

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

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. IV, Pt. Third, §24 is enacted to read:

Section 24. Alteration of certain tax rates. After the effective date of this section:

1. Income tax, motor vehicle excise tax and sales tax. Except as provided in subsection 2, the effective rate of any income tax, motor vehicle excise tax mill rate or the general sales tax rate may not be increased or decreased except by enactment of legislation approved by 2/3 of all members of each House of the Legislature; and

2. Exception; debt payment. To the extent necessary to make up for General Fund revenues set apart by the Treasurer of State to pay interest and principal on bonded debt as provided under Article V, Part Third, Section 5, the Legislature may increase the rate of a tax without application of subsection 1.

; and be it further

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 this Part of the amendment proposed in this Part by voting upon the following question:

“Do you favor amending the Constitution of Maine to require a 2/3 vote of all the members of each House of the Legislature to alter the tax rate for income taxes, motor vehicle excise tax mill rates or general sales tax rates except when inadequate funds have been appropriated for debt payment?”

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 this Part of the amendment, the Governor shall proclaim that fact without delay and this Part of the amendment becomes part of the Constitution of Maine on the date of the proclamation; and be it further

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.

SUMMARY

This constitutional resolution proposes 3 changes to the Constitution of Maine and provides that each change must be presented as a separate and independent question to the voters.

Part A requires approval of 2/3 of each House of the Legislature to alter the tax rate for income taxes, motor vehicle excise tax mill rates or general sales tax rates except when inadequate funds have been appropriated for debt payment.

Part B authorizes municipalities to opt out of the unreimbursed portion of the homestead exemption by holding a municipal referendum and would allow them to reverse that decision by a subsequent referendum.

Part C requires a 2/3 vote of a municipal legislative body to increase the local property tax mill rate or implement a sales tax at the municipal level and further requires that if a local sales tax is authorized, it must provide property or excise tax relief.