

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1481

S. P. 483

In Senate, March 29, 1979

Referred to the Committee on Local and County Government. Sent down for concurrence and ordered printed.

Presented by Senator Chapman of Sagadahoc.

Cosponsors: Senators Cote of Androscoggin and Emerson of Penobscot.

MAY M. ROSS, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Provide for a Decision by Municipal Electors on Municipal Spending Limits.**

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

**Sec. 1. 30 MRSA § 1921 is enacted to read:**

**§ 1921. Limitation**

**Any charter provision which limits municipal expenditures shall conform to the requirements of section 2158.**

**Sec. 2. 30 MRSA § 2152, sub-§ 4 is enacted to read:**

**4. Expenditure limitation. Establishing a limitation on municipal expenditures in compliance with section 2158.**

**Sec. 3. 30 MRSA §§ 2158 and 2159 are enacted to read:**

**§ 2158. Ordinance**

**1. Required contents. Any ordinance enacted under this chapter which limits municipal expenditures and any municipal charter provision adopted under chapter 201-A or applicable private and special law which limits municipal expenditures shall specify:**

- A. Which municipal expenditures are subject to the limitation;
- B. The method by which the legislative body of the municipality may determine that an emergency justifying exceeding the expenditure limits exists; and
- C. The method for calculating the expenditure limit.

2. Exceptions. Any ordinance enacted under this chapter which limits municipal expenditures and any municipal charter provision adopted under chapter 201-A or applicable private and special law which limits municipal expenditures shall not apply to funds expended by the municipality for any of the following:

- A. Payment of debt, including principal and interest;
- B. Compliance with state or federal requirements;
- C. Compliance with court orders; or
- D. Emergencies.

§ 2159. Ordinances limiting expenditures of School Administrative Districts and community school districts

1. Limitations established. The municipalities comprising a School Administrative District or a community school district may, by ordinance, establish limits on the expenditures of the municipalities' School Administrative District or community school district, provided that at least 2 municipalities in the district enact the same ordinance and that the population of the municipalities in a district which have enacted the same ordinance constitutes  $\frac{2}{3}$  of the population within the district.

2. Required content. Any ordinance enacted pursuant to this section shall specify:

- A. Which expenditures of the School Administrative District or community school district are subject to the limitation;
- B. The method by which the directors of the School Administrative District or the trustees of the community school district may determine that an emergency justifying exceeding the expenditure limits exists; and
- C. The method for calculating the expenditure limit.

3. Exceptions. Any ordinance enacted pursuant to this section shall not apply to funds expended by the School Administrative District or community school district for any of the following:

- A. Payment of debt, including principal and interest;
- B. Compliance with state or federal requirements;
- C. Compliance with court orders; or

**D. Emergencies.**

**4. Repeal or amendment of ordinance.** If municipalities within the district vote to repeal ordinances enacted pursuant to this section and after the repeal the population of the municipalities in the district which still have the same ordinance enacted is below 2/3 of the population within the district, the limitations imposed on that district shall no longer be in force.

If municipalities within the district vote to amend ordinances enacted pursuant to this section and after the amendment the population of the municipalities in the district which still have the same ordinance enacted is below 2/3 of the population within the district, the limitations imposed on that district shall no longer be in force, unless other municipalities in the district enact an ordinance which is the same as the amended ordinance and the population of the municipalities in the district which have enacted the same ordinance constitutes 2/3 of the population within the district.

**STATEMENT OF FACT**

Municipalities have the power to adopt expenditure limitations by enactment of an ordinance or by adoption of a charter provision.

This bill provides that any ordinance or charter provision limiting municipal expenditures must specify which expenditures are subject to the limitation, the method by which emergencies justifying lifting the limitation are determined and the method for calculating the expenditure limit.

The bill exempts from municipal expenditure limits expenditures for any of the following:

1. Debt payment;
2. Compliance with state or federal requirements;
3. Compliance with court orders; or
4. Emergencies.

The bill also provides that municipalities within School Administrative Districts or community school districts may enact ordinances limiting expenditures by the School Administrative District or community school district. The ordinances would be similar to those enacted to limit municipal expenditures.