

Resolve 6A -04/05  
Passage: 10/18/04 6-0

(Geraghty, Cohen abstaining, Leeman absent)

NATHAN H. SMITH (MAYOR)(3)  
WILLIAM R. GORHAM (1)  
KAREN A. GERAGHTY (2)  
CHERYL A. LEEMAN (4)  
JAMES I. COHEN (5)

**CITY OF PORTLAND**  
IN THE CITY COUNCIL

PETER E. O'DONNELL (A/L)  
JAMES F. CLOUTIER(A/L)  
JILL C. DUSON (A/L)  
NICHOLAS M. MAVODONES (A/L)

**RESOLUTION SUPPORTING THE  
MAINE STATE CHAMBER OF COMMERCE'S  
"MAINE PLAN" FOR TAX REFORM**

**WHEREAS**, the need for statewide tax reform is beyond dispute; and

**WHEREAS**, the previous Legislature was unable to reach a workable consensus; and

**WHEREAS**, such tax reform should include reasonable limits on government spending at all levels but also reflect existing budget and economic reality about the actual cost required for critical police, fire, rescue, school and public works services as well demonstrate respect for local control and the right of local voters to determine what is in the best interest of their communities; and

**WHEREAS**, on November 2<sup>nd</sup>, the voters of Maine will vote on Question 1 (the Palesky proposal) which, if enacted, will cause a \$41 million reduction in municipal public safety services and school services in Portland without imposing any limits on state or county spending; and

**WHEREAS**, the impact of the Palesky proposal on communities throughout Maine shows a complete disregard for its real effect on these services and the fabric of Maine's communities; and

**WHEREAS**, the Maine State Chamber of Commerce in collaboration with the Maine Service Center Coalition has prepared the Maine Taxpayer's Relief Act of 2005, known as the Maine Plan, as a citizen-initiated referendum to bring about responsible tax reform; and

**WHEREAS**, the Maine Plan is a sincere and well-reasoned plan to address the need for tax reform at all levels of government; and

**WHEREAS**, the Maine Plan in the first instance, targets tax relief to those who need it the most, notably homeowners with low or moderate incomes; and

**WHEREAS**, the Maine Plan, in stark contrast to the Palesky proposal, strikes a thoughtful balance between the need for genuine tax reform and limits on governmental spending and the need to preserve what is best in our communities by:

- a. Limiting the growth of state, local, school district and county spending in a fair way by using income as a modifying factor so that any increase in governmental spending will be reflected by an increasing ability on the part of our citizens to pay for it;
- b. Encourages new development in a way which recognizes that such new development is vital to our state, regional and local economic future;
- c. Adjusting the spending limits once Maine's state and local tax burden reaches the middle of the national rankings, in order to keep Maine in the middle of the pack;
- d. Assuring that additional state funding of local education costs under the recently passed Citizen Initiative actually reduces local property taxes;
- e. Setting aside revenue surpluses to help lower taxes;
- f. Providing substantial property tax relief to those Mainers whose property tax bills are too high relative to their incomes; and

**WHEREAS,** the Maine Service Center Coalition, a Coalition of 44 municipalities that serve as the providers of critical services for the regions within which they are located, unanimously endorsed the Chamber's Maine Plan on October 8, 2004; and

**WHEREAS,** the Service Center Coalition's action explicitly recognizes that the Councils of the respective member municipalities would have to individually determine whether to support the Chamber's proposal; and

**WHEREAS,** Maine residents demand and deserve a responsible and credible program of tax relief as soon as possible, and the Maine Plan will be enacted by the Legislature or sent directly to the voters no later than next year;; and

**WHEREAS,** the Maine Plan is an excellent vehicle around which to gather for the purpose of creating reasonable, fair and responsible tax reform in the State of Maine;

**NOW THEREFORE BE IT RESOLVED,** that the Portland City Council strongly supports the Maine Plan as the appropriate vehicle for accomplishing meaningful, fair and responsible tax reform in the State of Maine and limiting government spending at all levels of government; and

**BE IT FURTHER RESOLVED,** that the Portland City Council urges all of the voters of Portland to learn about and support the Maine Plan and sign the petitions that will be present at the polling place on November 2, 2005 which can send this legislation out to the voters no later than November of 2005 if not enacted by the Legislature next session.