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No. 1459

H.P. 1029

House of Representatives, March 16, 2007

An Act Concerning Spending Caps

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. Mac Jarland

MILLICENT M. MacFARLAND Clerk

Presented by Representative FLOOD of Winthrop. Cosponsored by Senators: MILLS of Somerset, PLOWMAN of Penobscot, Senator SHERMAN of Aroostook and Representatives: COTTA of China, CURTIS of Madison, GILES of Belfast, MAREAN of Hollis.

1 Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §1534, sub-§3, ¶B, as enacted by PL 2005, c. 2, Pt. A, §5 and affected by §14, is amended to read:

B. The appropriation limitation in subsection 1 may be exceeded only by a <u>2/3</u> vote of both Houses of the Legislature in a separate measure that identifies the extraordinary circumstance and the intent of the Legislature to exceed the appropriation limitation.

8 Sec. 2. 5 MRSA §1534, sub-§4, as enacted by PL 2005, c. 2, Pt. A, §5 and
9 affected by §14, is amended to read:

4. Increase in appropriation limitation. The appropriation limitation established in
 subsection 1 may be increased for other purposes only by a <u>2/3</u> vote of both Houses of the
 Legislature in a separate measure that identifies the intent of the Legislature to exceed the
 appropriation limitation.

14 Sec. 3. 20-A MRSA §15671-A, sub-§3, as amended by PL 2005, c. 2, Pt. D, §35 15 and affected by §§72 and 74 and affected by c. 12, Pt. WW, §18, is further amended to 16 read:

17 3. Exceeding maximum local cost share expectations; separate article. Beginning with the 2005-2006 school budget, the legislative body of a school 18 administrative unit may adopt an additional local appropriation that exceeds the local cost 19 20 share expectation established by section 15688, subsection 3-A, paragraph A only if that action is approved in a separate article by a 2/3 vote of the school administrative unit's 21 legislative body through the same process that the school budget is approved in that 22 23 school administrative unit and in accordance with section 15690. If that additional 24 appropriation causes the school administrative unit to exceed the maximum state and 25 local spending target described in subsection 4, the requirements of subsection 5 apply.

Sec. 4. 20-A MRSA §15671-A, sub-§5, ¶B, as amended by PL 2005, c. 12, Pt.
WW, §3 and affected by §18, is further amended to read:

B. In a municipality where the responsibility for final adoption of the school budget is vested by the municipal charter in a council, this paragraph applies, except that the petition and referendum provisions apply only if the municipal charter does not otherwise provide for or prohibit a petition and referendum process with respect to the matters described in this paragraph.

(1) <u>A majority Two thirds</u> of the entire membership of the school board or
 34 committee must approve the additional amount in a regular budget meeting.

An article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B and be approved by a majority 2/3 of the entire membership of the council in a vote taken in accordance with section 15690, subsection 5 or, if the council votes not to approve the article, by a majority of voters voting in a referendum called pursuant to subparagraph (4).

(3) If an article is approved by the council pursuant to subparagraph (2), the voters may petition for a referendum vote on the same article in accordance with subparagraph (4). If a petition is filed in accordance with subparagraph (4), the vote of the council is suspended pending the outcome of the referendum vote. Upon approval of the article by a majority of the voters voting in that referendum, the article takes effect. If the article is not approved by a majority of the voters voting in that referendum, the article committee or board may again propose an additional amount, subject to the requirements of this section.

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10(4) If a written petition, signed by at least 10% of the number of voters voting in 11 the last gubernatorial election in the municipality, requesting a vote on the additional amount is submitted to the municipal officers within 30 days of the 12 council's vote pursuant to subparagraph (2), the article voted on by the council 13 must be submitted to the legal voters in the next regular election or a special 14 election called for the purpose. The election must be held within 45 days of the 15 16 submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of 17 18 voters is not required to prepare or the clerk to post a new list of voters and absentee ballots must be prepared and made available at least 14 days prior to the 19 date of the referendum. For the purpose of registration of voters, the registrar of 20voters must be in session the secular day preceding the election. The voters shall 21 indicate by a cross or check mark placed against the word "Yes" or "No" their 22 23 opinion on the article. The results must be declared by the municipal officers and 24 entered upon the municipal records.

25 Sec. 5. 30-A MRSA §706-A, sub-§7, as affected by PL 2005, c. 2, Pt. B, §4 and 26 amended by c. 12, Pt. WW, §10 and affected by §§13 and 14, is further amended to read:

7. Process for exceeding county assessment limit. A county may exceed or
increase the county assessment limit only if approved by a vote of a majority 2/3 of all
the members of both the county budget committee or county budget advisory committee
and the county commissioners.

31 Unless a county charter otherwise provides or prohibits a petition and referendum process, if a written petition, signed by at least 10% of the number of voters voting in the 32 last gubernatorial election in the county, requesting a vote on the question of exceeding 33 34 the county assessment limit is submitted to the county commissioners within 30 days of the commissioners' vote pursuant to this subsection, the article voted on by the 35 commissioners must be submitted to the legal voters in the next regular election or a 36 37 special election called for that purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted 38 39 according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters, the filing requirement 40 contained in section 2528 does not apply and absentee ballots must be prepared and made 41 42 available at least 14 days prior to the date of the referendum. For the purpose of 43 registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word 44

1 "Yes" or "No" their opinion on the article. The results must be declared by the county 2 commissioners and entered upon the county records.

Sec. 6. 30-A MRSA §5721-A, sub-§7, as affected by PL 2005, c. 2, Pt. C, §5 and
 amended by c. 12, Pt. WW, §12 and affected by §§15 and 16, is further amended to read:

5 **7. Process for exceeding property tax levy limit.** A municipality may exceed or increase the property tax levy limit only by the following means.

A. If the municipal budget is adopted by town meeting or by referendum, the property tax levy limit may be exceeded by the same process that applies to adoption of the municipal budget except that the vote to exceed the property tax levy limit must be approved by 2/3 of the voters and must be by written ballot on a separate article that specifically identifies the intent to exceed the property tax levy limit.

12 B. If the municipal budget is adopted by a town council or city council, the property tax levy limit may be exceeded only by a majority 2/3 vote of all the elected members 13 of the town council or city council on a separate article that specifically identifies the 14 intent to exceed the property tax levy limit. Unless a municipal charter otherwise 15 provides or prohibits a petition and referendum process, if a written petition, signed 16 17 by at least 10% of the number of voters voting in the last gubernatorial election in the municipality, requesting a vote on the question of exceeding the property tax levy 18 limit is submitted to the municipal officers within 30 days of the council's vote 19 20 pursuant to this paragraph, the article voted on by the council must be submitted to the legal voters in the next regular election or a special election called for that 21 purpose. The election must be held within 45 days of the submission of the petition. 22 The election must be called, advertised and conducted according to the law relating to 23 24 municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters and absentee ballots must be prepared and made 25 available at least 14 days prior to the date of the referendum. For the purpose of 26 registration of voters, the registrar of voters must be in session the secular day 27 preceding the election. The voters shall indicate by a cross or check mark placed 28 29 against the word "Yes" or "No" their opinion on the article. The results must be 30 declared by the municipal officers and entered upon the municipal records.

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SUMMARY

This bill provides that the spending caps set in Public Law 2005, chapter 2 may be exceeded only by a 2/3 vote. Current law provides that these caps may be exceeded by a majority vote.