph E. Only one person may cultivate marijuana for the qualifying patient's medical use, who is determined based solely on the qualifying patient's preference. That person may either be the qualifying patient or one of the 2 primary caregivers.

5. Registry identification card issuance. The department shall issue registry identification cards to qualifying patients and to primary caregivers within 5 days of approving an application or renewal under this section. Registry identification cards expire one year after the date of issuance. Registry identification cards must contain:

A. The name, address and date of birth of the qualifying patient;

B. The name, address and date of birth of each primary caregiver, if any, of the qualifying patient;

C. The date of issuance and expiration date of the registry identification card;

D. A random identification number that is unique to the cardholder;

E. A photograph, if the department decides to require one; and

F. A clear designation showing whether the cardholder will be allowed under state law to cultivate marijuana plants for the qualifying patient's medical use, which must be determined based solely on the qualifying patient's preference.

6. Notification of changes in status or loss of card. This subsection governs notification of changes in status or the loss of a registry identification card.

A. A registered qualifying patient shall notify the department within 10 days of any change in the registered qualifying patient's name, address, primary caregiver or preference regarding who may cultivate marijuana for the registered qualifying patient or if the registered qualifying patient ceases to have a debilitating medical condition.

B. A registered qualifying patient who fails to notify the department as required under paragraph A commits a civil violation for which a fine of not more than $150 may be adjudged. If the registered qualifying patient's certifying physician notifies the department in writing that the registered qualifying patient has ceased to suffer from a debilitating medical condition, the registered qualifying patient's registry identification card becomes void upon notification by the department to the qualifying patient.

C. A registered primary caregiver shall notify the department of any change in the caregiver's name or address within 10 days of such change. A registered primary caregiver who fails to notify the department of any of these changes commits a civil violation for which a fine of not more than $150 may be adjudged.

D. When a registered qualifying patient or registered primary caregiver notifies the department of any changes listed in this subsection, the department shall issue the registered qualifying patient and each registered primary caregiver a new registry identification card within 10 days of receiving the updated information and a $10 fee.

E. When a registered qualifying patient changes the patient's registered primary caregiver, the department shall notify the old primary caregiver within 10 days. The old primary caregiver's protections as provided in this chapter expire 10 days after notification by the department.

F. If a cardholder loses the cardholder's registry identification card, the cardholder shall notify the department and submit a $10 fee within 10 days of losing the card. Within 5 days after such notification, the department shall issue a new registry identification card with a new random identification number.

7. Possession of or application for card not probable cause for search. Possession of, or application for, a registry identification card does not constitute probable cause or reasonable suspicion, nor may it be used to support the search of the person or property of the person possessing or applying for the registry identification card. The possession of, or application for, a registry identification card does not prevent the issuance of a warrant if probable cause exists on other grounds.

8. Confidentiality. This subsection governs confidentiality.

A. Applications and supporting information submitted by qualifying patients under this chapter, including information regarding their primary caregivers and physicians, are confidential.

B. Applications and supporting information submitted by primary caregivers operating in compliance with this chapter, including the physical address of a nonprofit dispensary, are confidential.

C. The department shall maintain a confidential list of the persons to whom the department has issued registry identification cards. Individual names and other identifying information on the list are confidential, exempt from the freedom of access laws, Title 1, chapter 13, and not subject to disclosure except to authorized employees of the department as necessary to perform official duties of the department.

D. The department shall verify to law enforcement personnel whether a registry identification card is valid without disclosing more information than is reasonably necessary to verify the authenticity of the registry identification card.

E. A person, including an employee or official of the department or another state agency or local government, who breaches the confidentiality of information obtained pursuant to this

chapter commits a Class E crime. Notwithstanding this subsection, department employees may notify law enforcement about falsified or fraudulent information submitted to the department as long as the employee who suspects that falsified or fraudulent information has been submitted confers with the employee's supervisor and both agree that circumstances exist that warrant reporting.

9. Cardholder who sells marijuana to person not allowed to possess. Any cardholder who sells marijuana to a person who is not allowed to possess marijuana for medical purposes under this chapter must have that cardholder's registry identification card revoked and is liable for any other penalties for the sale of marijuana. The department may revoke the registry identification card of any cardholder who violates this chapter, and the cardholder is liable for any other penalties for the violation.

