

# MAINE STATE LEGISLATURE

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R.O.S.

L.D. 1629

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DATE: 8/21/03

(Filing No. H-620)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
FIRST SPECIAL SESSION

HOUSE AMENDMENT "H" to COMMITTEE AMENDMENT "C" to H.P. 1209, L.D. 1629, "RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Municipal Service Districts To Reduce the Cost of Local Government, To Provide Property Tax Relief and To Increase Economic Competitiveness"

Amend the amendment by striking out the substitute title and replacing it with the following:

'RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Budget Caps on Local and County Governments, Reduce the Cost of Local Government through Increased State Education Funding and Provide Property Tax Relief'

Further amend the amendment in Part A in section 1 in paragraph B by striking out all of subparagraphs (1) to (5) (page 2, lines 1 to 12 in amendment) and inserting in their place the following:

- '(1) For fiscal year 2005-06, the target is 49% 51.9%.
- (2) For fiscal year 2006-07, the target is 49+25% 52%.
- (3) For fiscal year 2007-08, the target is 49+50% 52.1%.
- (4) For fiscal year 2008-09, the target is 49+75% 52.25%.
- (5) For fiscal year 2009-10 and succeeding years, the target is 50% 52.4%.'

HOUSE AMENDMENT

R. of S.

HOUSE AMENDMENT "H" to COMMITTEE AMENDMENT "C" to H.P. 1209,  
L.D. 1629

2 Further amend the amendment in Part A in section 2 in that  
4 part designated "~~§15671-A.~~" in subsection 2 in paragraph B by  
striking out all of subparagraphs (1) to (5) (page 3, lines 21 to  
40 in amendment) and inserting in their place the following:

6  
8 '(1) For the 2005 property tax year, the full-value  
education mill rate is the amount necessary to result  
in a 48.1% local share in fiscal year 2005-06;

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12 '(2) For the 2006 property tax year, the full-value  
education mill rate is the amount necessary to result  
in a 48% local share in fiscal year 2006-07;

14  
16 '(3) For the 2007 property tax year, the full-value  
education mill rate is the amount necessary to result  
in a 47.9% local share in fiscal year 2007-08;

18  
20 '(4) For the 2008 property tax year, the full-value  
education mill rate is the amount necessary to result  
in a 47.75% local share in fiscal year 2008-09; and

22  
24 '(5) For the 2009 property tax year and subsequent  
years, the full-value education mill rate is the amount  
necessary to result in a 47.6% local share in fiscal  
26 year 2009-10 and subsequent years.'

28 Further amend the amendment in Part A in section 2 in that  
part designated "~~§15671-A.~~" by striking out all of subsection 3.

30  
32 Further amend the amendment in Part B by inserting before  
section 1 the following:

34 'Sec. B-1. 20-A MRSA §6051, sub-§1, ¶E, as amended by PL 2001,  
c. 344, §7, is further amended to read:

36  
38 E. A determination as to whether the school administrative  
unit has complied with applicable provisions of the School  
Finance Act of 1985 and the School Finance Act of 1995; and

40  
42 Sec. B-2. 20-A MRSA §6051, sub-§1, ¶F, as enacted by PL 1985,  
c. 797, §36, is amended to read:

44 F. Any other information which that the commissioner may  
require; and

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48 Sec. B-3. 20-A MRSA §6051, sub-§1, ¶G is enacted to read:

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G. Any information necessary to determine whether the school administrative unit has exceeded the appropriation limitation established in section 15617, subsection 9.

Sec. B-4. 20-A MRSA §6051, sub-§7 is enacted to read:

7. Determination; report. The commissioner shall determine whether a school administrative unit has exceeded the appropriation limitation established in section 15617, subsection 9 and annually provide a list of school administrative units that have exceeded that limitation to the Legislature.

