

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

## **An Act To Strengthen Budget Caps for Counties, Municipalities and School Districts**

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

**Sec. 1. 20-A MRSA §15671-A, sub-§5, ¶A,** as enacted by PL 2005, c. 2, Pt. D, §35 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

A. The article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B. Notwithstanding section 1304, subsection 6; section 1701, subsection 7; Title 30-A, section 2528, subsection 5; or any other provision of law, municipal charter provision or ordinance, voter approval of the article, ~~whether in town meeting, district meeting or other voting process established by law, municipal charter or ordinance, including, but not limited to, any vote on the article initiated by voter petition,~~ must be by referendum ~~or written ballot~~ conducted pursuant to paragraph B, subparagraph (6).

**Sec. 2. 20-A MRSA §15671-A, sub-§5, ¶B,** as amended by PL 2005, c. 12, Pt. WW, §3 and affected by §18, is repealed and the following enacted in its place:

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, notwithstanding any provision of the municipal charter that prohibits a petition and referendum process with respect to the matters described in this paragraph.

(1) A majority of the entire membership of the school board or committee must approve the additional amount in a regular budget meeting.

(2) An article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B and be approved by a majority of the entire membership of the council in a vote taken in accordance with section 15690, subsection 5.

(3) If the council votes to approve the article, the article must be submitted to the legal voters in a referendum held pursuant to subparagraph (6) at the next regular election or a special election called for that purpose, but not later than 45 days after the council's vote.

(4) If the council votes not to approve the article, voters may petition for a referendum vote on the same article in accordance with subparagraph (5). If a petition is filed in accordance with subparagraph (5), the vote of the council is suspended pending the outcome of the referendum vote.

(5) If a written petition, signed by at least 10% of the number of voters voting in 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 council's vote pursuant to subparagraph (4), the article voted on by the council must be submitted to the legal voters of the municipality at the next regular election or at a special election called for the purpose but not later than 45 days after the submission of the petition.

(6) The referendum must be called, advertised and conducted 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 and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of 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 "Yes" or "No" their opinion on the article. The results must be declared by the municipal officers and entered upon the municipal records.

(7) 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 does not take effect. Subsequent to the vote, the school committee or board may again propose an additional amount, subject to the requirements of this section.

**Sec. 3. 30-A MRSA §706-A, sub-§7,** as affected by PL 2005, c. 2, Pt. B, §4 and amended by c. 12, Pt. WW, §10 and affected by §§13 and 14, is repealed and the following enacted in its place:

**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 of:

A. The members of the county budget committee or county budget advisory committee;

B. The county commissioners; and

C. Notwithstanding any county charter provision to the contrary, the legal voters in that county voting in a referendum called for that purpose. The article voted on by the commissioners must be submitted to the legal voters in the next regular election or a special election called for that purpose. The election must be called, advertised and conducted 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 contained in section 2528 does not apply and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of 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 "Yes" or "No" their opinion on the article. The results must be declared by the county commissioners and entered upon the county records.

**Sec. 4. 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 repealed and the following enacted in its place:

**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, then, notwithstanding any provision of the municipality's charter to the contrary, the property tax levy limit may be exceeded only by a referendum of the legal voters of that municipality held pursuant to paragraph B, subparagraph (2).

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 vote of:

(1) The elected members of the town council or city council on a separate article that specifically identifies the intent to exceed the property tax levy limit; and

(2) Notwithstanding any provision of the municipal charter to the contrary, the legal voters of that municipality voting in a referendum on the question of exceeding the property tax levy limit. 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 purpose. The election must be called, advertised and conducted 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 and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of 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 "Yes" or "No" their opinion on the article. The results must be declared by the municipal officers and entered upon the municipal records.

## SUMMARY

Under Public Law 2005, chapter 2, the so-called "L.D. 1," a county, municipality or school administrative unit in a municipality may exceed the maximum state and local spending targets if a majority of the legislative body responsible for the budget votes specifically to exceed the spending limits.

This bill requires the final vote on whether to exceed the spending limits at the county, municipal or school unit level to be sent to a referendum of the voters in that county, municipality or school unit, respectively.