10. Annual report. The department shall submit to the Legislature an annual report that does not disclose any identifying information about cardholders or physicians, but does contain, at a minimum:

A. The number of applications and renewals filed for registry identification cards;

B. The number of qualifying patients and primary caregivers approved in each county;

C. The nature of the debilitating medical conditions of the qualifying patients;

D. The number of registry identification cards revoked;

E. The number of physicians providing written certifications for qualifying patients;

F. The number of registered nonprofit dispensaries; and

G. The number of principal officers, board members, employees and agents of nonprofit dispensaries.

§2426. Scope

1. Limitations. This chapter does not permit any person to:

A. Undertake any task under the influence of marijuana when doing so would constitute negligence or professional malpractice;

B. Possess marijuana or otherwise engage in the medical use of marijuana:

(1) In a school bus;

(2) On the grounds of any preschool or primary or secondary school; or

(3) In any correctional facility;

C. Smoke marijuana:

(1) On any form of public transportation; or

(2) In any public place;

D. Operate, navigate or be in actual physical control of any motor vehicle, aircraft or motorboat while under the influence of marijuana; or

E. Use marijuana if that person does not have a debilitating medical condition.

2. Construction. This chapter may not be construed to require:

A. A government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana; or

B. An employer to accommodate the ingestion of marijuana in any workplace or any employee working while under the influence of marijuana.

3. Penalty for fraudulent representation. Fraudulent representation to a law enforcement official of any fact or circumstance relating to the medical use of marijuana to avoid arrest or prosecution is a civil violation punishable by a fine of $500, which must be in addition to any other penalties that may apply for making a false statement or for the use of marijuana other than use undertaken pursuant to this chapter.

§2427. Affirmative defense and dismissal for medical marijuana

1. Affirmative defense. Except as provided in section 2426, a qualifying patient and a qualifying patient's primary caregiver, other than a nonprofit dispensary, may assert the medical purpose for using marijuana as a defense to any prosecution involving marijuana, and this defense must be presumed valid where the evidence shows that:

A. A physician has stated that, in the physician's professional opinion, after having completed a full assessment of the qualifying patient's medical history and current medical condition made in the course of a bona fide physician-patient relationship, the qualifying patient is likely to receive therapeutic or palliative benefit from the medical use of marijuana to treat or alleviate the qualifying patient's debilitating medical condition or symptoms associated with the qualifying patient's debilitating medical condition;

B. The qualifying patient and the qualifying patient's primary caregiver, if any, were collectively in possession of a quantity of marijuana that was not more than was reasonably necessary to ensure the uninterrupted availability of marijuana for the purpose of treating or alleviating the qualifying patient's debilitating medical condition or symptoms associated with the qualifying patient's debilitating medical condition; and

C. The qualifying patient and the qualifying patient's primary caregiver, if any, were engaged in the acquisition, possession, cultivation, manufacture, use, delivery, transfer or transportation of marijuana or paraphernalia relating to the administration of marijuana solely to treat or alleviate the qualifying patient's debilitating medical condition or symptoms associated with the qualifying patient's debilitating medical condition.

2. Motion to dismiss. A person may assert the medical purpose for using marijuana in a motion to dismiss, and the charges must be dismissed following an evidentiary hearing where the person proves the elements listed in subsection 1.

3. No sanction for medical use of marijuana. If a qualifying patient or a qualifying patient's primary caregiver demonstrates the qualifying patient's medical purpose for using marijuana pursuant to this section, the qualifying patient and the qualifying patient's primary caregiver may not be subject, for the qualifying patient's medical use of marijuana, to any state sanction, including:

A. Disciplinary action by a business or occupational or professional licensing board or bureau; and

B. Forfeiture of any interest in or right to property.

§2428. Nonprofit dispensaries

1. Provisions pertaining to primary caregiver apply to nonprofit dispensary. All provisions of this chapter pertaining to a primary caregiver apply to a nonprofit dispensary unless they conflict with a provision contained in this section.