Sec. B-5. 20-A MRSA §15617, sub-§9 is enacted to read:

9. School administration unit appropriation limitation. Notwithstanding any other provision of law, the following limitations apply to a school administrative unit's appropriation based on fiscal years beginning on or after July 1, 2005.

A. For the purposes of this subsection, unless the context indicates otherwise, the following terms have the following meanings.

(1) "Exceptional circumstances" means an unforeseen condition or conditions over which the school board has little or no control and does not mean new programs or program expansions that go beyond existing program criteria and operation.

(2) "School administrative unit appropriation" means the total school appropriation for the school administrative unit approved under section 15618.

B. The total school administrative unit appropriation for each fiscal year of a school administrative unit may not exceed the school administrative unit appropriation of the previous fiscal year multiplied by the limitation on the total General Fund appropriation described in Title 5, section 1664.

C. The amount derived under paragraph B may be exceeded only by the amount of additional costs or the lost revenue from the following exceptional circumstances:

(1) Unfunded or underfunded new state or federal mandates;

(2) Losses in state or federal revenues or other revenue sources;

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2           (3) Citizens' initiatives or referenda that require  
          increased municipal spending;

4           (4) Court orders or decrees that require additional  
          school administrative unit resources to comply with the  
6           orders or decrees; or

8           (5) Sudden or significant increases in demand for  
          existing school administrative unit services that are  
10           not the result of school board actions that increase  
          eligibility or increase benefits.

12           In addition, the school board may designate exceptional  
14           circumstances that are not explicitly described in  
          subparagraphs (1) to (5) but meet the intent of this  
16           subsection.

18           Sec. B-6. 30-A MRS §910 is enacted to read:

20           §910. County appropriation limitation

22           Notwithstanding any other provision of law, the following  
          limitations apply to a county appropriation based on fiscal years  
24           beginning on or after July 1, 2005.

26           1. Definitions. For the purposes of this section, unless  
          the context indicates otherwise, the following terms have the  
28           following meanings.

30           A. "Exceptional circumstances" means an unforeseen  
          condition or conditions over which the county governing body  
32           that approves appropriations has little or no control and  
          does not mean new programs or program expansions that go  
34           beyond existing program criteria and operation.

36           B. "County services appropriation" means the total amount  
          of money raised and appropriated to pay for services,  
38           programs and public debt that is included in a county's  
          annual budget.

40           2. Appropriation limitation. The total county  
42           appropriation for each fiscal year of a county may not exceed the  
          county appropriation of the previous fiscal year multiplied by  
44           the limitation on the total General Fund appropriation described  
          in Title 5, section 1664.

46           3. Exceptional circumstances. The amount derived under  
48           subsection 2 may be exceeded only by the amount of additional  
          costs or the lost revenue from the following exceptional  
50           circumstances:

R.O.S.

- 2           A. Unfunded or underfunded new state or federal mandates;
- 4           B. Losses in state or federal revenues or other revenue  
sources;
- 6           C. Citizens' initiatives or referenda that require  
increased municipal spending;
- 8           D. Court orders or decrees that require additional  
municipal resources to comply with the orders or decrees; or
- 10          E. Sudden or significant increases in demand for existing  
county services that are not the result of municipal county  
actions by the county governing body that approves the  
budget that increase eligibility or increase benefits.

18          In addition, the county governing body that approves the budget  
20          may designate exceptional circumstances that are not explicitly  
described in paragraphs A to E but meet the intent of this  
22          section.

24          **Sec. B-7. 30-A MRSA §952-A, sub-§1, ¶¶C and D,** as enacted by  
PL 2003, c. 178, §4, are amended to read:

- 26           C. The independent auditor's report on the financial  
statements; and
- 28           D. All financial statements and all other information  
30           required by governmental accounting and financial reporting  
standards; and

32          **Sec. B-8. 30-A MRSA §952-A, sub-§1, ¶E** is enacted to read:

34           E. Information necessary to determine whether the county  
36           has exceeded the appropriation limitation established in  
section 910.

