MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1167

H.P. 864

House of Representatives, March 5, 2003

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict an Increase in the Growth of the State Budget to No Greater than 75% of the Rate of Growth of Per Capita Income

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. Macfarland MILLICENT M. MacFARLAND Clerk

Presented by Representative KAELIN of Winterport. Cosponsored by Senator WESTON of Waldo and

Representatives: BERRY of Belmont, CROSTHWAITE of Ellsworth, DUGAY of Cherryfield, JOY of Crystal, McKENNEY of Cumberland, SHERMAN of Hodgdon, TARDY of Newport.

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

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Constitution, Art. IV, Part Third, §24 is enacted to read:

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Section 24. Limitation on growth of state budget. Legislature shall establish a General Fund expenditure ceiling that limits the growth of General Fund appropriations, excluding federal funds received by the General Fund, to 75% of the growth in statewide personal income in the prior calendar year. No appropriations in excess of this ceiling may be authorized during any legislative session unless the Legislature, by a 2/3 vote of the entire elected membership of both Houses, sets forth the dollar amount and the rate by which the ceiling will be exceeded and the reasons therefor. Any amount of General Fund revenues that exceeds the limit on General Fund expenditures established in this section must be used as follows: 1/3 of the amount must be transferred to reduce the unfunded liabilities of the Maine State Retirement System; 1/3 of the amount must be transferred to a budget stabilization fund; and 1/3 of the amount must be returned to the taxpayers of the State of Maine. In the event that the unfunded liability is eliminated, that portion of revenue must be equally divided between the other 2 purposes.

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; and be it further

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

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"Do you favor amending the Constitution of Maine to establish a ceiling that limits the growth in state spending to 75% of the growth in statewide personal income in the prior calendar year, to require a 2/3 vote of the Legislature to approve General Fund expenditures that exceed this ceiling and to require that surplus funds be distributed in equal parts to the unfunded liability of the Maine State Retirement System, to a budget stabilization fund and to the voters?"

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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

the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution of Maine on the date of the proclamation; and be it further

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 necessary to carry out the purposes of this referendum.

SUMMARY

This constitutional resolution establishes a ceililng on the growth of General Fund expenditures to limit the growth in state spending to 75% of the growth in statewide personal income in the prior calendar year, requires a 2/3 vote of the Legislature to approve General Fund expenditures that exceed this ceiling and requires that surplus funds be distributed in equal parts to the unfunded liability of the Retirement System, to a budget stabilization fund and to the voters.