2. Registration requirements. This subsection governs the registration of a nonprofit dispensary.

A. The department shall register a nonprofit dispensary and issue a registration certificate within 30 days to any person or entity that provides:

(1) A fee paid to the department in the amount of $5,000;

(2) The legal name of the nonprofit dispensary;

(3) The physical address of the nonprofit dispensary and the physical address of one additional location, if any, where marijuana will be cultivated;

(4) The name, address and date of birth of each principal officer and board member of the nonprofit dispensary; and

(5) The name, address and date of birth of any person who is an agent of or employed by the nonprofit dispensary.

B. The department shall track the number of registered qualifying patients who designate a nonprofit dispensary as a primary caregiver and issue to each nonprofit dispensary a written statement of the number of qualifying patients who have designated the nonprofit dispensary to cultivate marijuana for them. This statement must be updated each time a new registered qualifying patient designates the nonprofit dispensary or ceases to designate the nonprofit dispensary and may be transmitted electronically if the department's rules so provide. The department may provide by rule that the updated written statements may not be issued more frequently than once each week.

C. The department shall issue each principal officer, board member, agent and employee of a nonprofit dispensary a registry identification card within 10 days of receipt of the person's name, address and date of birth under paragraph A and a fee in an amount established by the department. Each card must specify that the cardholder is a principal officer, board member, agent or employee of a nonprofit dispensary and must contain:

(1) The name, address and date of birth of the principal officer, board member, agent or employee;

(2) The legal name of the nonprofit dispensary with which the principal officer, board member, agent or employee is affiliated;

(3) A random identification number that is unique to the cardholder;

(4) The date of issuance and expiration date of the registry identification card; and

(5) A photograph, if the department decides to require one.

D. The department may not issue a registry identification card to any principal officer, board member, agent or employee of a nonprofit dispensary who has been convicted of a felony drug offense. The department may conduct a background check of each principal officer, board member, agent or employee in order to carry out this provision. The department shall notify the nonprofit dispensary in writing of the purpose for denying the registry identification card.

3. Rules. Not later than 120 days after the effective date of this chapter, the department shall adopt rules governing the manner in which it considers applications for and renewals of registration certificates for nonprofit dispensaries, including rules governing:

A. The form and content of registration and renewal applications;

B. Minimum oversight requirements for nonprofit dispensaries;

C. Minimum record-keeping requirements for nonprofit dispensaries;

D. Minimum security requirements for nonprofit dispensaries; and

E. Procedures for suspending or terminating the registration of nonprofit dispensaries that violate the provisions of this section or the rules adopted pursuant to this subsection.

4. Expiration. A nonprofit dispensary registration certificate and the registry identification card for each principal officer, board member, agent or employee expire one year after the date of issuance. The department shall issue a renewal nonprofit dispensary registration certificate and renewal registry identification cards within 10 days to any person who complies with the requirements contained in subsection 2. A registry identification card of a principal officer, board member, agent or employee expires 10 days after notification by a nonprofit dispensary that such person ceases to work at the nonprofit dispensary.

5. Inspection. A nonprofit dispensary is subject to reasonable inspection by the department. The department shall give reasonable notice of an inspection under this subsection.

6. Nonprofit dispensary requirements. This subsection governs the operations of nonprofit dispensaries.

A. A nonprofit dispensary must be operated on a not-for-profit basis for the mutual benefit of its members and patrons. The bylaws of a nonprofit dispensary and its contracts with patrons must contain such provisions relative to the disposition of revenues and receipts as may be necessary and appropriate to establish and maintain its nonprofit character. A nonprofit dispensary need not be recognized as a tax-exempt organization under 26 United States Code, Section 501(c)(3) and is not required to incorporate pursuant to Title 13-B.

B. A nonprofit dispensary may not be located within 500 feet of the property line of a preexisting public or private school.

C. A nonprofit dispensary shall notify the department within 10 days of when a principal officer, board member, agent or employee ceases to work at the nonprofit dispensary.

D. A nonprofit dispensary shall notify the department in writing of the name, address and date of birth of any new principal officer, board member, agent or employee and shall submit a fee in an amount established by the department for a new registry identification card before the

new principal officer, board member, agent or employee begins working at the nonprofit dispensary.

