

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-1253)
108TH LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "N" to S.P. 772, L.D. 2209, RESOLUTION,
Proposing an Amendment to the Constitution to Limit the Amount
of Government Spending and Taxes which may be Made without
Voter Approval.

Amend the Resolution by striking out everything after the
first paragraph after the title and inserting in its place the
following:

'Constitution, Art. I, §22, is amended by adding after the
first sentence the following:

There is hereby established a limit on the total amount of appro-
priations and subsequently the amount of taxes which may be
levied by the Legislature in any fiscal year on the taxpayers of
this State. Effective with the first fiscal year beginning after
the ratification of this section, and for each fiscal year there-
after, the Legislature shall not impose taxes of any kind which,
together with all other revenues of the State, federal aid ex-
cluded, will total more than 7.75% of the personal income of
Maine for the previous fiscal year or the average of personal
income of Maine for the previous five calendar years, whichever
is greater. "Personal income of Maine" means the total income
received by persons in Maine from all sources, as defined and
officially reported by the United States Department of Commerce
or its successor agency.

For any fiscal year, in the event that state revenues, excluding federal aid, do exceed 7.75% of the personal income of Maine reported for the previous fiscal year or the average of personal income of Maine for the previous five calendar years, whichever is greater, the excess shall be refunded pro rata on the income taxes annual returns filed following the close of such fiscal year.

The limitation of this section shall not apply to taxes, the revenues of which are dedicated to the payment of principal and interest on bonds or other evidence of indebtedness authorized by the State. The tax limitation of this section may be exceeded only if all of the following conditions are met: The Legislature declares by vote of two-thirds of its membership an emergency; the declaration shall be a bill that receives a public hearing and it shall be specific as to the nature of the emergency, the method by which the emergency will be funded and the justification

of the revenue sources chosen. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the specific emergency request. The tax limitation may be exceeded only for the fiscal year in which the emergency is declared; in the next and subsequent fiscal years the tax limitation of this section shall again take effect. In no event shall any part of the amount representing a refund under this section be the subject of any emergency request.

A new program or an increase in the level of service under an existing program shall not be required by the Legislature of units of local government, of authorities created by the State, or of political subdivisions of the State, unless a state appropriation is made and disbursed sufficient to pay the local unit of government, authority or political subdivision for the costs of the program.

The proportion of state revenue paid to all units of local government, authorities created by the State, and political subdivisions of the State, taken as a group, shall not be reduced below that proportion in effect when this section is adopted.'

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

"Shall the Constitution be amended as proposed by the first special session of the 108th Legislature, to limit the amount of government spending and taxes which may be made without voter approval?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within the corresponding square below the words "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns, and, if it appears that a majority of the legal votes are in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment shall become part of the Constitution on the date of the proclamation.

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

STATEMENT OF FACT

This amendment will limit the amount of appropriations which may be spent by the Legislature in any fiscal year. The limit is based upon the income of the people. It eliminates the local units of government from the original bill. It eliminates the 1% special reserve fund from the original bill and provides for refund of excess revenues to the taxpayers on their subsequent tax returns.

(Rep. Cunningham)
Sponsor: *Gordon J. Cunningham*
Town: New Gloucester

Filed by Mr. Cunningham of New Gloucester
Reproduced and distributed under the direction of the Clerk of the House
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