

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1492

S.P. 519

March 19, 2007

**RESOLUTION, Proposing an Amendment to the Constitution of
Maine To Prohibit Incurring Any New Unfunded Liabilities for
Retiree Health Benefits and To Require a 20-year Amortization of
Public Retiree Benefits**

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MILLS of Somerset.

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

4 **Constitution, Art. IX, §18-A** is amended to read:

5 **Section 18-A. Funding of retirement benefits.** ~~Beginning with the fiscal year~~
6 ~~starting July 1, 1997, the~~ The normal cost of all retirement, health and ancillary benefits
7 provided to retirees from public service and to participants under the Maine State
8 Retirement System must be funded annually on an actuarially sound basis. Unfunded
9 liabilities for retiree benefits of any kind may not be created except those resulting from
10 experience losses. Unfunded liability resulting from experience losses must be retired
11 over a period not exceeding 10 years.

12 **Constitution, Art. IX, §18-B** is amended to read:

13 **Section 18-B. Payment of unfunded liabilities for public retiree benefits.** Each
14 fiscal year ~~beginning with the fiscal year starting July 1, 1997,~~ the Legislature shall
15 appropriate funds that will on an actuarially sound schedule sufficient to retire in 31 years
16 or less , on or before July 1, 2028, the unfunded liabilities of the Maine State Retirement
17 System that are attributable to all retirement benefits, including health and ancillary
18 benefits, owed by the State on behalf of state employees and, teachers and others whose
19 retirement benefits are funded from state revenues. The unfunded liabilities referred to in
20 this section are those determined by the Maine State Retirement System's actuaries and
21 certified by the Board of Trustees of the Maine State Retirement System as of June 30,
22 1996 and those actuarially determined and certified in the State's audited financial
23 accounts for the fiscal year ending June 30, 2007.

24 ; and be it further

25 **Constitutional referendum procedure; form of question; effective date.**
26 **Resolved:** That the municipal officers of this State shall notify the inhabitants of their
27 respective cities, towns and plantations to meet, in the manner prescribed by law for
28 holding a statewide election, at a statewide election held in the month of November
29 following the passage of this resolution, to vote upon the ratification of the amendment
30 proposed in this resolution by voting upon the following question:

31 "Do you favor amending the Constitution of Maine to prohibit the State from
32 incurring any new unfunded liabilities for retiree health benefits and to require the
33 retirement in 20 years of the unfunded liability of all retirement benefits, including
34 health and ancillary benefits, owed by the State?"

35 The legal voters of each city, town and plantation shall vote by ballot on this question
36 and designate their choice by a cross or check mark placed within the corresponding
37 square below the word "Yes" or "No." The ballots must be received, sorted, counted and
38 declared in open ward, town and plantation meetings and returns made to the Secretary of
39 State in the same manner as votes for members of the Legislature. The Governor shall
40 review the returns. If it appears that a majority of the legal votes are cast in favor of the
41 amendment, the Governor shall proclaim that fact without delay and the amendment

1 becomes part of the Constitution of Maine on the date of the proclamation; and be it
2 further

3 **Secretary of State shall prepare ballots. Resolved:** That the Secretary of State
4 shall prepare and furnish to each city, town and plantation all ballots, returns and copies
5 of this resolution necessary to carry out the purposes of this referendum.

6 **SUMMARY**

7 This resolution proposes to amend the Constitution of Maine to prohibit the State
8 from incurring any new unfunded liabilities for retiree health benefits and to require the
9 retirement within 20 years of the unfunded liability of all retirement benefits, including
10 health benefits, owed by the State.