E. A nonprofit dispensary shall implement appropriate security measures to deter and prevent unauthorized entrance into areas containing marijuana and the theft of marijuana.

F. The operating documents of a nonprofit dispensary must include procedures for the oversight of the nonprofit dispensary and procedures to ensure accurate record keeping.

G. A nonprofit dispensary is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to assist registered qualifying patients with the medical use of marijuana directly or through the registered qualifying patients' other primary caregivers.

H. All principal officers and board members of a nonprofit dispensary must be residents of this State.

I. All cultivation of marijuana must take place in an enclosed, locked facility.

7. Maximum amount of medical marijuana to be dispensed. A nonprofit dispensary or a principal officer, board member, agent or employee of a nonprofit dispensary may not dispense more than 2 1/2 ounces of usable marijuana to a qualifying patient or to a primary caregiver on behalf of a qualifying patient during a 15-day period.

8. Immunity. This subsection governs immunity for a nonprofit dispensary.

A. A nonprofit dispensary may not be subject to prosecution, search, seizure or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or entity, solely for acting in accordance with this section to provide usable marijuana to or to otherwise assist registered qualifying patients to whom it is connected through the department's registration process with the medical use of marijuana.

B. Principal officers, board members, agents and employees of a registered nonprofit dispensary may not be subject to arrest, prosecution, search, seizure or penalty in any manner or denied any right or privilege, including but not limited to a civil penalty or disciplinary action by a business or occupational or professional licensing board or entity, solely for working for or with a nonprofit dispensary to provide usable marijuana to or to otherwise assist registered qualifying patients to whom the nonprofit dispensary is connected through the department's registration process with the medical use of marijuana in accordance with this chapter.

9. Prohibitions. The prohibitions in this subsection apply to a nonprofit dispensary.

A. A nonprofit dispensary may not possess more than 6 live marijuana plants for each registered qualifying patient who has designated the nonprofit dispensary as a primary caregiver and designated that the dispensary will be permitted to cultivate marijuana for the registered qualifying patient's medical use.

B. A nonprofit dispensary may not dispense, deliver or otherwise transfer marijuana to a person other than a qualifying patient who has designated the nonprofit dispensary as a primary caregiver or to the patient's other registered primary caregiver.

C. The department shall immediately revoke the registry identification card of a principal officer, board member, employee or agent of a nonprofit dispensary who is found to have

violated paragraph B, and such a person is disqualified from serving as a principal officer, board member, employee or agent of a nonprofit dispensary.

D. A person who has been convicted of a felony drug offense may not be a principal officer, board member, agent or employee of a nonprofit dispensary.

(1) A person who is employed by or is an agent, principal officer or board member of a nonprofit dispensary in violation of this paragraph commits a civil violation for which a fine of not more than $1,000 may be adjudged.

(2) A person who is employed by or is an agent, principal officer or board member of a nonprofit dispensary in violation of this paragraph and who at the time of the violation has been previously found to have violated this paragraph commits a Class D crime.

E. A nonprofit dispensary may not acquire usable marijuana or mature marijuana plants except through the cultivation of marijuana by that nonprofit dispensary.

10. Local regulation. This chapter does not prohibit a political subdivision of this State from limiting the number of nonprofit dispensaries that may operate in the political subdivision or from enacting reasonable zoning regulations applicable to nonprofit dispensaries.

§2429. Enforcement

1. Department fails to adopt rules. If the department fails to adopt rules to implement this chapter within 120 days of the effective date of this chapter, a qualifying patient may commence an action in Superior Court to compel the department to perform the actions mandated pursuant to the provisions of this chapter.

2. Department fails to issue a valid registry identification card. If the department fails to issue a valid registry identification card or a registration certificate in response to a valid application or renewal submitted pursuant to this chapter within 45 days of its submission, the registry identification card or registration certificate is deemed granted, and a copy of the registry identification application or renewal is deemed a valid registry identification card.

