

# MAINE STATE LEGISLATURE

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M  
R. of S.

L.D. 2087

DATE: 4/1/02

(Filing No. H-1053)

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**TAXATION**

10 Reproduced and distributed under the direction of the Clerk of  
12 the House.

14 **STATE OF MAINE**  
16 **HOUSE OF REPRESENTATIVES**  
18 **120TH LEGISLATURE**  
20 **SECOND REGULAR SESSION**

22 COMMITTEE AMENDMENT "A" to H.P. 1582, L.D. 2087,  
24 "RESOLUTION, Proposing an Amendment to the Constitution of Maine  
26 to Allow the Legislature to Establish Classes of Property for  
28 Purposes of Taxation and to Exempt Personal Property from  
30 Taxation if there is an Excise Tax on Certain Personal Property"

32 Amend the resolution by striking out the title and  
34 substituting the following:

36 '**RESOLUTION, Proposing an Amendment to the Constitution of Maine  
38 to Allow the Legislature to Establish Classes of Property for  
40 Purposes of Property Taxes to Fund Public Education'**

42 Further amend the resolution by striking that part relating  
44 to Article IX, section 8, subsections 1-A and 1-B (page 1, lines  
46 13 to 42 in L.D.) and inserting in its place the following:

48 '**Constitution, Art. IX, §8, sub-§6** is enacted to read:

50 6. Property taxes for education funding. The Legislature  
52 may establish classes of property and permit a different tax rate  
54 for each class of property for the portion of the property tax  
56 that is assessed for the purpose of funding public education from  
58 kindergarten to grade 12 as defined by the Legislature. The  
60 Legislature shall establish the procedure to determine the tax  
62 rate for each class of property established under this  
64 subsection.'

66 Further amend the resolution by striking out all of the  
68 question (page 2, lines 6 to 11 in L.D.) and inserting in its  
70 place the following:

**COMMITTEE AMENDMENT**

H. of S.

2 ' "Do you favor amending the Constitution of Maine to permit  
4 the Legislature to establish different maximum property tax  
6 rates for different classes of property for the purpose of  
funding public education from kindergarten to grade 12?" '

8 Further amend the resolution by inserting at the end before  
the summary the following:

10

### FISCAL NOTE

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14 The estimated cost of sending this proposed constitutional  
16 amendment out to referendum will vary according to the total  
18 number of referenda enacted during the Second Regular Session of  
the 120th Legislature to be submitted to the voters in November.  
The estimated cost to the Secretary of State if one to 6  
referenda are enacted is \$121,392. Each additional referendum  
costs an additional \$8,000.

20

22 This constitutional resolution is part of a proposal by the  
24 Education Funding Reform Committee and is accompanied by separate  
legislation that would reduce the State's reliance on the  
property tax to fund public education. If enacted, this  
constitutional resolution would permit the Legislature to make  
26 changes to local property tax rates for the purpose of funding  
the cost of local education from kindergarten to grade 12.

28

30 The fiscal impact of this constitutional resolution on the  
Department of Education, local school units and state tax revenue  
and administrative expenses of the Department of Administrative  
32 and Financial Services, Bureau of Revenue Services can not be  
determined at this time. The resolution would have no fiscal  
34 impact to the Legislature.

36

38 If approved by the voters, it is unknown what changes the  
Legislature would make regarding funding the cost of local  
education; therefore, the cost of such changes can not be  
determined at this time.'

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42

### SUMMARY

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46 This amendment removes provisions from the original  
resolution proposing to exempt personal property from the  
property tax if an excise tax was established for that property  
and clarifies the language authorizing the Legislature to  
48 establish classes of property and to permit different tax rates

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COMMITTEE AMENDMENT "A" to H.P. 1582, L.D. 2087

2 for different classes of property for the purpose of funding public education from kindergarten to grade 12. The amendment also amends the question and adds a fiscal note.

**COMMITTEE AMENDMENT**