38          **Sec. B-9. 30-A MRSA §952-A, sub-§2,** as enacted by PL 2003, c.  
40          178, §4, is amended to read:

42           **2. Copies for distribution.** Copies of the report must be  
44           deposited in the county commissioners' office or a convenient  
place of business for distribution to the public and must be  
46           distributed to each municipality in the county. A copy of the  
report must be provided to the Department of Audit.

48          **Sec. B-10. 30-A MRSA §952-A, sub-§4** is enacted to read:

R. of S.

HOUSE AMENDMENT "H" to COMMITTEE AMENDMENT "C" to H.P. 1209,  
L.D. 1629

2 4. Determination; report. The Department of Audit shall  
3 determine whether a county has exceeded the appropriation  
4 limitation established in section 910 and annually provide a list  
5 of counties that have exceeded that limitation to the  
6 Legislature.'

7 Further amend the amendment by relettering or renumbering  
8 any nonconsecutive Part letter or section number to read  
9 consecutively.

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12 **SUMMARY**

13 This amendment levels out the proposed increases to state  
14 funding for kindergarten to grade 12 education from fiscal year  
15 2005-06 through fiscal year 2009-10 so that each year's increase  
16 is the same, thereby providing more funding in early years than  
17 would be provided under the committee amendment. This amendment  
18 eliminates the provision from the committee amendment that  
19 permits a municipality to raise additional school funds beyond  
20 the municipal mill rate expectation by referendum beginning in  
21 fiscal year 2009-10. The amendment also establishes an  
22 appropriation limitation for counties and school administrative  
23 units in order to have the same limitation apply to all state and  
24 local units of government.

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32 SPONSORED BY:   
33 (Representative McGOWAN)

34 TOWN: Pittsfield

FISCAL NOTE REQUIRED  
(See attached)

**121st Maine Legislature  
Office of Fiscal and Program Review**

**LD 1629**

**RESOLUTION, Proposing a Competing Measure under the Constitution  
of Maine to Create Municipal Budget Caps, Reduce the Cost of Local  
Government through Increased State Education Funding and Provide  
Property Tax Relief**

**LR 2165(12)**

**Fiscal Note for House Amendment 'A' to Committee Amendment "C"**

**Sponsor: Rep. McGowan**

**Fiscal Note Required: Yes**

**Fiscal Note**

	<b>2003-04</b>	<b>2004-05</b>	<b>Projections 2005-06</b>	<b>Projections 2006-07</b>
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$44,468,969	\$24,272,974
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	\$44,468,969	\$24,272,974

**Fiscal Detail and Notes**

This amendment increases the cost of the bill by \$44,468,969 in fiscal year 2005-06 and \$24,272,974 in fiscal year 2006-07 due to the change in the way the increased state funding for education is distributed over the 5-year period and the expansion of responsibilities to the Department of Audit.

<b>General Fund Summary</b>	<b>2003-04</b>	<b>2004-05</b>	<b>Projections 2005-06</b>	<b>Projections 2006-07</b>
Additional Appropriation needed to fund EPS in this proposal	\$0	\$0	\$44,428,969	\$24,192,974
Additional Department of Audit appropriation	\$0	\$0	\$40,000	\$80,000
Net General Fund Cost (Savings)	\$0	\$0	\$44,468,969	\$24,272,974

**121st Maine Legislature  
Office of Fiscal and Program Review**

**LD 1629**

**RESOLUTION, Proposing a Competing Measure under the Constitution of Maine to Create Municipal Budget Caps, Reduce the Cost of Local Government through Increased State Education Funding and Provide Property Tax Relief**

**LR 2165(12)**

**Fiscal Note for House Amendment *H* to Committee Amendment "C"**

**Sponsor: Rep. McGowan**

**Fiscal Note Required: Yes**

**Fiscal Note**

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$44,468,969	\$24,272,974
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	\$44,468,969	\$24,272,974

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