3. Department fails to accept applications. If at any time after the 140 days following the effective date of this chapter the department is not accepting applications, including if it has not adopted rules allowing qualifying patients to submit applications, a notarized statement by a qualifying patient containing the information required in an application, pursuant to section 2425, subsection 1, is deemed a valid registry identification card.

Summary

Current law allows a person who has been diagnosed by a physician as suffering from certain medical conditions to possess marijuana for medical use. This initiated bill directs the Department of Health and Human Services to issue registry identification cards to patients who qualify to possess marijuana for medical use and to their designated primary caregivers. It sets limits on the amount of marijuana that may be possessed by qualifying patients and their designated primary caregivers. It allows the establishment of nonprofit dispensaries to provide marijuana to qualifying patients and directs the Department of Health and Human Services to issue a registration certificate to a nonprofit dispensary that meets certain criteria. It changes the description of the medical conditions for which the medical use of marijuana is permitted. It directs the Department of Health and Human Services to establish application and renewal fees sufficient to pay the expenses of implementing and administering the provisions of the initiated bill.

Intent and Content
Prepared by the Office of the Attorney General

This initiated legislation repeals Maine's existing statutes regarding the medical use of marijuana and replaces them with a new law, entitled the Maine Medical Marijuana Act.

The new Act expands the list of medical conditions for which marijuana may be prescribed to include cancer, glaucoma, positive status for human immunodeficiency virus (HIV), AIDS, hepatitis C, amyotrophic lateral sclerosis (commonly known as "Lou Gehrig's disease"), Crohn's disease, agitation of Alzheimer's diseases, nail-patella syndrome, and the treatment of any of these conditions; plus any chronic or debilitating disease or medical condition that causes intractable pain that has not responded to ordinary procedures for reducing pain over a period of more than six months, and any chronic or debilitating disease or medical condition or its treatment that produces severe nausea, seizures (including epileptic seizures), or severe and persistent muscle spasms, such as those associated with multiple sclerosis. The public would be able to petition the Maine Department of Health and Human Services (DHHS) to add other medical conditions to this list, according to rules that would be developed by DHHS.

Any person diagnosed by a doctor as having one of these medical conditions, and who, in the professional opinion of the doctor, is likely to receive palliative or therapeutic benefit for the condition or its symptoms, could qualify to possess marijuana for medical use. The patient would be issued a "registry identification card" by DHHS and authorized to possess up to two and a half ounces of usable marijuana and up to six marijuana plants, provided the plants were kept in an enclosed, locked facility. A qualifying patient could designate another person to assist them with their medical use of marijuana, provided that person was over the age of 21 and had never been convicted of a felony drug offense. This person, designated as a "primary care giver," would be issued a registry card, and would then be authorized to possess, for each qualifying patient the person was assisting, up to two and a half ounces of usable marijuana and up to six marijuana plants kept in an enclosed, locked facility. Applications by patients and caregivers for registry identification cards, and the list of persons who had been issued registry cards, would be kept confidential by DHHS.

Possession and use of marijuana for medical purposes would be prohibited on the grounds of any school (pre-school through high school), in a school bus, or in any jail or prison. Smoking of marijuana would be prohibited in any public place and on any form of public transportation. Patients would not be permitted to control or operate any motor vehicle, aircraft or motorboat while under the influence of marijuana. Employers would not be required to permit use of marijuana in the workplace or to accommodate an employee working while under the influence.

The legislation authorizes the establishment of not-for- profit organizations as "nonprofit dispensaries" to acquire, cultivate and distribute marijuana to qualifying patients for medical use, and to be designated as primary caregivers for such patients. Every dispensary would have to qualify and be registered with DHHS and would operate under regulations to be developed by DHHS. The regulations must include restrictions on who could serve as a board member, officer or employee of a dispensary, and restrictions on the amount of usable marijuana or marijuana plants that the dispensary could produce and distribute to patients. Any cultivation of marijuana by a dispensary would have to take place in an enclosed, locked facility. No dispensary could be located within 500 feet of the property line of a public or private school that was already in existence, and local governments would remain free to restrict the number of dispensaries within their city or town or to enact reasonable zoning regulations applicable to dispensaries.

