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No. 1278

S.P. 398

In Senate, March 14, 2019

RESOLUTION, Proposing an Amendment to the Constitution of Maine Requiring the State To Share Not Less Than 5 Percent of State Sales and Income Tax Revenue with Municipalities

Reference to the Committee on Taxation suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator MOORE of Washington.
Cosponsored by Representative TUELL of East Machias and
Senators: BELLOWS of Kennebec, CLAXTON of Androscoggin, FARRIN of Somerset,
GRATWICK of Penobscot, Representatives: ALLEY of Beals, GRAMLICH of Old Orchard
Beach, HARNETT of Gardiner, PERRY of Calais.

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

Constitution, Art. IX, §26 is enacted to read:

Section 26. Dedication of not less than 5% of state sales and income tax revenues. For the purpose of reducing the burden placed on the property tax to finance municipal services, no later than the 10th day of each month the State Controller shall transfer to a fund separate from the General Fund not less than 5% of state sales and income tax receipts received during the previous month. The revenues transferred to the fund must be distributed to each municipality in the State according to a process established by the Legislature. Each municipal assessor shall deduct from the total amount required to be assessed on properties an amount equal to the amount the municipal officers estimate will be received during the municipal fiscal year.

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

"Do you favor amending the Constitution of Maine to require that each month the State Controller distribute to municipalities not less than 5% of all state sales and income tax revenues received by the State during the previous month for the purpose of reducing the burden placed on the property tax to finance municipal services?"

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

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

36 SUMMARY

For the purpose of reducing the burden placed on the property tax to finance municipal services, this resolution proposes an amendment to the Constitution of Maine to require that not less than 5% of state sales and income tax revenue be distributed to municipalities.