

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 193

H.P. 145

House of Representatives, January 20, 1995

**RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Establish a Limit on Increases in the Local Property Tax.**

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative UNDERWOOD of Oxford.
Cosponsored by Representatives: AIKMAN of Poland, BARTH of Bethel, BIRNEY of Paris,
CHICK of Lebanon, FARNUM of South Berwick, LANE of Enfield, LAYTON of
Cherryfield, LUMBRA of Bangor, RICE of South Bristol, WATERHOUSE of Bridgton,
WINSOR of Norway.

2 **Constitutional amendment. RESOLVED:** Two thirds of each
branch of the Legislature concurring, that the following
amendment to the Constitution of Maine be proposed:

4 **Constitution, Art. IX, §8-A is enacted to read:**

6 **Sec. 8-A. Tax limitation.** Notwithstanding section 8,
8 beginning January 1, 1996, all increases in property taxes must
be limited in the following manner.

10 1. Any increase in the valuation of real or personal
12 property over the previous year's valuation may not exceed the
inflationary increase.

14 2. Any increase in the rate of taxes on real or personal
16 property over the previous year's rate may not exceed the
inflationary increase.

18 3. An increase in the valuation of real and personal
20 property or an increase in the rate of taxes on real and personal
22 property may exceed the inflationary increase if the legislative
24 body of the municipality imposing the tax declares, by a 3/5
majority, that an emergency exists. The proposed declaration
26 must receive a public hearing and specifically state the nature
28 of the emergency and the method by which the emergency will be
funded. The emergency must be declared prior to incurring any of
30 the expenses that 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 years, the
tax limitation of this section again applies.

32 4. "Inflationary increase" means the lower of the
percentage increase in the federal Consumer Price Index on
34 January 1st over the previous year or the percentage increase in
the real personal wages for the State over the previous year.

36 ; and be it further

38 **Constitutional referendum procedure; form of question; effective**
40 **date. Resolved:** That the municipal officers of this State shall
42 notify the inhabitants of their respective cities, towns and
plantations to meet, in the manner prescribed by law for holding
44 a statewide election, at a 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
46 proposed in this resolution by voting upon the following question:

2 "Do you favor amending the Constitution of Maine to limit
increases in property taxes to the amount of the increase in
inflation?"

4

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

16

18 **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
20 necessary to carry out the purpose of this referendum.

22

24 STATEMENT OF FACT

26

28 This resolution amends the Constitution of Maine to place a
limit upon increases in the valuation of property and the local
property tax rate. The limit is the lower of the increase in the
federal Consumer Price Index or the increase in real personal
wages in the State.

30