The proposed law provides legal protections from prosecution for primary caregivers, qualifying patients and nonprofit dispensaries operating in compliance with the law, and also includes penalties for noncompliance with the new law and rules.

If approved, this citizen initiated legislation would take effect 30 days after proclamation of the vote.

A "YES" vote favors enactment of the initiated legislation.

A "NO" vote opposes enactment of the initiated legislation.

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

Correctional and Judicial Impact Statements. This bill modifies the law to allow the medical use of marijuana. The judicial branch may realize some minor savings from a reduced caseload related to previously illegal activity that will no longer be illegal. The bill also establishes new Class D and Class E crimes as well as civil violations for failure to follow the provisions of the law and that may increase the judicial caseload. The bill allows qualifying patients to commence actions in Superior Court to compel the Department of Human Services to perform certain actions mandated by the bill. This fiscal note assumes that the net impact to the judicial and correctional systems will not be significant.

Fiscal Notes and Detail. The implementation of this initiated bill is contingent upon approval by the voters at referendum in November of 2009. If adopted, an allocation of Other Special Revenue Funds will be needed for the costs of one Substance Abuse Program Specialist position beginning January 1, 2010 in the Office of Substance Abuse in the Department of Health and Human Services and for related administrative costs to implement and administer the provisions of the initiated bill, including issuing registry identification cards to patients and their designated primary caregivers and to issue registration certificates for non-profit dispensaries. It is further assumed these costs will be offset by application and renewal fees established by the department as required in the bill.

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Appropriations/Allocations				
Other Special Revenue Funds	$41,552	$85,885	$88,414	$91,055
Revenue				
Other Special Revenue Funds	$41,552	$85,885	$88,414	$91,055

Public Comments

No public comments were filed in support of or in opposition to Question 5.

Question 6: Bond Issue

Do you favor a $71,250,000 bond issue for improvements to highways and bridges, airports, public transit facilities, ferry and port facilities, including port and harbor structures, as well as funds for the LifeFlight Foundation that will make the State eligible for over $148,000,000 in federal and other matching funds?

STATE OF MAINE
Chapter 414

Public Laws of 2009
Approved June 16, 2009

An Act To Authorize Bond Issues for Ratification by the Voters for the November 2009 and June and November 2010 Elections

Preamble. Two-thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding $71,250,000 for the purposes described in section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. A-2. Records of bonds issued kept by Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. A-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the Department of Transportation and the Department of Economic and Community Development.

Sec. A-6. Allocations from Highway Fund and General Fund bond issue. The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.

DEPARTMENT OF TRANSPORTATION

Highway Fund

Highway and bridge	$50,000,000

General Fund

Highway and bridge	$5,000,000
Railroad	$4,000,000
Ports (including funds for port improvements in Eastport and Searsport)	$5,750,000
Ferry	$1,000,000
Island Explorer Phase II	$400,000
Aviation - FAA	$2,000,000
Island Airport Program	$400,000
Augusta Airport Upgrade	$200,000
The LifeFlight Foundation	$1,000,000

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Gulf of Maine Research Institute

Provides funding to rebuild a bulkhead and wharf at the Gulf of Maine Research Institute	$1,500,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. A-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. A-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. A-10. Referendum for ratification; submission at election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following the passage of this Act. 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, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a $71,250,000 bond issue for improvements to highways and bridges, airports, public transit facilities, ferry and port facilities, including port and harbor structures, as well as funds for the LifeFlight Foundation that will make the State eligible for over $148,000,000 in federal and other matching funds?"

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 a 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. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

Parts B, C and D of this legislation will be voted on in June 2010.

Part E of this legislation will be voted on in November 2010.

Parts F, G and H of this legislation will take effect only if applicable bonds are approved by voters.

Intent and Content
Prepared by the Office of the Attorney General

This Act would authorize the State to issue bonds in an amount not to exceed $71,250,000 to raise funds for a variety of projects, as described below. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State. Fifty million dollars ($50,000,000) of the bond proceeds would be placed in the Highway Fund and the remainder would be in the General Fund.

