

# MAINE STATE LEGISLATURE

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L.D. 2209

STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-1259)  
108TH LEGISLATURE  
FIRST SPECIAL SESSION

HOUSE AMENDMENT "A" to HOUSE AMENDMENT "P" 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 Amendment by striking out everything after the Title and inserting in its place the following:

**' Amend the resolution by striking out all of the 3rd paragraph and inserting in its place the following:**

**1. Control of appropriations. Commencing with the first fiscal year after June 30, 1979, the annual appropriations of a unit of government during any fiscal year shall not exceed the appropriations, as adjusted under subsection 5/ paragraph C, for the prior year, except for the cost-of-living change or the change in Maine personal income, whichever is less, unless a majority of the voting electors of such unit of government approve a different amount. Any amount appropriated above this limitation shall not be effective until ratified by the electors of such unit of government by referendum, except for funds needed in case of a declared emergency. Emergency expenditures may be made only during the fiscal year for which the emergency is declared and shall be excluded from future calculations of total expenditures.'**

**Further amend the resolution by striking out all of the 4th paragraph and inserting in its place the following:**

'2. Use of excess revenues. Revenues in excess of the spending limit of that year may be used for refunding of real property taxes or other taxes, for reduction of tax rates or for retirement of bonded indebtedness. Amounts collected in excess of appropriations, but less than the limitation determined in accordance with subsection 1, may be appropriated as a reserve and used for whatever purposes the governing body may determine.'

Further amend the resolution by striking out all of the 5th paragraph and inserting in its place the following:

'3. Declaration of emergency. The expenditure limit of subsection 1 may be exceeded if all the following conditions are met:

- A. The Governor requests the Legislature to declare an emergency;
- B. The request is specific as to the nature of the emergency, the method by which the emergency will be funded and the amount of the funding; and
- C. The Legislature declares an emergency in accordance with the specifics of the Governor's request by a two-thirds vote prior to incurring any of the expenses which constitute the emergency request.'

Further amend the resolution by striking out all of the 6th paragraph and inserting in its place the following:

'4. Protection of local government for state-required costs.

he Legislative and Executive Departments of the State are prohibited from requiring that local units of government finance from property taxation any new or expanded programs or services or from shifting the costs of existing programs and services to the local units, as a group. A program or service shall not include reimbursement to the local units for any existing personal tax exemption.'

Further amend the resolution by striking out all of the 7th paragraph (subsection 5 of Article I, §22)

Further amend the resolution in Article I, §22, subsection 6 paragraph A, by striking out all of subparagraphs (7) and (8) as enacted by this resolution, and inserting in their place the following:

'(7) The balances of funds established pursuant to subsection 2;

(8) Allocations of revenues received pursuant to Article IX, section 19;

(9) Expenditures made by the State to reimburse the organized municipalities for revenue lost as a result of the implementation of Article IX, Section 8, subsection 1;  
and

(10) Expenditures from existing dedicated revenue accounts for the programs and services in effect on the effective date of this amendment, or expenditures of the proceeds of taxes on owners of products or resources used to promote or protect such products and resources.'

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Further amend the resolution by striking out subparagraph (2) of paragraph C of subsection 6 of the Constitution, Article I, §22, as enacted by this resolution, and inserting in its place the following:

"(2) For additions to the balances of emergency and other funds established pursuant to subsection 2;"

Further amend the resolution by striking out all of subparagraph (3) of paragraph D of subsection 6 of the Constitution, <sup>Article I, §22,</sup> as enacted by this resolution, and inserting in its place the following:

'(3) "Cost-of-living" means the average percentage change in the cost of living in Maine occurring during the first twelve months of the eighteen-month period immediately preceding the beginning of the fiscal year as measured by any reasonable method in accordance with law;

(4) "Maine personal income change" means the average percentage change in the Maine personal income occurring during the first twelve months of the twenty-four month period immediately preceding the beginning of the fiscal year as measured by any reasonable method in accordance with law.'

Further amend the resolution by striking out all of subsection 7 of Article I, section 22, of the Constitution, as enacted by this resolution, and inserting in its place the following:

'6. Standing. The Legislature shall by statute determine the requirements as to who shall have standing to bring an action in courts of this State to enforce subsections 1 to 5.

7. Local control option. Any municipality may, by a referendum called in accordance with law, with the approval of a majority of the voting electors, be exempted from the limitation in

subsection 1 for a period not to exceed three fiscal years. At any such referendum the question posed shall be: "Shall this municipality be exempted from the Constitutional Limit on Government Spending and Taxes?"

8. Reratification. This resolution, if ratified, shall be subject to reratification by the inhabitants at the general election in the month of November on the Tuesday following the first Monday of November in 1982 to vote upon the following question: "Shall Article I, ~~section 22,~~ and Article IX, section 19, subsections 1 to 7, limiting the amount of government spending and taxes which may be made without voter approval remain in effect."

Further amend the resolution by striking out in the first line of the 8th paragraph, the following: "6. Legislative responsibilities and exclusions." and inserting in its place the following: '5. Legislative responsibilities and exclusions.'

Further amend the resolution by striking out the first sentence of subsection 2 of the Constitution, Article IX, <sup>section 19,</sup> as enacted by this resolution, and inserting in its place the following:

'The following provisions of Article I, Section 22, shall apply to this section: Subsections 2, 4, 5, paragraph A, subparagraphs 1 to 7, subsection 5, paragraphs C and D, and subsection 6.'

STATEMENT OF FACT

This amendment is intended to clarify and simplify the resolution by (1) providing that cost-of-living or Maine Personal Income changes, whichever is less, may be used to adjust the spending limit; (2) authorizing the use of excess, state revenues for property tax relief; (3) providing for flexibility in municipal reimbursement for revenue losses under the Tree Growth Tax Law; (4) substituting an emergency provision for the special reserve fund to allow the legislature to exceed the limit for emergencies; (5) limiting the bill's application to present programs and services funded out of certain dedicated revenue accounts but providing that any future programs and services from dedicated revenue accounts are subject to the bill's normal limits on state expenditures; (6) including a local control option to allow municipalities to be exempted from the limit for a 3-year period by vote of the inhabitants of the municipality; (7) providing for reratification in 1982; and (8) allowing for the continuation of the phase-out of inventory tax reimbursement.

Filed by Mr. Palmer of Nobleboro

Reproduced and distributed under the direction of the Clerk of the House  
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