

L.D. 66

## STATE OF MAINE SENATE 115TH LEGISLATURE FIRST REGULAR SESSION

SENATE AMENDMENT "A" 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 amendment by striking out all of section 21 and inserting in its place the following:

'Section 21. State mandates. For the purpose of more 20 fairly apportioning the cost of government and providing property tax relief, after January 1, 1992, the Legislature shall 22 appropriate sufficient funds to pay for at least 90% of the cost of fully implementing state mandates enacted after that date and 24 shall disburse those funds to local units of government prior to 26 the implementation dates. Funds to fulfill the purpose of this section must be appropriated from state funds and may not come 28 from funds for programs established prior to January 1, 1991 that provide funds to local government, except in cases of fiscal 30 exigencies when reductions in overall state spending are A mandate is not legally effective and imposes no required. 32 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 · 34 action that requires local units of government to establish, 36 expand or modify their activities in such a way as to necessitate additional expenditures from local revenues, and includes laws 38 and rules that apply to both the public and private sector. The state is not required to fund any state mandate that promotes 40 equal justice; ensures due process; results from an order issued by a state court or federal court; creates, expands or amends 42 criminal laws or civil infractions or penalties enforced by municipalities; pertains to wages, salaries or benefits for state 44 and local public employees; is necessary to comply with a federal mandate; accommodates a request from municipalities; or imposes

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routine obligations, the combined cost of which in any calendar year is less than .001 of the total amount of property taxes collected in the state during the previous year.

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

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

## STATEMENT OF FACT

18 This amendment replaces the constitutional language proposed in the original bill and the committee amendment. The amendment 20 proposes an amendment to the Constitution of Maine that, if approved by the voters, would require the State to pay for at 22 least 90% of the cost of future state mandates passed after January 1, 1992. The intent of the proposal is to establish a 24 fairer way to apportion the cost of government and to provide property tax relief to the people of the State.

This amendment defines state mandates as law or rules that require local units of government to establish, expand or modify their activities in such a way as to impose additional costs on local units of government. Local units of government are municipalities, school districts, counties and special districts.

Mandates that are excluded from mandatory payment by the 34 state are those that:

1. Create, expand or amend criminal laws or civil infractions which municipalities are required to enforce;

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2. Are sought at the request of municipalities;

3. Apply to wages, salaries or benefits for state and local
42 public employees;

44 4. Pertain to human rights or due process; or

46 5. Do not impose substantial additional costs on local units.

Mandates that create or expand routine obligations may be 50 passed without State funding as long as a single mandate would

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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 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.

Local units of government are not required to implement a 8 mandate if the Legislature fails to appropriate sufficient funds to pay for the State's share to implement the mandate prior to 10 the implementation date or dates.

12 The amendment also make it clear that the State is prohibited from using current local aid programs to fund the 14 State's share of future mandates. The State is permitted to make cuts in local aid programs in cases of fiscal emergencies if the 16 State finds it is necessary to reduce allocations to those local aid programs as part of overall reductions in state spending.

The amendment provides that legislation that is specifically 20 enacted to implement the amendment may not be amended except by a 2/3 vote of all of the members of both chambers and that 22 amendments that would create further exclusions are prohibited.

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

30 (Senator CLARK SPONSORED BY: 32 COUNTY: Cumberland

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