The Department of Transportation would expend $69,750,000 of the bond proceeds for the following types of projects:

$55,000,000	for highway and bridge improvement projects statewide;
$ 5,750,000	for improvements to the ports at Eastport and Searsport;
$ 4,000,000	for improvements to state-owned rail lines and investments in the Industrial Rail Access Program and the Critical Rail Corridors Program;
$ 2,000,000	for improvements to publicly owned airports;
$ 1,000,000	for ferry facilities;
$ 1,000,000	for the LifeFlight Foundation, a non-profit foundation that supports a statewide medical helicopter service used to transport critically ill and injured patients to hospitals;
$ 400,000	to continue development of the Acadia Gateway Intermodal Center in Trenton;
$ 400,000	for improvements to island airports; and
$ 200,000	for upgrades to the Augusta airport.

The Department of Economic and Community Development would expend the remaining $1,500,000 of the proceeds of sale of the bonds to rebuild a bulkhead and wharf at the Gulf of Maine Research Institute in Portland.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote favors authorizing the $71,250,000 bond issue to finance all of the above activities.

A "NO" vote opposes the bond issue in its entirety.

Debt Service
Prepared by the Office of the Treasurer

Total estimated life time cost is $90,843,750 representing $71,250,000 in principal and $19,593,750 in interest (assuming interest at 5% over 10 years).

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

This bond issue has no significant fiscal impact other than the debt service costs identified above.

Public Comments

No public comments were filed in support of or in opposition to Question 6.

Question 7: Constitutional Amendment

Do you favor amending the Constitution of Maine to increase the amount of time that local officials have to certify the signatures on direct initiative petitions?

State of Maine
Chapter 1

Constitutional Resolutions of 2009
Approved June 23, 2009

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Amend the Time Frame for Towns to Certify Citizen Initiative Signatures

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

Constitution, Art. IV, Pt. Third, §18, sub-§1, as amended by CR 2005, c. 2, is further amended to read:

1. Petition procedure. The electors may propose to the Legislature for its consideration any bill, resolve or resolution, including bills to amend or repeal emergency legislation but not an amendment of the State Constitution, by written petition addressed to the Legislature or to either branch thereof and filed in the office of the Secretary of State by the hour of 5:00 p.m., on or before the ~~50th~~ 60th day after the date of convening of the Legislature in first regular session or on or before the ~~25th~~ 35th day after the date of convening of the Legislature in second regular session, except that the written petition may not be filed in the office of the Secretary of State later than 18 months after the date the petition form was furnished or approved by the Secretary of State. If the applicable deadline falls on a Saturday, Sunday, or legal holiday, the period runs until the hour of 5:00 p.m., of the next day which is not a Saturday, Sunday, or legal holiday.

Constitution, Art. IV, Pt. Third, §20, as amended by CR 2005, c. 2, is further amended to read:

Section 20. Meaning of words "electors," "people," "recess of Legislature," "statewide election," "measure," "circulator," "written petition" and "day" or "days"; written petitions for people's veto; written petitions for direct initiative. As used in any of the 3 preceding sections or in this section the words "electors" and "people" mean the electors of the State qualified to vote for Governor; "recess of the Legislature" means the adjournment without day of a session of the Legislature; "statewide election" means any election held throughout the State on a particular day; "measure" means an Act, bill, resolve or resolution proposed by the people, or 2 or more such, or part or parts of such, as the case may be; "circulator" means a person who solicits signatures for written petitions, and who must be a resident of this State and whose name must appear on the voting list of the city, town or plantation of the circulator's residence as qualified to vote for Governor; "written petition" means one or more petitions written or printed, or partly written and partly printed, with the original signatures of the petitioners attached, verified as to the authenticity of the signatures by the oath of the circulator that all of the signatures to the petition were made in the presence of the circulator and that to the best of the circulator's knowledge and belief each signature is the signature of the person whose name it purports to be, and accompanied by the certificate of the official authorized by law to maintain the voting list or to certify signatures on petitions for voters on the voting list of the city, town or plantation in which the petitioners reside that their names appear on the voting

