

MAINE STATE LEGISLATURE

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

(Filing No. H-823)

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1009 L.D. 1212, RESOLUTION, Proposing an Amendment to the Constitution Allowing the Legislature to Impose a Different Rate of Taxation Upon Properties Outside of Incorporated Municipalities and Plantations.

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

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

RESOLUTION, Proposing an Amendment to the Constitution Authorizing the Legislature to impose a Separate Tax on Property in the Unorganized Territory to Provide Services only to the Unorganized Area.

Further amend the Resolution by striking out everything after the title and inserting in its place the following:

Constitutional amendment. RESOLVED: Two-thirds of each branch of the Legislature concurring, that the following amendment to the Constitution of this State be proposed:

Constitution, Art. IX, §8 is amended by adding at the end the following new paragraph:

The Legislature also may impose a tax upon the real and personal property in the unorganized territory. The revenues of this tax shall be used only to provide services in the

unorganized territory. The Legislature shall not appropriate revenues from this tax to fund that portion of a service which the state would fund if the unorganized territory were a municipality or a plantation.

Constitutional referendum procedure; form of question; effective date. Resolved: That the city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, at the next general election in the month of November or special statewide election on the Tuesday following the first Monday of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

"Shall the Constitution be amended as proposed by a resolution of the Legislature authorizing the Legislature to impose a separate tax on property in the unorganized territory to provide services only to the unorganized area?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within the corresponding square below the words "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature.

he Governor shall review the returns, and, if it appears that a majority of the legal votes are in favor of the amendment , the Governor shall proclaim that fact without delay and the amendment shall become part of the Constitution on the date of the proclamation.

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purpose of this referendum.¹

Statement of Fact

In addition to the Uniform Property Tax, there is another state property tax, the Local and State Government Tax. This tax is currently at 10 3/4 mills and is a device which allows the State to tax the unorganized territory at a rate sufficient to provide for their municipal services. However, the Constitution requires uniform property taxation so that these mills must also be assessed against municipalities in the organized territory. Currently, many organized towns are not raising this amount and thus creating a potential problem of illegal assessments. This change to the State Constitution will allow the Local and State Government tax to be replaced by a property tax limited only to the unorganized territory. This would resolve any illegal assessments currently made under the Local and State Government tax.

This amendment would allow the creation of a property tax in the unorganized area that would fulfill the same function as the local property tax does in all municipalities.

This tax would fund the local share of the cost of services provided in the unorganized territory and its revenues could only be used to benefit the unorganized territory. For example, if the Uniform Property Tax is repealed, the tax made possible by this amendment could be used to raise the local share of the unorganized area's cost of education.

Filed by Mr. Curran of South Portland.

Reproduced and distributed under the direction of the Clerk of the House.
6/23/77

(Filing No. H-823)