

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
115TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " B " to S.P. 42, L.D. 66, "RESOLUTION,  
Proposing an Amendment to the Constitution of Maine to Provide  
State Funding of any Mandate Imposed on Municipalities"

Amend the bill by striking out all of section 21 and  
inserting in its place the following:

'Section 21. State mandates. For the purpose of more  
fairly apportioning the cost of government and providing property  
tax relief, after January 1, 1993, the Legislature shall  
appropriate sufficient funds to pay for at least 90% of the cost  
of fully implementing state mandates enacted after that date and  
shall disburse those funds to local units of government prior to  
the implementation dates. Funds to fulfill the purpose of this  
section must be appropriated from state funds and may not come  
from funds for programs established prior to January 1, 1991 that  
provide funds to local government, except in cases of fiscal  
exigencies when reductions in overall state spending are  
required. A mandate is not legally effective and imposes no  
obligations on a local unit of government until the State  
provides sufficient funds to meet its obligation under this  
section. "State mandate" means any regulatory or statutory  
action that requires local units of government to establish,  
expand or modify their activities in such a way as to necessitate  
additional expenditures from local revenues and includes laws and  
rules that apply to both the public and private sector. The  
State is not required to fund any state mandate that promotes  
equal justice; ensures due process; results from an order issued  
by a state court or federal court; creates, expands or amends  
criminal laws or civil infractions or penalties enforced by  
municipalities; pertains to wages, salaries or benefits for state  
and local public employees; is necessary to comply with a federal  
mandate; accommodates a request from municipalities; or imposes

## COMMITTEE AMENDMENT "B" to S.P. 42, L.D. 66

2 routine obligations, as long as a single mandate would not impose  
3 costs of more than \$100,000 in additional annual local cost and  
4 the combined cost of all such mandates in any calendar year is  
5 less than .001 of the total amount of property taxes collected in  
6 the State during the previous year.

7 Legislation that is enacted specifically to implement this  
8 section and that refers to this section may only be amended by a  
9 proper enactment upon the votes of 2/3 of all members elected to  
10 each House. No additional exclusions to this section may be  
11 created by legislation.

12 This section must be liberally construed to reduce the  
13 impact of state mandates on property taxpayers.'

14  
15 Further amend the bill by inserting before the statement of  
16 fact the following:  
17

18  
19  
20 **FISCAL NOTE**

21  
22 The estimated cost of sending this resolution out to  
23 referendum will vary according to the total number of referenda  
24 enacted during the Second Regular Session of the 115th  
25 Legislature. The estimated cost to the Secretary of State if one  
26 to 6 referenda are enacted is \$95,000. Each additional  
27 referendum costs an additional \$7,000.  
28

29  
30 If approved by the voters, this constitutional requirement  
31 to fund the municipal cost of state mandates would increase the  
32 cost to the State of implementing many laws and rules. The  
33 legislative Office of Fiscal and Program Review also will require  
34 additional staff and resources to assess the municipal fiscal  
35 impact of each proposed law. Funding for this purpose is  
36 currently budgeted in fiscal year 1992-93.'

37  
38 **STATEMENT OF FACT**

39  
40 This amendment replaces the constitutional language proposed  
41 in the original bill and the committee amendment. The amendment  
42 proposes an amendment to the Constitution of Maine that, if  
43 approved by the voters, would require the State to pay for at  
44 least 90% of the cost of future state mandates passed after  
45 January 1, 1993. The intent of the proposal is to establish a  
46 fairer way to apportion the cost of government and to provide  
47 property tax relief to the people of the State.  
48

49  
50 This amendment defines state mandates as laws or rules that  
require local units of government to establish, expand or modify

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2 their activities in such a way as to impose additional costs on  
local units of government. Local units of government are  
4 municipalities, school districts, counties and special districts.

6 Mandates that are excluded from mandatory payment by the  
State are those that:

- 8 1. Create, expand or amend criminal laws or civil  
10 infractions that municipalities are required to enforce;
- 12 2. Are sought at the request of municipalities;
- 14 3. Apply to wages, salaries or benefits for state and local  
public employees;
- 16 4. Pertain to human rights or due process; or
- 18 5. Do not impose substantial additional costs on local  
20 units.

22 Mandates that create or expand routine obligations may be  
passed without state funding as long as a single mandate would  
24 not impose costs of more than \$100,000 in additional annual local  
cost and as long as all such mandates in any one calendar year do  
26 not exceed .001 of the total amount of property taxes collected  
by municipalities during the previous year. In 1990, property  
taxes amounted to about \$880,000,000.

28 Local units of government are not required to implement a  
30 mandate if the Legislature fails to appropriate sufficient funds  
to pay for the State's share to implement the mandate prior to  
32 the implementation date or dates.

34 The amendment also clarifies that the State is prohibited  
from using current local aid programs to fund the State's share  
36 of future mandates. The State is permitted to make cuts in local  
aid programs in cases of fiscal emergencies if the State finds it  
38 is necessary to reduce allocations to those local aid programs as  
part of overall reductions in state spending.

40 The amendment provides that legislation enacted specifically  
42 to implement the constitutional amendment may not be amended  
except by a 2/3 vote of the members elected to each house and  
44 that amendments that would create further exclusions are  
prohibited.

46 \*A separate companion bill, which will take effect only upon  
48 voter approval of the constitutional amendment, enacts statutory  
language implementing this constitutional requirement.

Reported by the Majority for the Committee on State and Local  
Government. Reproduced and Distributed Pursuant to Senate  
Rule 12.

(1/22/92)

# COMMITTEE AMENDMENT