list of the city, town or plantation of the official as qualified to vote for Governor. As used in this section the words "day" or "days" means any day that is not a Saturday, Sunday or legal holiday. The oath of the circulator must be sworn to in the presence of a person authorized by law to administer oaths. Written petitions for a people's veto pursuant to Article IV, Part Third, Section 17 must be submitted to the appropriate officials of cities, towns or plantations, or state election officials as authorized by law, for determination of whether the petitioners are qualified voters by the hour of 5:00 p.m., on the ~~5th~~ 3rd day before the petition must be filed in the office of the Secretary of State~~, or, if such 5th day is a Saturday, a Sunday or a legal holiday, by 5:00 p.m., on the next day which is not a Saturday, a Sunday or a legal holiday~~. Written petitions for a direct initiative pursuant to Article IV, Part Third, Section 18 must be submitted to the appropriate officials of cities, towns or plantations, or state election officials as authorized by law, for determination of whether the petitioners are qualified voters by the hour of 5:00 p.m., on the ~~10th~~ 12th day before the petition must be filed in the office of the Secretary of State~~, or, if such 10th day is a Saturday, a Sunday or a legal holiday, by 5:00 p.m., on the next day which is not a Saturday, a Sunday or a legal holiday~~. Such officials must complete the certification of only those petitions submitted by these deadlines and must return them to the circulators or their agents within 2 days for a petition for a people's veto and within ~~5~~ 10 days for a petition for a direct initiative~~, Saturdays, Sundays and legal holidays excepted,~~ of the date on which such petitions were submitted to them. Signatures on petitions not submitted to the appropriate local or state officials by these deadlines may not be certified. The petition shall set forth the full text of the measure requested or proposed. Petition forms shall be furnished or approved by the Secretary of State upon written application signed and notarized and submitted to the office of the Secretary of State by a resident of this State whose name must appear on the voting list of the city, town or plantation of that resident as qualified to vote for Governor. The full text of a measure submitted to a vote of the people under the provisions of the Constitution need not be printed on the official ballots, but, until otherwise provided by the Legislature, the Secretary of State shall prepare the ballots in such form as to present the question or questions concisely and intelligibly.

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 held in the month of November following 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 increase the amount of time that local officials have to certify the signatures on direct initiative petitions?"

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. 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.

Intent and Content
Prepared by the Office of the Attorney General

This proposal would authorize an amendment to the Constitution of Maine to change certain time frames in the direct initiative and people's veto referendum process.

Direct initiative: The amendment would increase, from 5 days to 10 days, the time period for officials of cities, towns and plantations to complete their review of petitions for a direct initiative in order to certify which signatures are those of registered voters within their city, town or plantation. It also clarifies for these purposes that "day" and "days" means any day that is not a Saturday, Sunday or legal holiday. Direct initiative petitions would have to be submitted to municipal offices for review by 5:00 p.m. on the 12th day (instead of the 10th day, under current law) before the deadline for filing with the Secretary of State's office.

There is a corresponding extension of the deadline for filing a direct initiative petition with the Secretary of State's office. Under current law, that deadline is the 50th day after the Legislature convenes in a first regular session (the first year of the biennium) and the 25th day after the Legislature convenes in a second regular session (the second year of the biennium). This proposal would extend those deadlines by ten days to the 60th and 35th days, respectively. Petitioners would thus have approximately the same amount of time in which to circulate petitions and collect signatures under this proposal as under current law.

People's veto: The only change to the time frames for a people's veto petition is that such petitions would have to be submitted to municipal offices by 5:00 p.m. on the 3rd day (instead of the 5th day) before the deadline for filing with the Secretary of State's office. Saturdays, Sundays and legal holidays are again excluded. The existing deadline in the Constitution for filing a people's veto petition with the Secretary of State's office would remain unchanged.

A "YES" vote favors adoption of this constitutional amendment.

A "NO" vote opposes adoption of this constitutional amendment.

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

Fiscal Notes and Detail. Potential savings to towns; increasing the amount of time that local officials have to certify the signatures on direct initiative petitions will result in savings to any municipality that would have otherwise incurred additional salary or overtime costs to meet the current deadline. This might be especially relevant when multiple petitions are simultaneously submitted to a municipal clerk. The other language changes are not expected to have any fiscal impact.

Public Comments

No public comments were filed in support of or in opposition to Question 7.