

# MAINE STATE LEGISLATURE

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M  
R. of S.

L.D. 1629

DATE: 8-21-03

(Filing No. S-347)

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STATE OF MAINE  
SENATE  
121ST LEGISLATURE  
FIRST SPECIAL SESSION

SENATE AMENDMENT "E" 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 Municipal Budget Guidelines, 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 2 in that part designated "~~§15671-A.~~" by striking out all of subsection 3.

Further amend the amendment in Part B in section 1 in that part designated "~~§5721-A.~~" in the first line (page 5, line 45 in amendment) by striking out the following: "limitation" and inserting in its place the following: 'guidelines'

Further amend the amendment in Part B in section 1 in that part designated "~~§5721-A.~~" by striking out all of the first indented paragraph (page 5, lines 47 to 49 in amendment) and inserting in its place the following:

'The Legislature recommends that municipalities follow the following guidelines for municipal appropriations for fiscal years based on tax years beginning on or after April 1, 2005.'

**SENATE AMENDMENT**

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SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "C" to H.P. 1209,  
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2 Further amend the amendment in Part B in section 1 in that  
part designated "§5721-A." in subsection 2 in the 2nd line (page  
6, line 21 in amendment) by striking out the following: "may"  
4 and inserting in its place the following: 'should'

6 Further amend the amendment in Part B in section 1 in that  
part designated "§5721-A." in subsection 3 in the 2nd line (page  
8 6, line 27 in amendment) by striking out the following: "only"  
and inserting in its place the following: ', without triggering  
10 the notice requirement under subsection 4,'

12 Further amend the amendment in Part B in section 1 in that  
part designated "§5721-A." in subsection 3 by striking out all of  
14 paragraph C (page 6, lines 36 and 37 in amendment) and inserting  
in its place the following:

16 'C. A direct vote authorizing or requiring increased  
18 spending by the citizens of the municipality, in town  
meeting or by referendum or citizens' initiative;'

20 Further amend the amendment in Part B in section 1 in that  
22 part designated "§5721-A." in subsection 4 in the last 2 lines  
(page 7, lines 4 and 5 in amendment) by striking out the  
24 following: "its share of the revenues from the Local Government  
Fund under section 5681 must be reduced in the following manner:"  
26 and inserting in its place the following: 'the municipality  
shall include a notice on the ballot, warrant or other instrument  
28 by which the spending is authorized indicating that the  
municipality has exceeded the state guidelines for municipal  
30 appropriations.'

32 Further amend the amendment in Part B in section 1 in that  
part designated "§5721-A." in subsection 4 by striking out all of  
34 paragraphs A, B and C.

36 Further amend the amendment on page 8 by striking out all of  
the question (page 8, lines 21 to 24 in amendment) and inserting  
38 in its place the following:

40 "'Do you want to lower property taxes and avoid the need for  
42 a major increase in state taxes by phasing in a 55% state  
contribution to the cost of public education and require the  
public be notified when municipal spending exceeds  
44 recommended limits?'"

#### 46 SUMMARY

48 This amendment replaces the cap on growth in the municipal  
50 side of municipal budgets with recommended guidelines for

# SENATE AMENDMENT

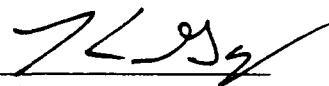
R.O'S.

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2 controlling the growth of municipal budgets. Instead of cutting  
the municipality's share of state revenue sharing if the  
4 guidelines are exceeded, the amendment requires a municipality to  
include a notice when the spending is authorized indicating that  
6 the municipality has exceeded the state guideline for municipal  
appropriations. This amendment removes provisions regarding the  
8 adoption of property tax rates that exceed the local cost share  
expectation. This amendment clarifies the language relating to  
10 one of the exceptional circumstances outlined in the section  
governing municipal appropriation limitation. The amendment also  
12 replaces the question presented to the voters.

14 **FISCAL NOTE REQUIRED**  
(See attached)

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SPONSORED BY:   
(Senator GAGNON)

COUNTY: Kennebec

**SENATE AMENDMENT**

**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 Guidelines, Reduce the Cost of Local Government through Increased State Education Funding and Provide Property Tax Relief**

**LR 2165(26)**

**Fiscal Note for Senate Amendment 'E' to Committee Amendment "C"**

**Sponsor: Sen. Gagnon**

**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	(\$40,000)	(\$80,000)
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	(\$40,000)	(\$80,000)

**Fiscal Detail and Notes**

This amendment reduces the General Fund cost of the bill by \$40,000 in fiscal year 2005-06 and \$80,000 in fiscal year 2006-07 due to the elimination of the provisions concerning a cap on municipal appropriations and its impact on the Department of Audit.