

MAINE STATE LEGISLATURE

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Date: 06-11-07

(Filing No. S-272)

TAXATION

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**STATE OF MAINE
SENATE
123RD LEGISLATURE
FIRST REGULAR SESSION
Minority**

COMMITTEE AMENDMENT “*B*” to S.P. 648, L.D. 1819, “RESOLUTION,
Proposing an Amendment to the Constitution of Maine To Restrict Tax Increases ”

Amend the resolution by striking out the title and substituting the following:

**‘RESOLUTION, Proposing an Amendment to the Constitution of Maine To
Allow Municipalities To Opt Out of the Unreimbursed Portion of the
Homestead Property Tax Exemption’**

Amend the resolution by striking out all of Part A.

Amend the resolution in Part B by striking out all of the first line (page 1, line 38 in
L.D.)

Amend the resolution in Part B by striking out all of subsection 6 (page 2, lines 6 to
10 in L.D.) and inserting the following:

**‘6. Local limitation on homestead exemption. Subject to procedural conditions
enacted by the Legislature, a municipality may, by majority vote at a referendum held
expressly for the purpose, limit the amount of the general homestead exemption to the
amount for which the reimbursement from the State represents 100% of the property tax
loss attributable to the homestead exemption. A municipality may reverse the decision to
limit the homestead exemption by a subsequent referendum.’**

Amend the resolution in Part B by striking out all of the question (page 2, lines 18 to
20 in L.D.) and inserting the following:

“Do you favor amending the Constitution of Maine to allow municipalities to limit
the amount of the general homestead exemption to the amount fully reimbursable by
the State?”

Amend the resolution by striking out all of Part C.

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SUMMARY

This amendment is the minority report of the Joint Standing Committee on Taxation. It removes those parts of the constitutional resolution that required a 2/3 vote to alter certain taxes and that authorized a local sales tax. The amendment retains the authority of municipalities to opt out of the unreimbursed portion of the general homestead exemption by holding a municipal referendum subject to procedural conditions enacted by the Legislature and to reverse that decision by a subsequent referendum.

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FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 1819

LR 625(03)

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict Tax Increases

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Referendum Costs

Month/Year	Election Type	Question	Length
Nov-07	General	Referendum	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions increases the ballot length, an additional appropriation of \$8,000 or more may be required.